Annual Report 2023

Landis+Gyr

About Landis+Gyr

A Global Industry Leader

Landis+Gyr is a leading global provider of integrated energy management solutions. We measure and analyze energy utilization to generate empowering analytics for smart grid and infrastructure management, enabling utilities and consumers to reduce energy consumption. Our innovative and proven portfolio of software, services and intelligent sensor technology is a key driver to decarbonize the grid. Having avoided around 8.9 million tons of CO_2 in FY 2023, Landis+Gyr manages energy better – since 1896. With sales of USD 2.0 billion in FY 2023, Landis+Gyr employs around 6,900 talented people across five continents.

Our Mission

At Landis+Gyr, we create a greener tomorrow through leading smart metering, grid edge intelligence and smart infrastructure technology.

As partners, we help utilities to solve their complex challenges and empower customers and consumers to utilize resources in a more informed and sustainable way.

Together, we manage energy better.

Our Values

Customer Intimacy

We are a trusted partner and deliver on our commitments

Uncompromising Performance

We strive to deliver high quality on time, every time

Innovative Technology

We passionately innovate true differentiators for our customers

Entrepreneurial Spirit

We empower teams to drive results with a can-do attitude

Sustainable Impact

We manage energy better for a more sustainable world

Performance Report 2023

Landis+Gyr

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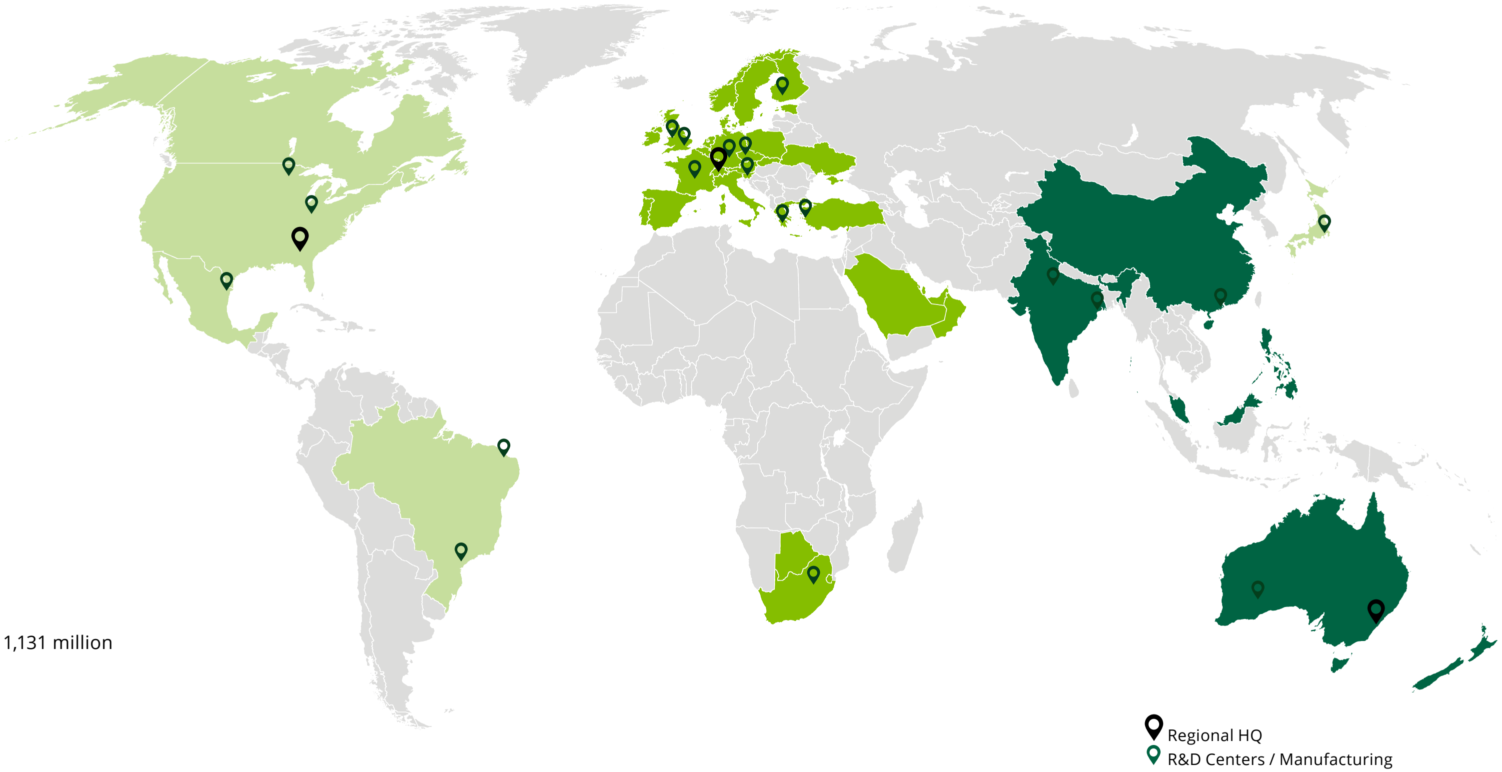
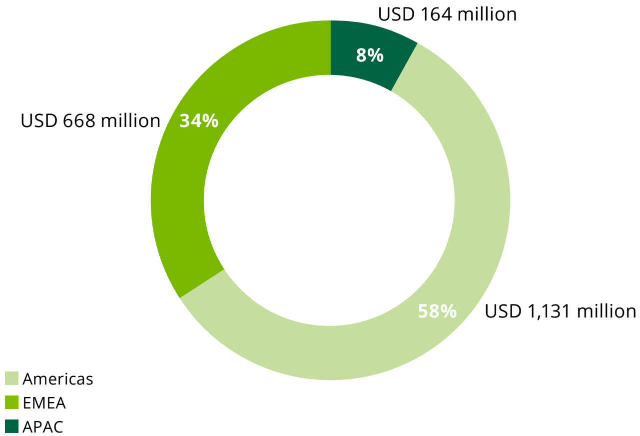
FY 2023 at a Glance



Net Revenue Split



3,500+
utilities served since 1896

167+
million connected intelligent devices

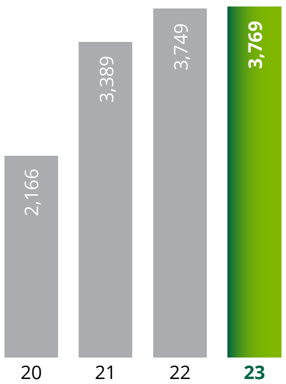
1.3+
billion reads per day for the world's largest utility IoT network in Japan

#1
Global AMI Company of the Year 2023 by Frost & Sullivan

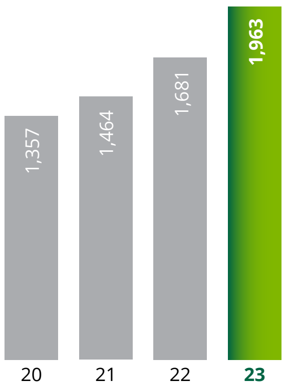
2023
Climate Leaders by Financial Times and Statista

FY 2023 Key Figures

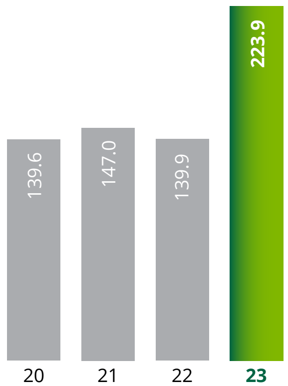
Committed Backlog
3,769
in million USD



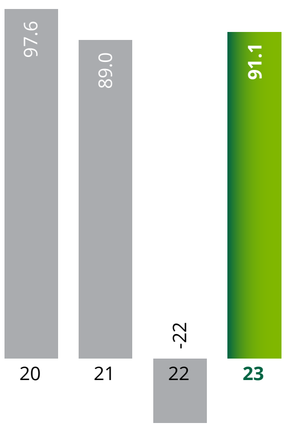
Net Revenue
1,963
in million USD



Adjusted EBITDA
223.9
in million USD

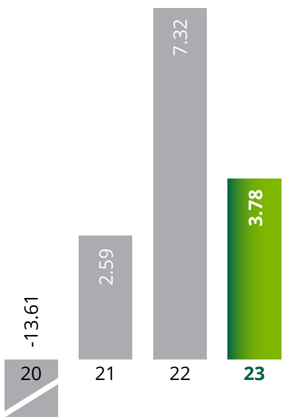


Free Cash Flow
(excluding M&A)*
91.1
in million USD



* Net cash provided by operating activities minus net cash used in investing activities, excluding merger & acquisition activities.

Earnings per Share
3.78
in USD



Dividend per Share
2.25
in CHF

Direct CO_2 emissions avoided
8.9 million tons
through Landis+Gyr's installed Smart Metering Base in 2023[1]

Direct CO_2 emissions from Landis+Gyr operations
0.3 kg CO_2 per USD 100 turnover[2]

Change of Landis+Gyr indicators in FY 2023 compared to FY 2022

Water withdrawal
–24%

Electricity consumption
–8%

Waste generated
+3%

CO_2 emissions[2]
–48%

1 Calculated with the new model built in collaboration with The Carbon Trust. In FY 2022, carbon emissions avoided amounted to 8.4 million tons (using the new model)
2 CO_2 emissions include Scope 1+2. In FY 2022, CO_2 per USD 100 turnover amounted to 0.7 kg.

SCIENCE BASED TARGETS
DRIVING AMBITIOUS CORPORATE CLIMATE ACTION
BUSINESS AMBITION FOR 1.5°C

Targets validated by SBTi in 2023

WE SUPPORT UN GLOBAL COMPACT

Joined in January 2020

GRI

Reporting according to GRI core since 2020

TCFD TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES

Adhering to TCFD since 2023

Corporate ESG Performance Prime RATED BY ISS ESG

Prime status (top decile) since 2022

MSCI ESG RATINGS AA
CCC B BB BBB A AA AAA

AA-rated since 2018

SUSTAINALYTICS
Negligible 0 - 10 | Low 10 - 20 | Medium 20 - 30 | High 30 - 40 | Severe 40+

ESG risk rating of 7.4 (Negligible Risk) in 2023

GOLD 2023 ecovadis Sustainability Rating

Top 5% of sustainable companies

inrate

Company grade of "B+" since 2023"

Letter to Shareholders

Dear Landis+Gyr Shareholders,

In the financial year 2023, we continued to see a rising demand for our energy efficiency solutions. With an ever-increasing adoption of renewable energy sources, and especially due to the vast global efforts for electrification to drive the decarbonization of the grid, our end-to-end solutions portfolio continues to position us as a leader in the market. To orchestrate the increasingly more volatile generation of energy and the rapidly increasing demand, our flexibility management solutions offering delivers efficiencies and emission avoidance as well as state-of-the-art cybersecurity for critical infrastructure and, ultimately, a resilient grid. As a result, the demand for our energy efficiency solutions continues to thrive which is reflected in our record backlog of nearly USD 3.8 billion.

The recent developments validate our strategic vision, which continues to be driven by innovation delivering energy efficiency solutions and unrivaled customer service, built on trust, partnership, and delivering on our commitments. Offering innovative solutions is key to embracing change in an ever-evolving environment, which is why Landis+Gyr has continued to reinvent itself, providing leading technology to our customers, stability to our employees and sustainable returns to our shareholders.

Innovating the Future of Energy

Motivated by our customers' success, we continue to follow our vision for the future of energy management and pride ourselves on offering the most comprehensive portfolio of solutions in the industry.

We are pleased to report strong results for FY 2023, delivering above our guided ranges for the full year and demonstrating our ability to deliver continued strong growth and margin expansion. The return to largely normalized market conditions and a strong focus on backlog execution drove growth and allowed us to serve customer demand even better throughout the year. Continued strong order intake and a new record backlog show the trust our customers have in our solutions and underpin the resilient nature of our Company.

While the rapid push for electrification increases the demand for energy efficiency and grid resilience solutions, our strategic transformation provides a solid foundation for sustained profitable growth and positions us in the sweet spot of the energy transition as we enable our customers to manage energy better and drive the decarbonization of the grid. Additionally, we are excited about new strategic investments and partnerships with SPAN and Brusa, which will allow us to further strengthen our portfolio to equip our customers with integrated end-to-end Flexibility Management solutions.

In a rapidly changing industry landscape, we have taken extensive steps to equip our teams with the skills required to solidify and strengthen our leading position around the globe. Partnering closely with our customers, together, we are moving from AMI 2.0 towards true ecosystem solutions to deliver grid resilience through future-proof innovation. When it comes to tackling foundational aspects like the affordability of energy for customers and the reliability of the grid that distributes energy to customers, we have partnered with utilities for more than a century to solve these challenges and will continue to partner with them in the future to address new trends and needs. Today, utilities are faced with a new energy supply and demand equation due to consumer engagement expectations at unprecedented levels, the energy transition toward more renewable and distributed generation and huge demand due to transportation electrification, investments in grid modernization with regulatory and government support and increased need for data and digital technologies to manage these developments.

As the grid becomes more intelligent at a rapid pace, we need to deliver solutions that provide actionable insights through effective data analytics. The challenge for utilities lies in leveraging new digital solutions to secure, process and manage this data and extract true value from it. We are proud to provide integrated end-to-end solutions to address these challenges and provide an offering that exceeds our historical core competencies and current portfolio of AMI (advanced metering infrastructure), Distribution Automation, Meter Data Management, EV (electric vehicle), and Load Management, which positions us well to partner with our utility customers to optimize their grid operations as DER (distributed energy resources) integrations happen at scale.

Our leading Cloud-based SaaS (Software as a Service) delivery models also put us in a strong position to grow and provide tangible benefits to our customers and end consumers, including real-time data analytics, industry-leading cybersecurity features and capabilities that allow utilities to run their grid infrastructure in the most efficient way and decarbonize the grid. Innovation being ingrained in our DNA, we have made significant investments to transform our portfolio to a fully integrated "Edge to Cloud" ecosystem that provides flexibility and choice to our customers from intelligent devices they want to manage at the edge, through various connectivity options based on the market needs, integrated into digital solutions enabled by the best-in-class Google Cloud platform.

As a result, we have expanded into higher growth adjacencies, which strengthen our competitiveness and allow us to grow our higher value software and services business. Integrating EV solutions into the ecosystem and applying powerful AI (artificial intelligence) and ML (machine learning) analytics to the vast amounts of data our large installed base of intelligent connected devices generates empowers not only utilities around the globe to drive energy efficiency, but also end consumers as part of our Smart Infrastructure offering. Now, we are bringing all of these solutions together, offering an end-to-end solutions portfolio to support customers with leading innovation as a trusted partner, ready to solve any challenge together for a greener tomorrow.

A pioneer in energy efficiency solutions with a successful track record that spans more than 128 years, Landis+Gyr continues to reinvent itself and comes in at the top of the leaderboard. The Company is highly recognized in all the countries it serves and has been offering leading technologies across the globe for energy, gas and water utilities for more than a century. Leveraging the newest technologies, we remain a true innovator. Consequently, Landis+Gyr will continue to build a profitable, successful business, partnering with our customers and providing attractive returns for our shareholders – by managing energy better – together.

Investments in Strategic Partners and Acquisition

Recently, we made two minority investments in strategic partners in Brusa Elektronik and SPAN.io. With these investments, Landis+Gyr is expanding its end-to-end solution offering to enable grid resilience and further support electrification and decarbonization efforts. Brusa Elektronik is a leading provider of power electronics and the combined offering of the two companies will include inductive and DC charging solutions. SPAN.io is a leading provider of smart panel technology and together the two companies will provide a multi-asset virtual power plant, solving electrification and demand flexibility through a grid edge platform solution. In October 2023, we acquired Thundergrid with the strategic aim of accelerating the expansion of our Electric Vehicle (EV) solutions business into Australia and New Zealand.

Financial Year 2023 Results

As a leading provider of energy efficiency solutions, we are very pleased with our order intake of almost USD 2.0 billion in FY 2023 and our record backlog of close to USD 3.8 billion, which highlights the trust our customers have in our long-standing partnerships and technological leadership.

The results of the 2023 financial year reflect the steady recovery of the supply chain situation. Our net revenue rose by 15.6% in constant currency to a new record of USD 1,963.0 million. The strong net revenue growth was driven by component availability improvement and catch-up on pent-up demand of approximately USD 120 million. Growth was led by our Americas region, which increased net revenue by 27.4% to USD 1,131.3 million, breaking the USD 1 billion mark for the first time.

Profitability measured as Adjusted EBITDA increased strongly by 60.0% in FY 2023 to USD 223.9 million and the Adjusted EBITDA margin surged 310 basis points to 11.4%. The strong increase in Adjusted EBITDA was mainly attributable to significantly higher volume resulting in operating leverage combined with operational efficiencies and steady recovery of supply chain cost and partially offset by higher adjusted operating expenses.

Also, Free Cash Flow (excl. M&A) recovered strongly to USD 91.1 million, an improvement of USD 113.1 million when compared to the negative the Free Cash Flow of USD (22.0) million in FY 2022, which was impacted by strategic investments in inventory. Our balance sheet remains strong with low net debt of USD 131.3 million and a ratio of net debt to Adjusted EBITDA of 0.59.

Net income attributable to Landis+Gyr Group shareholders for FY 2023 was USD 110.0 million and earnings per share (diluted EPS) amounted to USD 3.78. When excluding the one-off gain in FY 2022 from the divestment of the minority stake in Intellihub, like-for-like EPS for FY 2023 increased by 112.4%.

In line with our progressive dividend policy, the Board of Directors is proposing a distribution of CHF 2.25 per share to the Annual General Meeting in June 2024. The proposal represents an increase of 5 cents compared to last year's distribution and will be paid out entirely from statutory capital reserves.

Outlook for Financial Year 2024

After the strong topline growth in FY 2023, we expect a normalization with low single-digit net revenue growth in FY 2024. With further recovery of supply chain costs anticipated and operational efficiency measures having been taken, we expect the Adjusted EBITDA margin to be between 11% and 13% of net revenue. We will continue to actively manage operating working capital with a strong focus on cash conversion.

Our mid-term targets through FY 2025, with net revenue growth of mid to high single-digit CAGR relative to FY 2021, and an Adjusted EBITDA margin between 12% and 14% of net revenue and a strong focus on cash conversion, remain unchanged. When it comes to distributions to shareholders, we will continue with our progressive dividend policy approach.

Decarbonizing the Grid

With leading energy efficiency solutions, Landis+Gyr is enabling the energy transition and actively contributing to global sustainable development, not just through technologies empowering utilities and consumers, but also by actively driving green initiatives in our own operations. Ingrained in the Company's DNA, sustainability is a key driver and motivator for our employees, manifested in 20% of short-term incentives for all bonus eligible employees being tied to ESG targets.

In addition, we are proud that the Science Based Targets initiative (SBTi) has assessed our near- and long-term emission reduction targets against their rigorous criteria and has approved these targets in FY 2023. As a Company committed to decarbonizing the grid, our targets are in line with the most ambitious pathway (1.5°C), as defined by the Paris Climate Accord. We have committed to reaching net-zero greenhouse gas emissions across the value chain by 2050, reducing Scope 1 and 2 greenhouse gas (GHG) emissions by 42% until 2030 (versus 2021 as the base year) and reducing Scope 3 emissions by 42% until 2030. As a leader in the decarbonization efforts, we are in the first group of companies to receive approval for net-zero targets. In addition, in FY 2023, we were able to help avoid more than 8.9 million tons of CO_2 through our large installed smart metering base and strive to further increase our positive impact on the environment through consistently high investments in innovative technologies and solutions.

Further, in line with the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD) framework, we have considered two Intergovernmental Panel on Climate Change (IPCC) scenarios to assess the climate resilience of our strategy and, as a result, we are pleased to report that we are ahead of the Swiss legal requirements by a full year.

Passion and Commitment

Our teams around the world continue to drive leading-edge innovation, the strategic transformation of our portfolio and the expansion of our offering in integrated energy management solutions. Therefore, we would like to thank our 6,900 employees around the globe for their continued dedication, passion and entrepreneurial spirit to solidify our leading position and ensure continuous leading-edge innovation, customer satisfaction and speed to market.

Our customers' ambitious goals to serve communities around the globe with safe and reliable energy and to decarbonize the grid inspire us every day and we would like to thank our customers and partners for their continued trust and partnership.

Motivated by our record backlog and a continued strong pipeline, we are excited about our transformational journey and continue to focus on offering leading, integrated end-to-end solutions to our customers, expanding our strong partnerships, driving profitable growth and delivering sustainable value to our shareholders.

On behalf of all of us at Landis+Gyr, we thank you, our shareholders, for your continued support of and ownership in Landis+Gyr and for joining us in driving our mission to manage energy better – together.

Yours sincerely,

Andreas Umbach
Chair

Werner Lieberherr
Chief Executive Officer

Consolidated Statements of Operations

USD in thousands, except per share data	FINANCIAL YEAR ENDED MARCH 31, 2024	2023
Net revenue	**1,963,005**	**1,681,386**
Cost of revenue	1,364,192	1,206,169
Gross profit	**598,813**	**475,217**
Operating expenses		
Research and development	179,809	175,741
Sales and marketing	80,759	78,321
General and administrative	158,031	130,883
Amortization of intangible assets	36,065	39,237
Operating income	**144,149**	**51,035**
Other income (expense), net	(21,848)	7,249
Income before income tax expense	**122,301**	**58,284**
Income tax expense	(16,882)	(80,882)
Net income (loss) before noncontrolling interests and equity method investments	**105,419**	**(22,598)**
Net income from equity investments	3,232	229,717
Net income	**108,651**	**207,119**
Net loss attributable to noncontrolling interests, net of tax	(1,326)	(815)
Net income attributable to Landis+Gyr Group AG Shareholders	**109,977**	**207,934**
Earnings per share:		
Basic	3.79	7.35
Diluted	3.78	7.32
Weighted-average number of shares used in computing earnings per share:		
Basic	28,870,260	28,843,658
Diluted	28,945,232	28,958,880

The accompanying notes are an integral part of the consolidated financial statements found in the financial report.

"Due to significantly higher volume combined with operating leverage and the steady recovery of supply chain cost, we increased our Adjusted EBITDA margin in FY 2023 by 310 basis points to 11.4%.

Our record backlog of almost USD 3.8 billion, paired with our solid balance sheet, positions us well to drive future growth."

Elodie Carr-Cingari
Chief Financial Officer

Consolidated Balance Sheets

USD in thousands, except share data	March 31, 2024	March 31, 2023
ASSETS		
Current assets		
Cash and cash equivalents	127,837	117,370
Accounts receivable, net of allowance for doubtful accounts of USD 6.1 million and USD 7.4 million	337,578	351,379
Inventories, net	237,525	242,340
Prepaid expenses and other current assets	108,641	109,018
Total current assets	**811,581**	**820,107**
Property, plant and equipment, net	121,550	117,215
Intangible assets, net	178,307	216,312
Goodwill	1,051,670	1,048,508
Deferred tax assets	64,888	43,789
Other long-term assets	216,396	178,291
TOTAL ASSETS	**2,444,392**	**2,424,222**
LIABILITIES AND EQUITY		
Current liabilities		
Trade accounts payable	155,171	214,822
Accrued liabilities	41,605	47,638
Warranty provision – current	30,206	30,862
Payroll and benefits payable	81,770	66,076
Short-term debt	4,404	180,661
Operating lease liabilities – current	14,794	13,504
Other current liabilities	96,354	102,037
Total current liabilities	**424,304**	**655,600**
Long-term debt	248,151	–
Warranty provision – non current	12,964	15,404
Pension and other employee liabilities	26,751	24,729
Deferred tax liabilities	33,562	37,465
Tax provision	20,128	23,747
Operating lease liabilities – non current	68,049	82,088
Other long-term liabilities	58,967	55,995
Total liabilities	**892,876**	**895,028**
Redeemable noncontrolling interests	**5,035**	**6,358**
Commitments and contingencies – Note 26		

USD in thousands, except share data	March 31, 2024	March 31, 2023
Shareholders' equity		
Landis+Gyr Group AG Shareholders' equity Registered ordinary shares (28,908,944 and 28,908,944 issued shares at March 31, 2024 and March 31, 2023, respectively)	302,756	302,756
Additional paid-in capital	1,029,603	1,100,179
Retained earnings	285,858	176,105
Accumulated other comprehensive loss	(69,518)	(52,418)
Treasury shares, at cost (54,456 and 54,764 shares at March 31, 2024 and March 31, 2023, respectively)	(4,014)	(5,069)
Total Landis+Gyr Group AG Shareholders' equity	**1,544,685**	**1,521,553**
Noncontrolling interests	1,796	1,283
Total shareholders' equity	**1,546,481**	**1,522,836**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**2,444,392**	**2,424,222**

The accompanying notes are an integral part of the consolidated financial statements found in the financial report.

Foundation

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Performance Review – Group

"We are proud of the strong partnerships we continue to develop and strengthen with our customers and would like to thank them for their continued trust, which allowed us to deliver a strong FY 2023. Delivering significant margin improvement and a new record backlog, on the back of strong growth, I would also like to extend my thanks to our dedicated teams around the world for working tirelessly on our customers' behalf. In FY 2024, we will continue to focus strongly on expanding our leading position in the market and driving profitability.

Over the last four years, we have invested heavily in transforming our Company and our end-to-end solutions portfolio is a true differentiator to enable customers and end consumers to manage resources better. Motivated every day by our customers' desire to drive the energy transition forward, we are proud to actively shape a greener tomorrow and remain passionate about decarbonizing the grid."

With the return to largely normalized market conditions, Landis+Gyr delivered a strong performance in FY 2023 with a strong order intake of USD 1,977.6 million, corresponding to a book-to-bill ratio of 1.01. In addition, the Company saw a record committed backlog of USD 3,769.0 million – an increase of 0.5% year-over-year (YoY). Net revenues increased 15.6% YoY in constant currency, while Adjusted EBITDA increased by 60.0% to USD 223.9 million, which is equivalent to a margin of 11.4%. During a transformative financial year, Landis+Gyr expanded its reach in Grid Edge Intelligence and Smart Infrastructure solutions.

The positive development in the order intake was driven by major contract wins, mainly in the Americas region, which recorded an order intake of USD 1,238.1 million (book-to-bill of 1.1) while recent wins in the U.S. led to an increase in the committed backlog of 4.2% to USD 2,981.1 million. The region delivered strong net revenue growth of 27.4% in constant currency to USD 1,131.3 million due to conversion of the strong backlog, particularly in North America, supported by catch-up on pent-up demand due to improved component availability. In EMEA, orders of USD 600.7 million (book-to-bill of 0.9) were booked, leading to a 9.8% lower committed backlog of USD 698.4 million on account of unfavorable FX developments. Business in the EMEA region also grew steadily compared to the prior year with net revenue up 7.0% in constant currency to USD 668.1 million. In Asia Pacific, order intake amounted to USD 138.8 million, (book-to-bill of 0.8), resulting in a 21.4% lower committed backlog of USD 89.5 million, due to the discontinuation of manufacturing activities in India. Net revenue in the Asia Pacific region was down 12.1% in constant currency to USD 163.6 million, negatively impacted by India and Bangladesh and foreign exchange headwinds, though partially offset by growth in the Philippines and Hong Kong.

Addressing Industry Trends through Portfolio Expansion

In 2020, Landis+Gyr embarked on a strategic transformation. Since then, Landis+Gyr has invested heavily to expand Grid Edge Intelligence and Smart Infrastructure to address the evolving needs of our customers. From 2020 to 2022, the Company temporarily invested an additional 2% of revenues in R&D, for a total of 10.3%. In addition, the R&D investments shifted towards Grid Edge Intelligence and Smart Infrastructure. In FY 2023, the transformation is enabled the Company to drive its Grid Edge Intelligence and Smart Infrastructure business to new heights and thereby reduce its R&D expenses to a more normalized, yet still significant, 8.9% of net revenues to drive efficiencies and margin expansion.

Werner Lieberherr
Chief Executive Officer

This is allowing Landis+Gyr to address the needs of end consumers in its strategic pillar Smart Metering, solve challenges on the community level in Grid Edge Intelligence and provide system solutions in Smart Infrastructure – all connected by leading cloud solutions. As a result, the Company has expanded its portfolio and is well positioned to capture profitable growth and deliver sustainable shareholder value going forward.

The global acceleration of transportation electrification and increasingly decentralized and bi-directional grids, require careful orchestration for continued grid stability. Rapid electrification poses new challenges for utilities and data insights are the key to solving these challenges – truly integrated flexibility solutions.

Landis+Gyr offers a comprehensive portfolio of grid edge intelligence and smart metering devices that collect and process data, while connectivity services ensure that these data sets are transmitted, in some cases in real time, to a cloud platform that enables analytics solutions to generate actionable insights for customers and end consumers. In addition, the Company offers both hardware and software for the EV infrastructure market, while its state-of-the-art cybersecurity and network security solutions protect critical infrastructure every step of the way.

In FY 2023, Landis+Gyr has made two minority investments in strategic partners. In doing so, the Company is expanding its end-to-end solution offering to enable grid resilience and further support electrification and decarbonization efforts. Brusa Elektronik is a leading provider of power electronics and the combined offering of the two companies will include Inductive and DC Charging solutions. SPAN.io is a leading provider of smart panel technology and together the two companies will provide a multi-asset virtual power plant, solving electrification and demand flexibility through a grid edge platform solution.

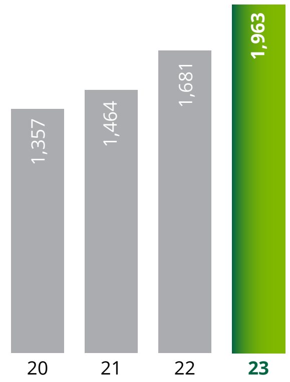
Combining all these assets allows Landis+Gyr to offer an end-to-end product stack, enabling demand flexibility management, driven by the increased need for grid visibility and reliability, increased consumer engagement, and the need for solutions that provide a better foundation for the energy transition and more energy efficiency to drive sustainable efforts forward.

As a true partner, Landis+Gyr innovates and delivers solutions that enable the energy transition, ensure grid stability, and drive the decarbonization of the grid.

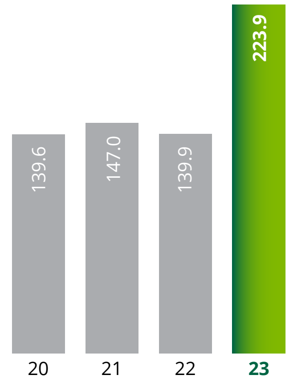
Outlook for the Group's Financial Year 2024

Landis+Gyr expects low single-digit net revenue growth in FY 2024. With supply chain costs expected to recover further and the introduction of operational efficiency measures, the Adjusted EBITDA margin is expected to be between 11% and 13% of net revenue. Landis+Gyr will continue to actively manage operating working capital with a strong focus on cash conversion.

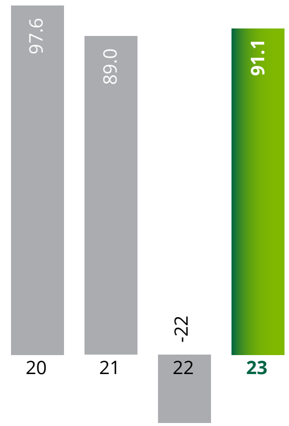
Net Revenue
1,963
in million USD



Adjusted EBITDA
223.9
in million USD



Free Cashflow
(excluding M&A)*
91.1
in million USD



* Net cash provided by operating activities minus net cash used in investing activities, excluding merger&acquisition activities.

Performance Review – Americas

"In North America, we strengthened our leadership position in the energy management market by responding to the growing needs of our customers to better balance supply and demand of energy resources. As the challenges for energy providers and consumers grow, the market for innovation grows with it, reflected in our strong backlog of USD 2,981.1 million. Yesterday's technology cannot power the use cases of tomorrow – Revelo's widespread adoption throughout North America, with more than 5 million units contracted and in active deployment, further solidifies market leadership in solving for future energy management applications.

We continue to harness the power of grid edge-to-enterprise intelligence through a scalable App ecosystem, innovative Artificial Intelligence (AI) / Machine Learning (ML) capabilities, and powerful analytics to turn massive amounts of data into actionable insights. Now more than ever, smart management of the power grid is crucial to ensuring reliable power distribution. Through the power of strategic partnerships, we have developed integrated flexibility management solutions that enable grid resiliency and energy efficiency benefits for our customers and end consumers. Inspired by our customers' ambitious goals, we stand ready to deliver efficient and reliable connected grid edge solutions, expand our strong partnerships, and deliver profitable growth within a dynamic market."

In FY 2023, the Americas region delivered revenue growth of 27.4% in constant currency with net revenue of USD 1,131.3 million, compared to USD 887.9 million in FY 2022. Adjusted EBITDA increased to USD 185.4 million, from USD 119.0 million.

Transformative Momentum Fueled by Delivering Added Value Across All AMI Waves

AMI has evolved beyond the first wave of simple meter-to-cash enablement and requires an interoperable, connected ecosystem for managing grid edge assets. Alongside significant reductions in supply chain lead times, a stream of customer migrations – both within our own technology portfolio and competitor systems – drove significant growth in 2023 through landmark new contracts with existing customers, including Salt River Project (SRP), Tucson Electric Power (TEP), and Cleco. Powered by the Revelo platform's widespread adoption, with more than 5 million Revelo sensors contracted and in deployment, Landis+Gyr secured a record backlog of USD 2,981.1 million.

Landis+Gyr continues to serve a diverse customer base through contracts with cooperative, municipal, and community-owned utilities, highlighted by strategic signings with Tipmont REMC and Brownsville PUB (TX).

Now more than ever, the smart management of power grids is crucial to ensuring reliable power distribution. Supply chain constraints driven by the COVID-19 pandemic have further reinforced the need to minimize single source components and adopt solutions that provide both interoperability and interchangeability. The large-scale Revelo deployments at both National Grid and PPL Rhode Island – via a Wi-SUN network – highlight the importance of creating a multi-vendor, connected grid edge ecosystem.

Sean Cromie
Executive Vice President
and Head of Americas

Successful customer delivery continued to be a key focus in 2023 and the year was marked by large-scale AMI installations at National Grid (NY), LG&E, and AES Ohio. We continued to build operational momentum with the successful start of several new deployments, including EPCOR Water, City of Longmont, and Otter Tail Power.

Historic federal funds for the electric grid were slowly allocated across a variety of grant and R&D programs in 2023 – awarding between USD 1 million and USD 100 million to utilities, national labs, and other vendors. Key themes across grant programs emphasized innovation at the grid edge and real-time energy markets, as well as resiliency, cybersecurity, and Distributed Energy Resource Management System + Virtual Power Plants – reflecting a vision of a secure and resilient clean energy future.

Key Strategic Partnerships Unlock Electrification and DER Flexibility at the Grid Edge

Technological innovations at the grid edge and behind the meter are fundamental to the future management of demand and supply. The Great Energy Transition and increased pressure on the grid have amplified the need for more streamlined grid orchestration – Landis+Gyr's integrated global flexibility management platform leverages proven global partner solutions that interact with and control multiple loads under a single pane of glass, including partnering with global leaders TCS Clever Energy, Microgrid Labs, and SPAN. As a natural evolution of the Revelo platform, Landis+Gyr and SPAN announced a strategic partnership to offer an industry-first grid edge solution with circuit-level, billing-grade metering, Distributed Energy Resources (DER) visibility, and controls. This innovative partnership will address the increasing power demand driven by electrification of transportation and buildings that require new and innovative ways of managing the load at each premise. We've continued to expand our EV Solutions portfolio in North America, including an exciting contract with EnerPro for Level 2 EV Chargers, further supporting customers with innovative technology that addresses transportation electrification and the integration of charging infrastructure into grid operations.

Increased Growth of Utility IoT Adoption in the South American Market

Landis+Gyr is leading the South American market to address non-technical loses with Magno®, which builds on the established uptake of cabinet metering solutions, demonstrated by major wins in South America as economic indicators move favorably with Equatorial, ENEL, CPFL, and EDP for cabinet meters solutions. Additionally, the adoption of Gridstream® Connect IP-based networks continues to expand in Brazil, through recent contracts to expand the platform in various utilities in the country. This shift towards advanced AMI technology is evident in the industrial and commercial metering sector, driving the demand for high-end commercial solutions.

Global IoT Leadership in Japan Continues with TEPCO's AMI Technology Upgrade

TEPCO, the largest utility in Japan, is undertaking a full system upgrade following the successful rollout of the first generation that began with Landis+Gyr in 2014. The deployment of advanced endpoint technology is slated to start in 2026. This next phase will include the introduction of next generation concentrators, repeaters, and endpoints, and an update of the Head End System (HES)/subsystem. Beginning as Mesh IP and converting to Wi-SUN FAN following deployment of all second-generation concentrators, the updated network and HES will support the largest amount of daily metering data delivered by any Landis+Gyr customer. Landis+Gyr will also support the integration of joint meter reading across Gas, Water, and IoT services.

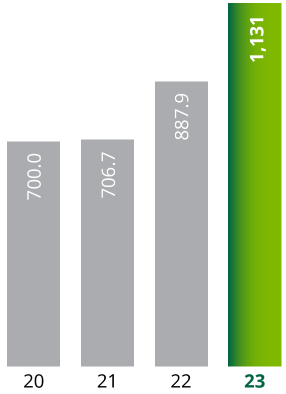
Outlook for FY 2024

Energy efficiency and grid resiliency have become mainstream topics, as concerns around rising energy prices, sustained growth in electricity consumption, and global initiatives to combat climate change continue to grow. More than ever, we see an increased need for flexible intelligence at the edge. Building on the achievements of FY 2023, we have shaped the three key focal points for FY 2024: delivering market-defining customer projects, enabling unified flexibility management solutions

Net Revenue

1,131.3

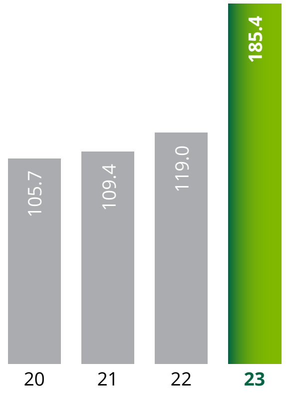
in million USD



Adjusted EBITDA

185.4

in million USD



for our customers to enable grid stability and reliability, and achieving major technology milestones across our multi-commodity portfolio. Building on deployment momentum from key migration and new customer contracts, the Americas business remains committed to operational excellence, including effective mitigation strategies for supply chain challenges. With an increased federal focus on cybersecurity, Landis+Gyr's holistic grid edge to Operational Technology (OT) security solutions will significantly reduce the risk of cyber incidents through end-to-end, real-time visibility – enabling quicker threat identification, mitigation, and prevention. Landis+Gyr will continue to help utilities enable grid flexibility and advance their decarbonization programs by leveraging its strategic hardware and application partnerships, powered by the unparalleled edge computing capabilities and intelligence of the Revelo platform. Revolutionary technology advancements powered by advanced grid edge sensors, flexible communication options, and real-time cloud-based analytics will unlock DER flexibility management and enhance customer engagement.

Performance Review – Europe, Middle East and Africa

"The European energy industry is undergoing a dynamic transformation. The rise of renewables and ambitious decarbonization targets are presenting both opportunities and challenges for utility companies. Landis+Gyr remains committed to empowering utilities navigating this evolving landscape with our end-to-end solution portfolio. We recognize the growing need for flexibility management, addressing power quality concerns and ensuring seamless integration of renewables without compromising grid stability. Leveraging the global digitalization trend, we offer advanced solutions for real-time monitoring and optimization, that empower our customers to make data-driven decisions, increasing efficiency and reliability.

Timely addressing those market needs through intensive development, strategic acquisitions and partnerships initiated the turnaround of our business. Landis+Gyr has regained a leading position in residential and ICG Smart Metering, expanded market share in key European markets and won significant opportunities in the Middle East and Africa. We believe in fostering strong partnerships with the key energy stakeholders, working hand-in-hand we remain resolute to deliver a sustainable and secure energy future for Europe and beyond."

In FY 2023, the EMEA region delivered solid revenue growth of 7.0% in constant currency due to improved component availability. Revenue increased to USD 668.1 million in FY 2023 from USD 602.3 million in FY 2022. Profitability improved due to operating leverage, better pricing, and operational and structural efficiencies despite investments in EV and Ultrasonic Smart Water segments. Several cost-savings measures were implemented to address margin pressure, positioning Landis+Gyr to continue the trajectory of the initiated turnaround.

Next-Gen Solutions for DSOs in a Changing Landscape

The geopolitical landscape, coupled with the volatile energy market, serves as a powerful catalyst for the industry as Europe remains steadfast in its dedication to renewable energies and the electrification of its vehicle fleet. These unwavering commitments propel Landis+Gyr's customers towards more effective grid management through innovative solutions, curbing technical and non-technical losses, ensuring a competitive and safe supply of environmentally friendly energy.

In FY 2023, the Company has successfully expanded its market presence across several EMEA regions including Switzerland, Germany, Finland, South Africa, the Middle East, and Central and Eastern Europe. This expansion was closely linked to the swift implementation of both ongoing and newly initiated projects, significantly enhancing the region's market share. Deployment focus was tied to Grid Edge solutions and Smart Metering infrastructure, leveraging intelligent technologies and complementing services. This initiative resulted in the rollout of advanced metering solutions with major national players- including but not limited to Enedis, Fluvius, E.On, Iberdrola, and Eskom.

Bodo Zeug
Executive Vice President
and Head of EMEA

As cyber-attacks on utilities in the electricity sector have been steadily increasing since Russia's invasion of Ukraine, the importance of cybersecurity has become paramount. Landis+Gyr's selection by Israel Electric Corporation (IEC) in 2023 for their national rollout underscores the high level of performance and reliability of the Company's cybersecurity solutions. This partnership not only validates Landis+Gyr's expertise in this critical field but also reflects its long-term commitment to advancing cutting-edge technology in cybersecurity to protect vital infrastructure.

In the UK Landis+Gyr has deployed over 1.6 million smart metering endpoints and defended position as the largest supplier, holding over 50% market share despite a challenging market. In FY 2023, Landis+Gyr has extended its contract with the UK Big-6 Energy Suppliers for an additional 0.8 million endpoints until the end of 2026. In 2025, the regulated smart water metering program in the UK is set to commence, and Landis+Gyr is well positioned to expand its footprint in the water management sector by leveraging legacy expertise in smart metering technologies.

Landis+Gyr's leading position relies on a continuous commitment to its customers' performance through their timely access to customized valuable information, ensuring a clear return on their AMI investment. Lastly, the Company's major development in EV, Gas, Water and Heat solutions further complements its expertise in electricity and positions Landis+Gyr at the forefront of the multi-energy solutions providers for the coming years.

Ultrasonic Smart Water & Heat Metering Solutions

Landis+Gyr continues to strengthen its smart ultrasonic water and heat metering business, providing leading metering solutions to its customers based on high quality connected static devices, seamless interoperability and value adding digital services. In FY 2023, the Company has delivered a strong growth performance in its heat metering business and is well positioned to leverage the expected high growth in the water metering segment. The launch of its ultrasonic smart water meter series Wx70 and continuous extension of its respective solution offering positions Landis+Gyr well to capture growth by addressing the most urgent challenges to the water industry, the efficient avoidance of water loss and non-revenue water.

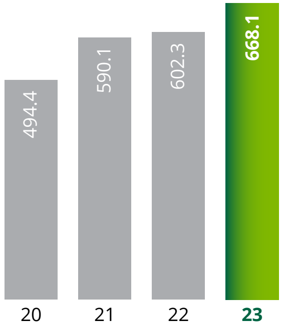
EVs Powering the Grid of Tomorrow

Landis+Gyr has continued to expand its Electric Vehicle (EV) Solutions portfolio and as a result established a stable position in the market through strategic market introductions and expansion efforts. Landis+Gyr's EV Solutions have successfully navigated the complexities of a fragmented European market, diverse market requirements and tightening legislation, by leveraging the flexibility of its solution portfolio offering. The launch of the new INCH Core domestic EV charging station continues the smart charging legacy, catering to the evolving requirements of the low-voltage grid, leveraging dynamic load management and demand response capabilities. The positive response from customers and stakeholders is reaffirming Landis+Gyr's commitment to innovate and extend its reach in the rapidly expanding EV landscape.

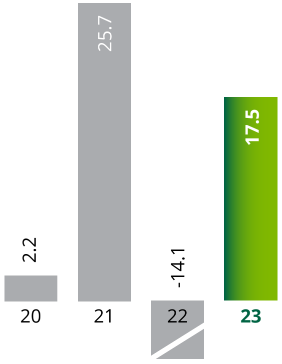
Outlook for EMEA's Financial Year 2024

Looking ahead to the next year, the European energy sector presents an exciting environment with numerous opportunities. Within the evolving European regulatory landscape, Landis+Gyr expects stricter policies on the horizon, further promoting sustainability, grid efficiency, and robust cyber security protection. This evolving regulatory environment demands agility and a commitment to continuous improvement. The Company's commitment to innovation will see a stronger emphasis on its solution offering, specifically designed to address the growing need for flexibility and grid edge integration, while ensuring compliance with the highest security requirement of critical grid infrastructure. Concurrently, the Company remains laser-focused on delivering exceptional customer support and ensuring the highest quality standards in the completion of awarded projects. By optimizing its supply chain management costs,

Net Revenue
668.1
in million USD



Adjusted EBITDA
17.5
in million USD



Landis+Gyr anticipates rising margins that will allow for further investment in R&D and bolster its ability to deliver best-in-class solutions to its customers. Landis+Gyr is confident that its focus on innovation, quality, and customer relationships will position the Company as a key driver in Europe's clean energy transformation and will allow it to reap the rewards of its strategic initiatives in the coming years.

Performance Review – Asia Pacific

"We have expanded our smart infrastructure growth area by acquiring Thundergrid, an EV infrastructure company that. provides end-to-end solutions and services across New Zealand. As electric vehicle sales continue to surge in the Asia Pacific (APAC) region, the burden on utility networks from charging also increased. This necessitates balancing network loads, especially as low voltage networks become constrained. With over 40 years of load management experience, the APAC region is well positioned to assist utilities in monitoring, detecting and managing a balance grid. This strategic investment paves the way for offering the Company's flexibility management solutions, contributing to a sustainable grid.

In water, we pioneered leak detection and improvement measurement through our ultrasonic and embedded NB-IoT technology, enabling water utilities to amplify water conservation efforts for their networks and customers. With more than 100,000 smart water meters deployed across Australia and New Zealand, the APAC region is strategically placed to capture future growth with the Company's second generation of 'Green design' smart water meters."

In FY 2023, the APAC region delivered net revenues of USD 163.6 million with profitability impacted by the Company's exit from the manufacturing business and slight slowdown of the Australian Power of Choice regulation. However, the Company has since made progress to reposition its business focus in India as a solution provider, while the Australian Energy Market Operator (AEMO) has released a requirement for retailers to have all remaining meters updated with smart meters by 2030. The Company's remaining key markets – China and Southeast Asia businesses performed well and have demonstrated stable growth. APAC continued to expand its profitability, achieving 11.0% adjusted EBITDA.

Increased adoption of Advanced Metering Infrastructure across APAC

Advanced Metering Infrastructure (AMI) and Grid Edge progress Utilities across Southeast Asia are now re-initiating their AMI programs, as investments return into the energy sector, post pandemic. Many utilities are preparing for pilots to validate technologies and vendors, and tendering activities for larger AMI rollouts are expected beyond 2023.

The AMI rollout continues smoothly in Hong Kong, where CLP Power (CLP) has now deployed more than 2 million meters. In November 2023, CLP has received three coveted awards at the International Data Corporation (IDC) Future Enterprise Awards for its AMI system, including Best in Future of Connectedness for Hong Kong and APAC region. This is a great achievement for CLP and a validation for Landis+Gyr since the Company's software, communication, and metering technologies underpin their AMI program.

David Maclean
Senior Vice President
Asia Pacific

India is now progressing with more than 10 million meters deployed and primary communication technologies being deployed are RF and cellular, with the government targeting 250 million smart meters. This initiative will see a significant digital transformation of the electricity utility sector including the electrification of transportation, laying the foundation for the future of Distributed Energy Resources (DER). Landis+Gyr's Gridstream™ solutions are well placed to deliver fast and reliable data, with four of the Company's systems already deployed and operating across India.

In Australia and New Zealand with the rapid pace of the energy transition, including high penetration of residential solar generation, batteries, and uptake of EV's, the electrification o everything' has brought on a need for more dynamic control of flexible loads and generation. Landis+Gyr's E360 platform is a leading solution in grid edge metering, enabling edge intelligence through industry fast data streaming capabilities. In Western Australia, Western Power, has passed the halfway mark of installing 600,000 units of smart meters, putting them on track to finalizing their deployment by 2027, for which Landis+Gyr is a key smart metering provider.

E-mobility and Flexibility Management expansion into Australia and New Zealand

With the continued uptake of EVs across the region, electricity demand is rising faster than generation capacity, leading to constrained networks. Utilities will need to implement management solutions, that not only include traditional load management, such as hot water services, but also include PV, batteries, and EV charging. Landis+Gyr is uniquely positioned to play a central role in the provision of Flexibility Management, through its smart metering and EV charging portfolio, and expanded Flexibility Management applications.

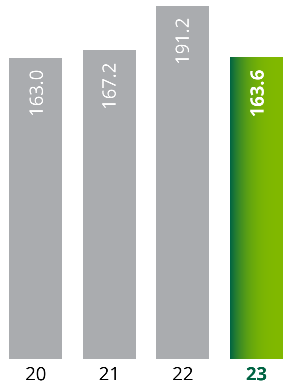
The integration of Thundergrid, the Company's EV solution and service business, is on track, enabling Landis+Gyr to accelerate its entry into EV services by leveraging Thundergrid's experience and capabilities initially into Australia and then across the region. The Company is well placed to capture both charging and service opportunities across the region.

Outlook for APAC's Financial Year 2024

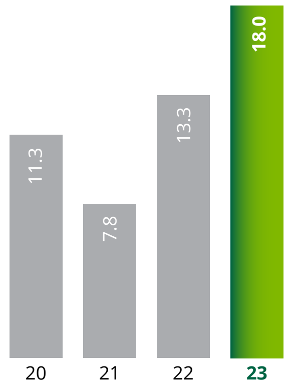
Landis+Gyr expects continued demand for its smart metering portfolio solutions while seeing growth in the Company's Flexibility Management offering, driven by EV solutions and services, building on Landis+Gyr's existing installed base, through FY 2024. Smart metering demand across Australia and New Zealand will return to base levels on the back of AEMO's decision to have upgraded all metering end points in the Power of Choice market with smart meters by 2030. Water utilities across Australia and New Zealand will continue their transition to implement smart water metering and are expected to provide a solid pipeline of opportunities for the Company.

Additionally, Landis+Gyr continues to actively explore emerging opportunities in the AMI sector across Southeast Asia and India. The Company leverages its solution offering to capture opportunities, including in the areas of E-mobility and Flexibility Management. Meanwhile, in China, the Company sees new growth opportunities due to increasing sustainable priorities in the energy industry to drive efficiencies through various solutions.

Net Revenue
163.6
in million USD



Adjusted EBITDA
18.0
in million USD



Value Drivers

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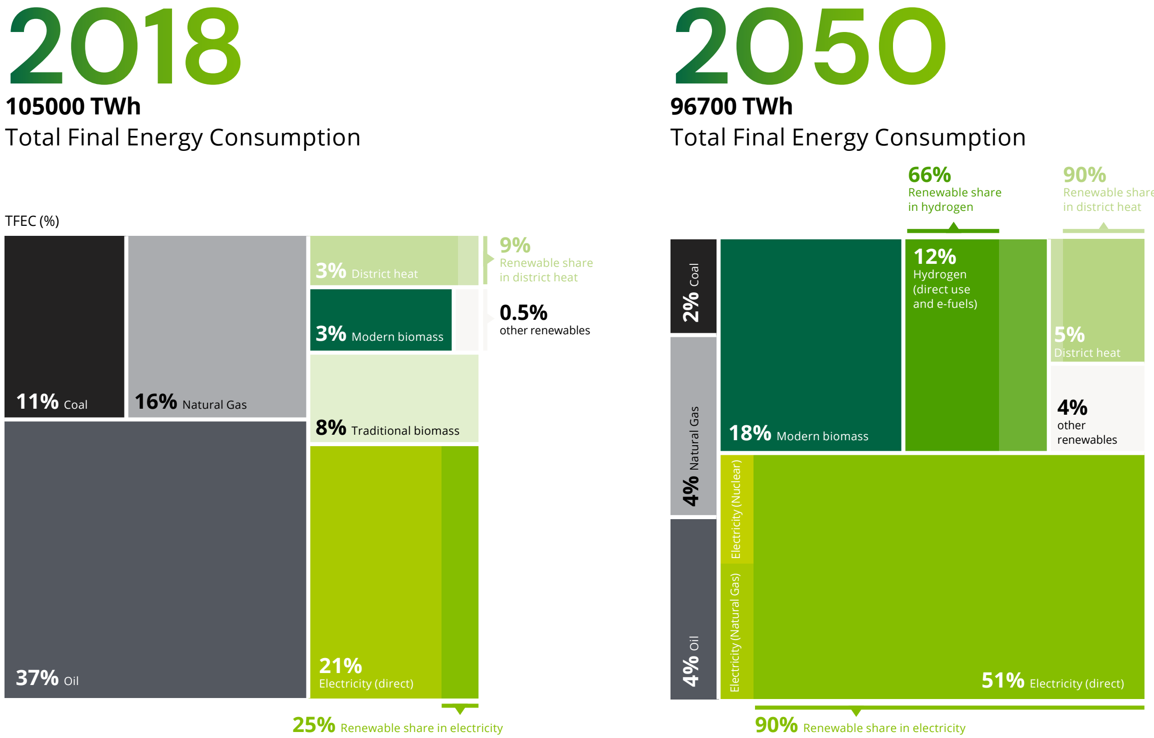
Market Environment

The electric grid is experiencing a revolution, as growth in energy demand is back after years of stagnation. IRENA (2021) estimates that to reach the 1.5°C scenario by 2050, the share of electricity in the final energy mix would grow from 22% today to 51% in 2050 (fig. 1.) As the world decarbonizes, 2050 global electricity demand is set to be three times what it was in 2020. The emergence of Artificial Intelligence and the processing power it requires are driving the construction of new data centers that are hungry for electricity to power their servers. Simultaneously, the supply chain shortages and tense geopolitical conditions have pushed nations to reshore key productive industries, especially semiconductor and battery manufacturing, leading here again to an increase in energy demand. Additionally, consumers are being incentivized to electrify their homes and their cars, adding another source of growth for electricity demand and complexity to the grid.

Fig.1 Breakdown of total final energy consumption (TFEC) by energy carrier in 2018 and 2050 (TWh) in the 1.5°C Scenario



Source: IRENA (2021), World Energy Transitions Outlook: 1.5°C Pathway, International Renewable Energy Agency, Abu Dhabi.

Utilities are already facing challenges coming from the variability in renewable generation, the proliferation of DER, and the promised emission reductions aimed at achieving net zero goals. The sharp decrease in the cost of solar panels is reinforcing their market acceptance and fostering a broader adoption of the technology. Adding electricity demand growth to the mix, how will the utilities' aging infrastructure keep the lights on for all customers? Recent regulatory filings show utilities' commitment to significantly increase spending on grid modernization. Building new substations and miles of power lines will be required to sustain the growth. However, coping with the fast increase in electricity demand will not just be about adding more wires to the grid but also about finding new and innovative ways of managing the load at each premise level.

As homes get electrified, it is estimated that one in every two homes would require a service-level upgrade just by the addition of a single EV charger in their garage. As new neighborhoods are being built under the latest construction codes mandating all-electric appliances and cars, the electric infrastructure must be carefully dimensioned to enable the trade-off between potential peak loads and the actual cost of the infrastructure. Utilities can delay or avoid some of these costly upgrades by adopting newer non-wires alternatives that combine edge computing sensors and AI/ML algorithms to optimize a premise for efficient energy usage.

Consumers play a key role in this transition, driven by their eco-consciousness. Empowering consumers is a crucial strategy for utilities. By providing tools that help them understand their energy usage and offering incentives for using electricity efficiently, utilities can encourage consumers to support energy transition actively. Additionally, the digitalization of grids generates extensive data, which now reaches end consumers, offering them the insights needed to manage electricity usage effectively.

The distribution grid could become a bottleneck in energy transition. It was designed to cope with peak loads; however, the load now needs to be distributed more evenly throughout the day. This is because the infrastructure cannot be expanded quickly enough to match the expected rate of electrification. Landis+Gyr is investing in new technologies to address and solve these challenges and empower its customers to modernize and digitally operate their grids more efficiently.

Strategy & Business Model

As a trusted partner to its utility customers, Landis+Gyr is committed to providing high-quality products and services that contribute to solving the challenges faced by the utility industry and shaping the future of energy distribution and energy consumption in a sustainable way.

Landis+Gyr offers an end-to-end product stack that tackles the challenges related to:

- the increasing need for grid visibility, reliability and flexibility
- the consumer empowerment, with consumers demanding to be informed and in control of their energy usage
- the proliferation of distributed energy resources and energy-efficient solutions that provide a better foundation for the energy transition

Landis+Gyr takes responsibility for and manages its impact on society, the environment, and its business ecosystem. This is demonstrated by the Company's commitment to uphold the UN Global Compact's ten principles and contribute to the Sustainable Development Goals. It is also reflected in the Company's business strategy, policies, corporate values, and Code of Conduct, which guide its operations and support the design and manufacturing of solutions that enable environmental and societal benefits. Building on a sustainable foundation, Landis+Gyr's vision encompasses three strategic pillars: Smart Metering, Grid Edge Intelligence, and Smart Infrastructure. These build the foundation for Landis+Gyr to grow organically, to partner with industry leaders and technology pioneers, and to acquire companies with extended capabilities to offer a broader set of integrated solutions.

Smart Metering

Landis+Gyr's smart meters are the key enablers of smarter grids, they are the eyes and ears of the grid. The Company's portfolio of electricity meters has evolved over the years to respond to and anticipate the evolution of the market needs. Landis+Gyr's meters enable the monitoring of the complete low-voltage grid and can observe what is going on in terms of stability, power quality, and voltage fluctuations at any time. Landis+Gyr's leading installed base of over 350 million devices, of which over 167 million are intelligent connected devices, provides the right granularity of data to feed analytics and flexibility management solutions to oversee and manage the grid. Landis+Gyr continues to broaden its intelligent sensing devices portfolio in the electricity, gas, water, and heat segments. With the market introduction of its ultrasonic gas metering portfolio, designed to use a choice of communication platforms, Landis+Gyr is adding new sensing capabilities, automated safety features, and edge computing capabilities to the gas network infrastructure. With its flexible network technology, Landis+Gyr enables network sharing for multi-commodity utilities serving the same territory so they can save costs by relying on a single network.

Grid Edge Intelligence

Landis+Gyr's core competencies and current portfolio of AMI, Distribution Automation, Meter Data Management, EV, and Load Management position the Company to partner with its utility customers to optimize their grid operations. As cloud-based SaaS delivery models are becoming more prevalent, Landis+Gyr can leverage its expertise in providing software solutions globally in cloud and SaaS delivery models at scale and growing its software and services business. Landis+Gyr's ecosystem of Grid Edge Devices, powered by the Revelo™ platform, collects high-resolution data and processes it at the edge to enable a real-time view of patterns and anomalies, both in front of and behind the meter. Equipped with connectivity services, the system transmits these data sets up to real-time to the cloud platform, becoming the cornerstone that enables analytics and demand flexibility management solutions. Landis+Gyr is pioneering technologies that use high-resolution data and automated controls to make real-time decisions at the grid edge while giving utilities and consumers more control. Landis+Gyr's flexibility management solutions are designed to integrate with existing utility infrastructure to better locate, respond to, and manage emerging demand from electric vehicles and appliances while balancing the growing generation from distributed resources. Landis+Gyr's newly announced partnership with Tata Consulting Services Clever Energy™ further completes the portfolio offering for residential, commercial, and industrial sectors and aims to optimize their energy consumption and ensure grid resilience by lowering peak demand. Tata Consultancy Services is an IT services, consulting, and business solutions organization that has developed the Clever Energy™ platform, a continuous loop enterprise-level self-optimization solution with asset energy twins, prediction and forecasting models, and advanced AI/ML algorithms.

Landis+Gyr formed a strategic partnership with SPAN to unlock electrification and DER flexibility at the grid edge. The co-innovated solution reimagines the interface between the home and the distribution grid, delivering a whole-home multi-asset virtual power plant (VPP), as well as offering unique tangible benefits to both utilities and end consumers, including the extended useful life of existing equipment, load visibility for analytics, orchestration of home loads based on real-time concurrent usage and customer preferences, visibility and choice in load management priorities and participation.

Smart infrastructure

Landis+Gyr smart infrastructure solutions range from enabling smart streetlights and smart cities to EV charging infrastructure, all built on a scalable and robust IoT platform. The electrification of transportation is driving the need for new solutions to allow seamless integration of these assets. Landis+Gyr's EV portfolio has grown to offer a comprehensive suite of chargers, charging management software, consumer applications to empower users, and services to support utilities, going to a full end-to-end EV charging offering, further strengthened by the acquisition of Thundergrid in New Zealand. Thundergrid is an EV infrastructure company founded on a mission to ease the transition to sustainable electric transport and lift the barrier that the availability of EV charging infrastructure could be to consumers adopting electric vehicles. Landis+Gyr also partners with BRUSA ICS, a Swiss company that pioneers wireless charging, to expand its EV charging offering and bring further innovation into the market, and Microgrid Labs, a US company specialized in fleet management software, to support the efficient planning, simulation, and operation of electrified vehicle fleets and manage their impact on the grid.

In addition, cybersecurity is a growing concern for utilities. Increasingly frequent attacks targeting critical infrastructure, as well as governments' realization that current programs are not mature enough to properly defend against cyber threats, drive updates in the regulatory framework. Evolving cyber risks require much greater focus on threat prevention, early detection, and response capabilities. Landis+Gyr has further developed its cybersecurity solution suite to offer leading cyber and grid edge security solutions across the entire portfolio and product lifecycle.

R&D, Innovation & Portfolio

Landis+Gyr offers one of the most comprehensive portfolios in the industry to enable the energy transition and support utilities in decarbonizing the grid. The Company continues to make significant investments to drive future growth through data-driven solutions in Grid Edge Intelligence and Smart Infrastructure, while building on its core offering around Smart Metering. By leveraging its broad capabilities, the Company enables a broader set of use cases requiring flexible communication networks, enhanced system functionality, and value-adding software and services.

In FY 2023, Adjusted R&D investments were USD 174.2 million, representing 8.9% of net revenues, to further drive the Company's transformation and expand its comprehensive end-to-end solutions portfolio. While smart metering remains a cornerstone of Landis+Gyr's business, it has expanded its reach in Grid Edge Intelligence and Smart Infrastructure to offer integrated solutions for every challenge utilities face on their journeys to modernize and decarbonize the grid. As part of its strategic initiative, the Company continues to invest in the partnership with Google, smart ultrasonic water and gas initiatives, the expansion of its EV Solutions business, and the digital transformation of the Company as a software and services provider, including flexibility management to ensure grid resilience.

Smart Metering

In FY 2023, Landis+Gyr was able to solidify its market-leading position. In the US, the Company has continued to optimize the cost of its Focus AXe and S4x meter portfolios. Development of the initial smart ultrasonic gas meters continues with samples having been delivered to customers in FY 2023. The volume rollout of this solution is planned to begin in the first half of FY 2024.

Landis+Gyr began volume delivery to the market of M125 residential retrofit endpoints for gas meters. These devices include the support of the first Wi-SUN low-energy endpoint radio stack.

In the UK market, Landis+Gyr has successfully introduced and delivered the latest SMETS2-compliant gas and electricity meters, and the unique AltHAN communication solution to support UK customers to enable communication to all customer devices.

Further, Landis+Gyr has enhanced its powerline carrier (PLC) communication portfolio with a new series of its data concentrator portfolio and new software releases for its E450 smart metering portfolio strengthening the performance and security of the Gridstream Connect solution, enabling customers to operate smart metering over the latest generation powerline carrier.

The Company has commenced to develop a new variant of smart meters that is a direct connect meter to Landis+Gyr's Gridstream Radio Frequency (RF) for the Southeast Asia market and expects the solution to be introduced in FY2024.

Grid Edge Intelligence

Landis+Gyr began volume rollouts of the Revelo E360 grid-sensing meter for both Mesh IP and Wi-SUN customers while continuing to develop a cost optimized E360, a C&I Revelo E660 and cellular versions of both the E360 and E660. All of these new versions will be launched in FY 2024. Landis+Gyr working with its partner, Sense, and customer, National Grid, enabled the first end consumers in New York with the Sense Load Disaggregation engine and associated applications. The company also delivered the initial version of its Application Manager product to National Grid.

Furthermore, Landis+Gyr has expanded the second generation of its residential E360 IoT grid edge meter, covering the latest communication and security technology, multi-energy support and increased grid sensing capabilities. The introduction of these new intelligent endpoints and their expanded communication features expands the capabilities and geographic reach of Landis+Gyr's Gridstream® Connect platform and the Company's IoT portfolio in the EMEA region. At the same time, Landis+Gyr has also released its E360 IoT grid edge meters for the Asia Pacific region, with modular communications capability and real-time electricity waveform streaming. It provides richer data content to deliver on new consumer applications to better assist the management and integration of a renewable energy mix, particularly the rising penetration of rooftop solar.

In FY 2023 Landis+Gyr has also launched the next generation grid solution E860 as its new offer for generation and transmission use cases, combining advanced power quality functionalities, safety and end-to-end security and communication efficiency to support the use cases of a transformative grid in the most efficient way. For industrial applications, Landis+Gyr has released additional advanced functionality on the second generation of the grid edge sensor E660 to expand precision insights on consumption, grid status, and power quality. The E660 offers powerful capabilities for network monitoring and grid edge control, all in one device.

On top of Landis+Gyr's existing offering in cybersecurity, the integration of its subsidiary, Rhebo, has further added operational technology (OT) security solutions for threat intelligence and anomaly detection to the portfolio, enhancing security in an increasingly converging OT/IT AMI infrastructure.

Smart Infrastructure

Highlights of Landis+Gyr's Smart Infrastructure portfolio include technology upgrades to the network gateway and bridge products and to the smart street light solution. The gateway and bridge now support a broader option of cellular backhaul bands inclusive of Private LTE and an improved compute capability to support the gateway and bridge application code. The updated street light management solution provides utilities and communities with safe, energy efficient illumination and flexible integration options with Landis+Gyr's street light management application, Smart Community Center. Landis+Gyr has also delivered the first EV Chargers to the Americas market, building a solution based on the Etrel INCH Pro charger. As a major expansion of Landis+Gyr's offering, the new water meter portfolio ULTRAWATER has been launched, establishing a smart lightweight IoT-ready water meter for customers. Due to its connectivity and enhanced features, the smart water meter offers advanced metering and remote insights on consumption, delivery quality, and meter point status with highly accurate and long-term stable ultrasonic measurements for many years. Across the continent in Australia and in New Zealand, the lightweight smart water meter continues to lead the market with NB-IoT communications and leak detection technology for utility's networks and end consumers with the option for cellular connectivity and device management in the form of SaaS.

By upgrading the EMEA Gridstream® Connect solution, Landis+Gyr has optimized smart push communications, enhanced security and key management, expanded interoperability of the Head End and meter data management systems and added an enhanced application for AMI network monitoring.

Revelo® – a grid-sensing meter, featuring high-powered edge computing, waveform sensing and edge applications for the North American market

The E360 – a new generation of grid edge meters for the IoT world

INCH CORE – New Home EV Charger

With the acquisition of Etrel and True Energy at the beginning of FY 2021, Landis+Gyr has established an extensive portfolio of electric vehicle software and charging capabilities. The Company offers solutions for home charging (INCH Home, INCH Lite), fleet or business charging (INCH Pro) and public charging (INCH Duo), as well as flexible charging management with its OCEAN charge point management software. Landis+Gyr's EV technology also includes a smart charging app for end consumers, offering full visibility and control on the go, as well as automated charging when electricity is most cost efficient and environmentally friendly. By connecting its EV Solutions offering with its heritage portfolio, Landis+Gyr is able to provide a fully integrated offering to enable flexibility management, addressing one of the biggest challenges utilities face now and in the future – the electrification of everything.

In Australia and New Zealand, Landis+Gyr has acquired Thundergrid, an EV services company, in October 2023 to complement the Company's EV solutions and load management experiences, building on the foundation of Landis+Gyr's flexibility management.

Connecting Data and Building a Digital Ecosystem with Google

As part of its global technology strategy, Landis+Gyr has invested in building a digital ecosystem for utilities together with Google by unifying the global AMI IoT Head End System capabilities and establishing a high-performance analytics platform. These investments enable utilities to efficiently manage devices and networks while unlocking the value of their IT/OT data and enabling state-of-the-art solutions for strategic planning and operations.

Emerge, the new IoT AMI HES, provides "edge to cloud connectivity" using various communication technologies beyond smart meters to build future smart infrastructure and cities. In addition, Emerge offers choices for utilities, providing flexibility across public, private or hybrid deployment models, to align with their cloud strategy and investment while meeting industry-leading security standards and availability capabilities.

In FY 2023, Emerge was expanded to support additional communication protocols and foundational work was completed in preparation for the addition of our EMEA and APAC customers. The Americas region is actively migrating customers to the platform with EMEA and APAC to follow.

Landis+Gyr continued to expand the portfolio of use cases supported by the new analytics solution that is being built on Google Cloud. Together with Google, Landis+Gyr has established a SaaS offering which collects utility grid data and turns it into actionable insights, so its customers can optimize operations, extend the life of network assets, and prioritize investments. It enables our customers to leverage the scalability of a cloud-native application design as well as new Machine Learning capabilities for a wide range of analytics use cases aiming to both improve grid visibility and handle the growing volume of DER assets. New use cases have been released to consolidate a comprehensive Metering Analytics package such as Voltage Performance, Capacity Contribution and Energy Diversion, which are joining the previously released Power Quality, Pattern Detection, and EV Detection. By using Machine Learning, Landis+Gyr has developed a new portfolio of use cases to improve the accuracy of the network topology, the so-called Meter-to-Transformer mapping and Phase Identification modules provide recommendations to our customers about meters not correctly mapped to their transformers and/or wrongly assigned to a given phase, as well as which topology would be the right one. Subsequent use cases are expected to be released on a quarterly basis over the next years, prioritized based on market needs and customer opportunities. This new analytics offering provides an improved grid visibility needed to manage a system powered by an increasing variety of energy sources. The combination of power domain expertise with artificial intelligence (AI) and machine learning (ML) to deliver predictive and prescriptive insights, as well as distributed analytics at the edge, are critical to analyze the energy demand and control the grid in an efficient way. The solution is being deployed for several customers across multiple geographies.

Flexible Solutions to Address Evolving Customer Challenges

Landis+Gyr offers one of the most comprehensive portfolios in the industry. In an ever-changing market environment, utilities need to address new challenges, ranging from rapid electrification to a rising number of renewable energy sources, and from bi-directional grids to empowered and engaged end consumers.

In FY 2023, Landis+Gyr has made two minority investments in strategic partners. With these investments, the Company expands its end-to-end solution offering to enable grid resilience and further support electrification and decarbonization efforts. Brusa Elektronik is a leading provider of power electronics and the combined offering of the two companies will include Inductive and DC Charging solutions. SPAN.io is a leading provider of smart panel technology and together the two companies will provide a multi-asset virtual power plant, solving electrification and demand flexibility through a grid edge platform solution.

The Company continues to expand its reach, both geographically and technologically. Combining its Smart Metering and Grid Edge capabilities with EV and analytics solutions in smart infrastructure, Landis+Gyr is offering end-to-end solutions to support utilities in managing distribution systems in a cost-efficient and reliable way. As non-wire alternatives are being evaluated to cope with the rapid increase of peak load in the network, Landis+Gyr is partnering with its network of customers, partners, and suppliers to introduce Flexibility Management solutions and support utilities throughout their grid decarbonization journey. Whether it is over EV Fleet Management, energy efficiency programs for industrial & commercial customers, residential EV Smart Charging, Microgrids management or Smart Home applications, no matter how utilities choose to start their journey, Landis+Gyr provides interconnected solutions under a single pane of glass providing value to both utilities and end-consumers. By bringing all of its capabilities together, Landis+Gyr is able to orchestrate demand and supply through flexibility management, enabling utilities to operate their grids as efficiently as possible with automated DER Management solutions, while empowering end consumers to take control of their consumption and carbon footprint.

Maintaining a Strong Brand

The Landis+Gyr brand is managed strategically as an intangible asset and represents a major part of its corporate identity. At the core of the corporate brand are Landis+Gyr's values that capture the essence and elements of how the Company is doing business: customer intimacy, innovative technology, entrepreneurial spirit, uncompromising performance, and sustainable impact. In addition to the corporate brand, Landis+Gyr maintains solution (i.e., Gridstream Connect) and product (i.e., Revelo, E360) brands for its integrated energy management portfolio. With the recent acquisitions, the Company is currently in the process of onboarding and integrating other brands as part of the Landis+Gyr family. Landis+Gyr's global portfolio includes granted patents and pending patent applications, filed in over 50 countries. These filings reflect innovation in a broad array of energy management technologies in Smart Metering, Grid Edge Intelligence and Smart Infrastructure, including additional inventions supporting growth in solar and other distributed energy resources. Landis+-Gyr continues its long tradition of protecting a pipeline of new ideas that will further strengthen its position as a global innovator in future energy management. At the end of FY 2023, the overview of active, pending and granted patents was as follows:

	FY 2023	FY 2022	FY 2021
Active	1210	1134	998
Pending	907	978	805
Grants	303	156	193

People

In financial year 2023, the people of Landis+Gyr have played a pivotal role in driving success through their unwavering commitment and dedication. Leveraging a strong culture of collaboration and empowerment, employees have served as the driving force behind Landis+Gyr's accomplishments, fostering an environment that promotes accountability, commitment, and engagement. This section highlights the achievements of Landis+Gyr's diverse and talented teams, underscoring its dedication to cultivating a culture of continuous learning, innovation, and inclusion.

Financial year 2023 was another year of transformation for Landis+Gyr as the Company continued to drive significant change in line with its strategic objectives. The remarkable resilience and commitment of its employees, both to its customers and to each other, served as a catalyst for introducing cutting-edge technologies and improving its speed to market. At the end of FY 2023, Landis+Gyr employed 6,874 people across five continents, 38.6% of whom identified as women. The Company continues to strive to achieve a high level of inclusivity and is focused on increasing the proportion of women.

Empowerment Through Learning: Fueling Future Success at Landis+Gyr

Landis+Gyr recognizes the dynamic nature of the energy sector and invests heavily in the continuous learning of its employees. Employees benefit from extensive learning resources, including leading platforms such as LinkedIn Learning, Coursera, Pluralsight and A Cloud Guru.

In collaboration with Google, Landis+Gyr offers a comprehensive cloud transformation training program to ensure that employees are well prepared for the dynamic challenges of the industry. The Google Cloud Platform (GCP) training program focuses on the training and development of teams involved in Landis+Gyr's cloud transformation projects in different regions. It offers various learning paths that enable participants to gain knowledge and hands-on experience culminating in an official Google Cloud certification.

Another important learning initiative is the Landis+Gyr Learning Weeks. These annual events, sponsored by members of the Executive Management Team (EMT), play a key role in fostering a culture of continuous learning within the Company. In FY 2023, three Learning Weeks were organized, all of which included several live events that provided valuable insights into our business, our technologies, and the latest initiatives to address current challenges and industry trends.

As a result, in FY 2023, Landis+Gyr's employees collectively devoted 111,952 hours to learning, averaging 23.6 hours per employee. This investment in learning equips its workforce with the skills and knowledge necessary to adapt to evolving industry trends and technologies, enhancing their employability and professional growth. Furthermore, as employees expand their expertise, they contribute to the overall innovation and effectiveness of the Company, driving continued success in the competitive energy market.

Strengthening Leadership Capabilities – Landis+Gyr's Accountability Initiative

Landis+Gyr's ongoing commitment to leadership development ensures that its leaders have the adaptive thinking necessary to successfully shape its strategic transformation. Landis+Gyr is committed to leadership development through several initiatives across its global network. These initiatives aim to strengthen leadership capabilities and meet the demands of rapid change and new challenges. These people-centric programs empower teams to skillfully manage change and secure a sustainable competitive advantage.

In FY 2023, Landis+Gyr placed particular emphasis on promoting empowerment and accountability within the organization. Accountability, defined as the ability of employees to take responsibility for their performance and business results, is a cornerstone to improve the efficiency, productivity, and overall engagement of the teams. By fostering a culture of empowerment and accountability, Landis+Gyr not only builds trust and satisfaction among team members, but also promotes a sense of ownership and involvement.

Over the past 12 months, Landis+Gyr has conducted a series of workshops, primarily in the EMEA region and aimed at both managers and employees. These interactive workshops were strategically designed to promote the concept of accountability. Over the course of FY 2024, the accountability initiative will be further developed within the organization.

Shaping Success – Landis+Gyr's Strategic Organizational Evolution

In FY 2023, Landis+Gyr launched a strategic initiative with the aim of improving its organizational structure to increase efficiency and flexibility and align with the Company's core values. With a sense of responsibility and entrepreneurial spirit, the Company led the design process by prioritizing the skills and competencies critical to future success while streamlining structures and processes for leaner operations. By eliminating bottlenecks, reducing friction between departments, and optimizing resource allocation, the goal was to create a well-structured organization to improve productivity and reduce costs, contributing to higher profitability.

In addition, Landis+Gyr took proactive steps to assess and improve age and gender diversity within the organization. Recognizing the importance of diverse perspectives and experiences, the Company has made progress to ensure inclusion and representation at all levels. By fostering a culture of diversity and inclusion, Landis+Gyr not only strengthens its workforce, but also enriches its decision-making processes and innovation capabilities.

Employee Share Purchase Plan – A continued success story

Building on the success of the Employee Share Purchase Plan (ESPP) introduced during financial year 2022, Landis+Gyr has continued this program in financial year 2023. The ESPP offers employees the opportunity to invest in the Company at a discounted price, fostering a sense of ownership and commitment to Landis+Gyr's mission and success. In FY 2023, the program was widely used by employees from all parts of the world, further strengthening a collective commitment to the Company's growth and sustainability. Through the ESPP, employees not only share in the financial benefits of the Company's progress, but also help shape our future as we continue our journey to excellence.

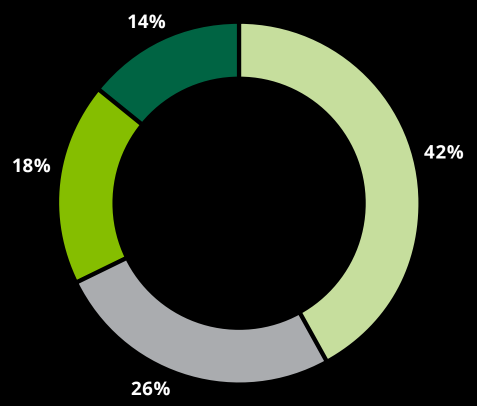
Promoting Openness and Transparency in Communication

Landis+Gyr fosters a culture of open and transparent communication, which plays a central role in promoting collaboration, innovation, and employee engagement. Under the leadership of the Chief Executive Officer, monthly global all employee meetings called Energized serve as a platform to inform and engage employees on key initiatives and organizational progress. In addition, employees are able to pose questions and get a direct response from the highest level of leadership on a variety of topics. These gatherings, supplemented by similar meetings on regional and functional levels, underscore the Company's commitment to actively listening to employee feedback and recognizing their contributions. Moreover, Landis+Gyr's active promotion of Company events such as volunteering activities, targeted social initiatives, and charity events underscores the belief in the power of personal relationships to strengthen the Company culture and facilitate effective collaboration between different teams. Through these events, Landis+Gyr aims to foster an inclusive environment with open and transparent communication, where every voice is not only heard, but also valued and respected.

Landis+Gyr's New Performance Management Approach: Performance based on Company Priorities

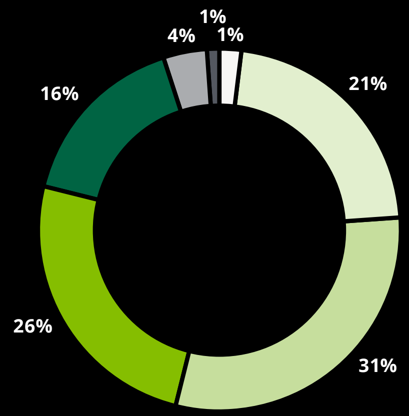
Anticipating the coming year, Landis+Gyr is excited to introduce its new approach to Performance Management. The new process has been designed to significantly improve the alignment of Company and business priorities with team and individual goals as well as to ensure clear communication and targeted execution across the organization. By deriving key activities from and aligning individual efforts to overarching business goals, Landis+Gyr aims to further increase accountability as well as responsibility at every level, ensuring performance and execution that matters. The focus of the new approach is no longer on traditional performance evaluation with a rating, but on regular and immediate feedback that enables managers and employees to improve results and grow together.

Employees by Function



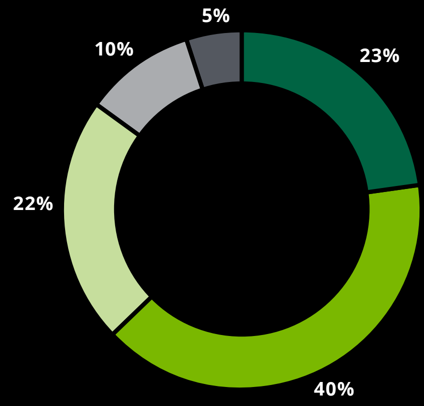
- SCM & Operations
- R&D
- Sales & Customer Operations
- Other

Employees by Age



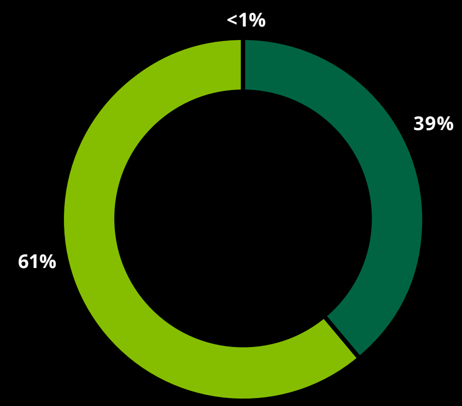
- Under 20
- 20–29
- 30–39
- 40–49
- 50–59
- 60–64
- 65+

Employees by Length of Service (in years)



- 0-1
- 2-5
- 6-15
- 16-25
- 26+

Employees by Gender



- Identify as Female
- Identify as Male
- Other / Not declared

Learning FY2023

23.6

Hours per Employee
Average Hours of Training

Workforce FY2023

6,874

Employees
Total Number of Employees

Open Positions

300+

Available Jobs
Open Positions May 2024

Apply Today!

careers.landisgyr.com

Risk Management

Landis+Gyr is exposed to various risks, which could potentially affect the Company's business. To identify and mitigate these risks, the Group operates a systematic risk management process. This process includes risk identification, analysis and assessment and the determination of appropriate risk control measurements.

Landis+Gyr tracks its risk exposure across a comprehensive set of operational, strategic, financial, and compliance categories. Other considerations include the potential impact on its business from environmental, social, and governance risks, as well as political, reputational, and regulatory risks. Management is responsible for the implementation, tracking, and reporting of risk mitigation measures. A risk owner at the senior management level is assigned to each material risk identified and is responsible for the implementation of appropriate mitigation measures.

Oversight by the Board of Directors

Landis+Gyr's Board of Directors has a total of three committees, of which the Audit, Finance, and Risk Committee (AFRC), comprised of three Board members, focuses on the assessment of the adequacy of the Group's systems, policies, and controls regarding both financial and non-financial risks, including legal matters that could have a material impact on the Group. The AFRC regularly consults with the Group's CEO and the Executive Management. At least once a year, the Board of Directors, via the AFRC, is briefed by the Group Executive Management on any significant changes in risk management. In the financial year 2023, the Group Risk Report was reviewed with the Board of Directors at the March 2024 board meeting.

Risk Radar and Mitigation Actions at the End of FY 2023

Amongst the top material risks on the Company's risk radar are IT Security & Computer Crime, Portfolio & Technology Competitiveness, Supply Chain Management, and Organizational Efficiency. In addition to the risks described below, the Company closely monitors global geo-political risks while reinforcing business continuity plans. The overview below describes these risks and shows mitigation actions implemented by Landis+Gyr.

Cyberattack or product hacking

- Execute control frameworks to identify, track, and remediate security vulnerabilities
- Strengthen security awareness across the organization through communication, training, and simulation

Portfolio gaps, alignment of offerings to customer needs, and ensuring competitiveness

- Significant investments in new product development in all three growth platforms to continually introduce new products to the market
- Systematic build / buy / partner evaluation to optimize resources and align time to market
- Expand partner network for broader market coverage
- Reinforce software & services offerings to better serve the energy transition needs

Exposure to component market shortages and constrained global logistics improved overall, but close monitoring is still in place to ensure on-time and on-quality delivery

- Identify and qualify alternative sources and purchase certain (critical) components from multiple suppliers
- Manage inventory to balance supply and demand
- Maintain close collaboration with contract manufacturers
- Harmonize portfolio

Organizational efficiency to adapt to evolving market needs and conditions

- Alignment of the organizational structure to better support emerging markets and new product introductions
- Human Resources initiatives to attract, retain, and train talent
- Integration efficiency of the recently acquired companies

Further information on risk management is provided in the Corporate Governance Report on page 15.

Sustainability

Sustainability is deeply rooted in Landis+Gyr's identity, shaping its mindset, and guiding its actions towards a greener future. The Company's commitment to sustainability is embedded in every aspect of its operations and reflected in its innovative product portfolio. Landis+Gyr's cutting-edge products and solutions empower individuals and organizations to conserve resources and facilitate the decarbonization of the grid, thereby fostering a more sustainable world.

Through a rigorous materiality assessment conducted every three years, Landis+Gyr identifies ESG material topics and develops 3-year roadmaps to address each one. These roadmaps form the backbone of its sustainability efforts, guiding the Company to continuously enhance its performance in line with defined ambitions and targets, with the goal of delivering sustainable value for all its stakeholders.

In FY 2023, the second year of its 3-year ESG cycle, Landis+Gyr has made significant strides across its various roadmaps, integrating sustainable practices further into its daily operations. A pivotal achievement was the validation of its Science-Based Targets (SBTs) in July 2023. In line with its approved SBTs, Landis+Gyr has committed to reducing both Scope 1 + 2 and Scope 3 emissions by 42% by 2030, from a 2021 base year. Additionally, the Company has pledged to transition to 100% renewable electricity by 2030 and continues its abatement efforts to achieve net-zero emissions by 2050. To deliver these targets, the Company is currently developing a decarbonization roadmap focused on delineating measures to reduce its Scope 3 emissions, which comprise over 99% of its total emissions, and preparing for their implementation.

As the Company finalizes its decarbonization roadmap, Landis+Gyr continues to work diligently to optimize its energy consumption and reduce greenhouse gas (GHG) emissions across various fronts. Landis+Gyr is proud to report that its FY 2023 results demonstrate significant progress towards reducing GHG emissions in its operations, with a 48% reduction achieved in Scope 1+2 emissions compared to last year, closely aligning with its validated SBTs. This reduction has been driven by a significant increase in the use of renewable electricity, which reached a record level of 78.9% over the past year. Additionally, on an intensity basis, Scope 1+2 emissions per 100 USD of turnover have decreased substantially to 0.3 kg CO_2e, exceeding the target of 0.45 kg CO_2e by FY 2025.

While reducing emissions from its operations remains crucial, Landis+Gyr is also actively addressing emissions throughout its value chain. Despite an absolute increase in Scope 3 emissions in FY 2023 compared to FY 2021, the Company has achieved a 9% decrease relative to every 100 USD of turnover over the same period, indicating a positive trend.

Particularly significant is the Company's contribution to decarbonization through its products and solutions, which play a crucial role in reducing power consumption and associated carbon emissions. In FY 2023, Landis+Gyr's installed smart metering base enabled the avoidance of 8.9 million tons of CO_2, while the percentage of products shipped that met its Eco-Portfolio criteria increased to 84.3%. Furthermore, Landis+Gyr actively seeks to expand its portfolio with solutions supporting the world's transition to greener sources of energy, as exemplified by acquisitions such as EV charging company Etrel and EV service provider Thundergrid, and its efforts to incorporate hydrogen measurement solutions into its product portfolio.

Furthermore, Landis+Gyr continued its efforts to cultivate a safer, more engaging, and inclusive work environment for its employees. Through employee training and awareness programs, the Company empowered employees to recognize and report hazardous work conditions. Additionally, it continued to invest in learning and development initiatives to nurture employees' professional growth. As a result, this year the Company achieved a Lost-Time Incident Frequency Rate of 1.14 (20% reduction compared to FY 2022), and its employees averaged over 23 hours of learning per year.

Other notable achievements in FY 2023 include:

- **Full Scope 3 Emissions Accounting:** The Company has developed its own tailor-made Scope 3 calculation tool and completed its first Scope 3 accounting report in house, enhancing its ability to measure and manage Scope 3 emissions.
- **TCFD Analysis:** Landis+Gyr has performed its first analysis based on the 'Task Force on Climate-related Financial Disclosures' (TCFD) framework, demonstrating its commitment to transparently disclosing climate-related risks and opportunities.
- **Due Diligence Committees:** The Company has established two dedicated committees on Human Rights and Supply Chain, reinforcing its commitment to upholding ethical practices throughout its operations and supply chain.
- **Responsible Sourcing:** Landis+Gyr's continued efforts to ensure adherence to its Supplier Code of Conduct resulted in an 89.5% adoption rate among suppliers, bringing the Company closer to its FY 2025 target of 90%.
- **Ratings and Recognition**: Landis+Gyr has been recognized by esteemed rating agencies and institutions, including the University of Zurich, which granted the Company the highest score for sustainability reporting in their annual evaluation of Swiss companies' annual reports. Furthermore, ESG rating agencies evaluated the Company positively: ISS ESG ("Prime Status" – top decile of our industry), Sustainalytics (Negligible Risk), EcoVadis (Gold Medal) and MSCI (AA).

While Landis+Gyr celebrates progress, the Company also acknowledges areas where its expectations have not been met. For example, Landis+Gyr has had to suspend certain global coordination activities included in the FY 2022-FY 2024 roadmap for 'Community Engagement', opting to reassess these initiatives in alignment with its business priorities. Similarly, its KPI for 'waste sent to landfill' is not on track to meet its ambitious FY 2025 target. The Company is taking proactive measures to rectify this situation.

Overall, Landis+Gyr is proud and encouraged by this year's progress and remains steadfast in its commitment to advancing sustainability efforts. With support from the global organization and the strategic guidance of its Board of Directors, Landis+Gyr is dedicated to fostering sustainable benefits for all stakeholders by continuously improving its business practices and collaborating across its value chain.

For comprehensive insights into the Company's sustainability efforts, please refer to the FY 2023 Sustainability Report.

Our ESG FY 2023 Performance in Numbers

	0.3 kg CO_2e (Scope 1+2) per 100 USD turnover	**78.9%** Share of green electricity	**84.3%** Share of products in Eco-Portfolio	**1.14** Loss-Time Injury Frequency Rate (per million man-hours worked)	**89.5%** Share of suppliers who adhere to our Supplier Code of Conduct
FY 2025 Targets	0.45 kg CO_2e per 100 USD turnover (54% reduction from FY 2020)	100% renewable energy use (194% increase from FY 2020)	90% products in Eco-Portfolio (22% increase from FY 2020)	0.60 LTIFR (14% decrease from FY 2020)	90% of suppliers who adhere to our Supplier Code of Conduct (23% increase from FY 2020)

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Share Information

Key Stock Exchange Figures

	FY 2023 (1.4.23 – 31.3.24)	FY 2022 (1.4.22 – 31.3.23)
Share price period end (CHF)	69.25	70.05
Share price high (CHF)	84.10	73.15
Share price low (CHF)	61.35	48.88
Market capitalization period end (excl. Treasury shares, CHF million)	1,998	2,021
Average daily trading volume on SIX Exchange (number of shares)[1]	61,247	55,753
Number of issued shares	28,908,944	28,908,944
Number of treasury shares (period end)	54,456	54,764
Nominal value per share (CHF)	10.00	10.00

1) Data source: SIX Swiss Exchange

Key Per Share Figures

	FY 2023 (1.4.23 – 31.3.24)	FY 2022 (1.4.22 – 31.3.23)
Earnings per share – diluted (USD)	3.78	7.32
Dividend per share (CHF)	2.25	2.20

Shareholder Structure

As of March 31, 2024, 8,101 shareholders were entered in the share register. The following shareholders held 3% or more of the outstanding share capital of Landis+Gyr Group AG (as per notifications received).

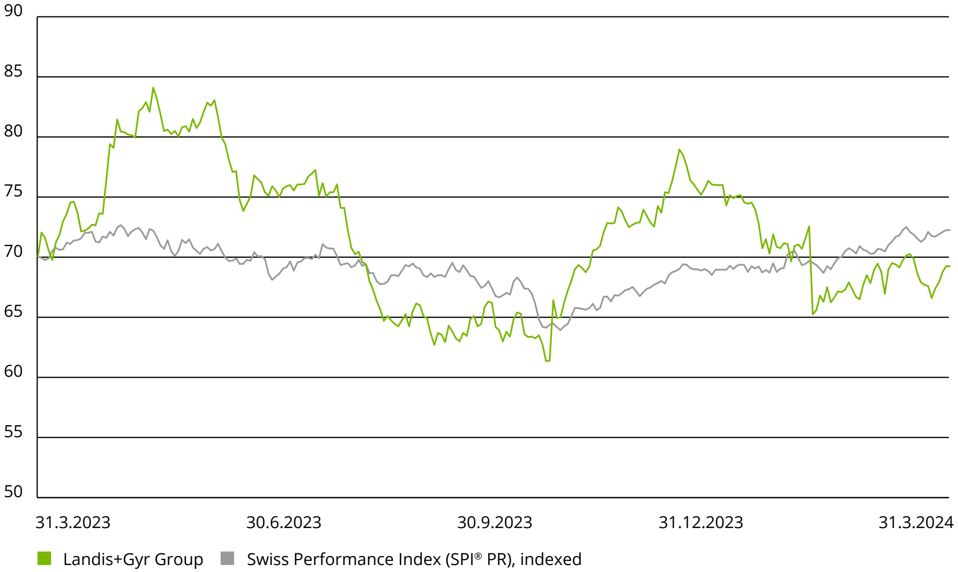
	Number of Shares	**% of share capital**
Rudolf Maag, Switzerland	3,000,000	10.38%
KIRKBI Invest A/S, Denmark	2,222,633	7.69%
Global Alpha Capital Management, Canada	882,783	3.05%

Corporate Calendar

Annual General Meeting	June 25, 2024
Dividend Payment Date	July 1, 2024
Publication of Half Year Results 2024	October 30, 2024
Release of Results for Financial Year 2024	May 8, 2025

Share Price Landis+Gyr Group AG

in CHF



Landis+Gyr Group AG Registered Shares

Listing	SIX Swiss Stock Exchange (International Reporting Standard)
Ticker	LAND
Bloomberg / Reuters	LAND SW / LANDI.S
ISIN	CH0371153492
Valor Number	37115349
Indices	SPI®, SPI ESG, SPI ESG Weighted, SPI EXTRA®, SPI ex SLI®, Swiss All Share Index, UBS 100 Index, Ethos Swiss Corporate Governance Index
Accounting Standard	US GAAP

Contacts

Information Policy
The Landis+Gyr Group maintains an open dialog with all internal and external stakeholders. The information policy is based on consistent, effective, open, honest and timely communication. Matters affecting the share price are published immediately in accordance with the ad-hoc publicity rules of the SIX Swiss Exchange.

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This Annual Report includes forward-looking information and statements including statements concerning the outlook for our businesses. These statements are based on current expectations, estimates and projections about the factors that may affect our future performance, including global economic conditions, and the economic conditions of the regions and industries that are major markets for Landis+Gyr Group AG. These expectations, estimates and projections are among others identifiable by statements containing words such as "expects", "believes", "estimates", "targets", "plans", "outlook", "guidance" or similar expressions and formulations.

There are numerous risks, uncertainties and other factors, many of which are beyond our control, that could cause our actual results to differ materially from the forward-looking information and statements made in this document and which could affect our ability to achieve our stated targets. The important factors that could cause such differences include, among others: possible effects of pandemics, global shortage of energy or supplied components as well as increased freight rates, business risks associated with the volatile global economic environment and political conditions, including wars or military actions; costs associated with compliance activities; market acceptance of new products and services; changes in governmental regulations and currency exchange rates; estimates of future warranty claims and expenses and sufficiency of accruals; and other such factors as may be discussed from time to time in Landis+Gyr Group AG filings with the SIX Swiss Exchange. Although Landis+Gyr Group AG believes that its expectations reflected in any such forward-looking statement are based on reasonable assumptions, it can give no assurance that those expectations will be achieved.

Corporate Governance Report 2023

Landis+Gyr

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Corporate Governance Report 2023

Purpose of this Report

This Corporate Governance Report contains the information required by the Directive on Information relating to Corporate Governance issued by the SIX Swiss Exchange, as in force on March 31, 2024 (the "DCG"), and is structured in accordance with the DCG. In addition, Landis+Gyr follows the recommendations of the Swiss Code of Best Practice for Corporate Governance.[1] The Company continues to develop its corporate governance with reference to leading international standards. Good corporate governance is an essential and core element of the vision and values of the Landis+Gyr Group.

1 Group Structure and Shareholders

1.1 Group Structure

1.1.1 The Group's Operational Structure

Landis+Gyr is a leading global provider of integrated energy management solutions. Its solutions help utilities solve their challenges in Smart Metering, Grid Edge Intelligence and Smart Infrastructure by improving their operations, protect their assets, lower their operating costs and provide better customer service with a focus on quality, reliability and innovation. Landis+Gyr employs around 6,900 people in over 30 countries across five continents.

Landis+Gyr is organized as a group of companies. The ultimate parent company of the group is Landis+Gyr Group AG (the "Company"), a holding company governed by the laws of Switzerland.[2] The Company is headquartered in Cham in the Canton of Zug, Switzerland, with its registered address at Alte Steinhauserstrasse 18, 6330 Cham. As of March 31, 2024, the Company's share capital amounted to CHF 289,089,440.00, divided into 28,908,944 registered shares at a par value of CHF 10.00 each.

The general meeting of shareholders of the Company (the "General Meeting") is the supreme corporate body and, among other competences, elects the Company's board of directors (the "Board of Directors" or the "Board", with each member of the Board being a "Director"). The Board of Directors, while entrusted with the ultimate direction of the Company as well as the supervision of management in accordance with art. 716a and 716b of the Swiss Code of Obligations (the "CO") and art. 16 of the Company's articles of association (the "Articles")[3], has, via the Company's organizational regulations (the "Organization Regulations")[4], delegated certain aspects of the day to-day management of the Group to the Chief Executive Officer (the "CEO"), who is in turn supported by the group executive management (the "Group Executive Management") and the extended executive management.

The Group is organized in three regional reporting segments: the Americas, Europe, Middle East and Africa ("EMEA"), and Asia Pacific.

Americas

Landis+Gyr's operations in the Americas are headquartered in Alpharetta, Georgia, USA and serve customers in North America, South America, Japan and certain other countries that have adopted the United States' ANSI metering standard. The Americas segment primarily focuses on smart metering communications networks and solutions, connected intelligent devices, software and services.

EMEA

Landis+Gyr's operations in EMEA are headquartered in Cham, Canton of Zug, Switzerland. The EMEA segment comprises its operations in Europe, the Middle East and Africa. In this region, the product offerings primarily focus on connected intelligent and standalone metering devices, electric vehicle charging solutions, software and services.

Asia Pacific

Landis+Gyr's operations in the Asia Pacific region are headquartered in Sydney, Australia and serve customers in Australia, New Zealand, China, India, Southeast Asia and elsewhere in Asia (but excluding Japan and certain other countries that have adopted the United States' ANSI metering standard). This segment primarily focuses on connected intelligent and standalone metering devices, software and services.

1.1.2 Listing and Capitalization

The only listed company of the Group is the Company itself.[5] The shares of the Company are listed on SIX Swiss Exchange (ISIN: CH0371153492, ticker symbol: LAND, valor number: 37115349). On March 31, 2024, the market capitalization (excluding treasury shares) of the Company's shares amounted to CHF 1,998,173,294.

Except for the Company's treasury shares (see below, Section 1.2), which are held by Landis+Gyr AG, the Company's only subsidiary (see below, Section 1.1.3), no shares of the Company are owned by any of the Group companies.

1 As in force on March 31, 2024.
2 As used in this report, references to the "Company" or to "L+G" are to Landis+Gyr Group AG, and references to "we", "us", "our" or the "Group" are to Landis+Gyr Group AG and its consolidated subsidiaries, unless context requires otherwise.
3 The Company's Articles are available at www.landisgyr.com/about/executive-management-and-board/.
4 The Company's Organization Regulations are available at www.landisgyr.com/about/executive-management-and-board/.
5 See Section 1.1 above for information regarding the Company's full company name, seat and registered address.

1.1.3 Non-listed Companies Belonging to the Landis+Gyr Group

The Company's only shareholding is in Landis+Gyr AG, which in turn directly or indirectly owns the other companies in the Group. The table below sets forth, as of March 31, 2024, the name, place of incorporation, ownership interest and share capital of all direct and indirect subsidiaries which belong to the Company's consolidation scope.

Non-listed Direct and Indirect Subsidiaries of Landis+Gyr Group AG

Company name	Registered office	Country	Interest %	Share capital in thousands	Currency
Landis & Gyr Pty Ltd	Mascot, NSW	Australia	100	50,587	AUD
Landis & Gyr Holdings Pty Ltd	Mascot, NSW	Australia	100	50,587	AUD
Landis+Gyr GmbH	Vienna	Austria	100	300	EUR
Landis+Gyr N.V.	Huizingen	Belgium	100	116.6	EUR
Landis+Gyr E.d.M. Ltd.	Curitiba	Brazil	100	31,543	BRL
Landis+Gyr Canada, Inc.	Quebec	Canada	100	n/a	CAD
Landis+Gyr Meters & Systems Co. Ltd.	Zhuhai	China	100	60,309	CNY
Landis & Gyr Ltd.	Hong Kong	China	100	32,000	HKD
Landis+Gyr s.r.o.	Prague	Czech Republic	100	5,000	CZK
True Energy A/S	Hørsholm	Denmark	100	493	DKK
Landis+Gyr OY	Jyväskylä	Finland	100	16,819	EUR
Landis+Gyr S.A.S.	Montluçon	France	100	2,460	EUR
Landis+Gyr GmbH	Nuremberg	Germany	100	1,023	EUR
Rhebo GmbH	Leipzig	Germany	100	279	EUR
Landis+Gyr A.E.	Corinth	Greece	100	7,950	EUR
Landis Gyr Ltd.	Kolkata	India	100	457,400	INR
Landis+Gyr S.p.A.	Milan	Italy	100	1,500	EUR
Landis+Gyr Japan KK	Tokyo	Japan	100	20,000	YEN
Landis+Gyr S.A. de C.V.	Reynosa	Mexico	100	50	MXN
Landis+Gyr Mexico S.A. de C.V.	Reynosa	Mexico	100	10	MXN
Landis+Gyr B.V.	Gouda	Netherlands	100	90	EUR
Landis & Gyr Ltd.	Auckland	New Zealand	100	300	NZD
Thundergrid Ltd.	Auckland	New Zealand	100	0.1	NZD
Landis+Gyr Sp. z o.o.	Warsaw	Poland	100	5,000	PLZ
Landis+Gyr Pte. Ltd.	Singapore	Singapore	100	5,103	USD
Etrel d.o.o.	Grosuplje	Slovenia	75	8	EUR
Landis+Gyr d.o.o.	Sencur	Slovenia	100	200	EUR
Landis and Gyr (Pty) Ltd	Kosmosdal	South Africa	70	2,000	ZAR
Landis & Gyr S.A.U.	Seville	Spain	100	3,000	EUR
Landis+Gyr AG	Cham	Switzerland	100	29,700	CHF
Caligyr AG	Cham	Switzerland	100	100	CHF
Landis+Gyr Ltd.	Manchester	United Kingdom	100	43,600	GBP
Luna Elektrik Elektronik Sanayi ve Ticaret A.Ş.	Çiğli/Izmir	Turkey	100	250	TRY
Landis+Gyr Investments, LLC	Lafayette	USA	100	0.1	USD
Landis+Gyr Technologies Canada, Inc.	Pequot Lakes	USA	100	0.03	USD
Landis+Gyr Technology, Inc.	Alpharetta	USA	100	0.01	USD
Landis+Gyr Midwest, Inc.	Alpharetta	USA	100	0.01	USD

1.2 Significant Shareholders

The number of shareholders registered in the Company's share ledger as of March 31, 2024, amounted to 8,101 holding a total of 14.8 million shares, which equals approximately 51.4% of the Company's total shares. A total of 14.1 million shares, equaling approximately 48.6% of the Company's total shares, were held by unregistered shareholders. As of March 31, 2024, the Company held 54,456 treasury shares (which are registered), which represents 0.19% of the Company's share capital.

To the best of Landis+Gyr's knowledge, the following shareholders had holdings reaching or exceeding 3% or more of the voting rights in the Company as of March 31, 2024, as notified in accordance with art. 120 of the Swiss Federal Act on Financial Market Infrastructures and Market Conduct in Securities and Derivatives Trading (the "FMIA"):[6]

Shareholder (Beneficial owner / legal shareholder)	Number of shares	% of voting rights
Rudolf Maag	3,000,000	10.38%
Kjeld Kirk Kristiansen, Thomas Kirk Kristiansen, Sofie Kirk Kristiansen, Agnete Kirk Thinggaard, K2 Fonden af 2023 / KIRKBI Invest A/S	2,222,633	7.69%
Global Alpha Capital Management Ltd.	882,783	3.05%

Notifications made in accordance with art. 120 FMIA during the 12 months preceding March 31, 2024, can be viewed at: www.ser-ag.com/en/resources/notifications-market-participants/significant-shareholders.html/.

1.3 Cross-shareholdings

The Company does not have any cross-shareholdings exceeding 5% of the capital or voting rights with any other company.

6 The number of shares shown in this Corporate Governance Report and the holding percentages are based on the last disclosure of shareholding communicated by the respective shareholder to the Company and the Disclosure Office of SIX Swiss Exchange. The number of shares held by the relevant shareholder may have changed since the date of such shareholder's notification. Also, due to changes in the share capital of the Company in the last five financial years (see below, Section 2.3), it may be that the percentage of voting rights listed herein differs from the percentage of voting rights listed on the website of the SIX Exchange Regulation (SER), which also includes the individual reports of the significant shareholders: www.ser-ag.com/en/resources/notifications-market-participants/significant-shareholders.html/.

2 Capital Structure

2.1 Capital

On March 31, 2024, the Company's ordinary share capital as registered with the Commercial Register of the Canton of Zug amounted to CHF 289,089,440.00, divided into 28,908,944 fully paid-in registered shares with a nominal value of CHF 10.00 per share. The shares are limited in transferability and non-assessable.

On March 31, 2024, the Articles provided for two types of conditional capital (arts. 3a and 3b of the Articles) as well as a capital band (art. 3c of the Articles). According to art. 3a of the Articles, the Company's share capital may be increased by up to CHF 4,500,000 through the issuance of up to 450,000 fully paid-up registered shares with a nominal value of CHF 10.00 each (the "Conditional Capital for Employees"). According to art. 3b of the Articles, the Company's share capital may be increased by up to CHF 28,908,940 through the issuance of up to 2,890,894 fully paid-in registered shares with a nominal value of CHF 10.00 each (the "Conditional Capital for Financing and Acquisitions"). According to art. 3c of the Articles, the Company has a capital band ranging from CHF 260,180,500 (lower limit) to CHF 317,998,380 (upper limit). The Board shall be authorized within the capital band to increase or reduce the share capital once or several times and in any amounts or to acquire or dispose of shares directly or indirectly, until June 22, 2026, or until an earlier expiry of the capital band.

2.2 Conditional Capital and Capital Band of the Company

2.2.1 Conditional Capital

2.2.1.1 Conditional Capital for Employees

According to art. 3a of the Articles, the Company may increase its share capital by up to CHF 4,500,000 by issuing up to 450,000 fully paid-up registered shares with a nominal value of CHF 10.00 each, upon the exercise of option rights or in connection with similar rights regarding shares (including performance stock units (the "PSUs") and/or restricted stock units (the "RSUs")) granted to officers and employees at all levels of the Group. Pre-emptive rights and advance subscription rights of shareholders do not apply, and the shares may be issued at a price below the market price. If fully utilized, the maximum amount of this conditional capital (CHF 4,500,000) would equal approximately 1.6% of the existing share capital. The time period for an increase of the Company's share capital pursuant to art. 3a of the Articles is limited until June 22, 2026.[7]

7 For a more comprehensive description of the terms and conditions of the issuance of such conditional capital, refer to art. 3a and 3d of the Articles.

2.2.1.2 Conditional Capital for Financing and Acquisitions

According to art. 3b of the Articles, the Company may increase its share capital by up to CHF 28,908,940 by issuing up to 2,890,894 fully paid-in registered shares with a nominal value of CHF 10.00 each, through the exercise or mandatory exercise of conversion, exchange, option, warrant or similar rights for the subscription of shares granted to shareholders or third parties alone or in connection with bonds, notes, loans, options, warrants or other securities or contractual obligations of the Company or any of its Group companies (the "Financial Instruments"). The pre-emptive rights of shareholders are excluded in connection with the issuance of registered shares upon the exercise of any Financial Instruments. The then current owners of such Financial Instruments are entitled to acquire the new registered shares issued upon conversion, exchange or exercise of any Financial Instruments. The Board of Directors is authorized to restrict or withdraw advance subscription rights of shareholders in connection with the issuance of Financial Instruments by the Company or one of its Group companies under certain terms and conditions. Certain further terms and conditions apply in case advance subscription rights are neither granted directly nor indirectly by the Board of Directors. If fully utilized, the maximum amount of this conditional capital (CHF 28,908,940) would equal approximately 10.0% of the existing share capital. The time period for an increase of the Company's share capital pursuant to art. 3a of the Articles is limited until June 22, 2026, provided that certain terms and conditions as described in art. 3b of the Articles may impose time limitations on the conversion, exchange or exercise of the Financial Instruments.[8]

2.2.2 Capital Band

The Company has a capital band ranging from CHF 260,180,500 (lower limit) to CHF 317,998,380 (upper limit). The Board of Directors shall be authorized within the capital band to increase or reduce the share capital once or several times and in any amounts or to acquire or dispose of shares directly or indirectly, until June 22, 2026, or until an earlier expiry of the capital band. The capital increase or reduction may be effected by issuing up to 2,890,894 fully paid-in registered shares with a nominal value of CHF 10 each and cancelling up to 2,890,894 registered shares with a nominal value of CHF 10 each, as applicable, or by increasing or reducing the nominal value of the existing shares within the limits of the capital band.

In the event of an issue of shares, the subscription and acquisition of the new registered shares and any subsequent transfer of these registered shares shall be subject to the restrictions pursuant to art. 5 of the Articles. In the event of a capital increase within the capital band, the Board of Directors shall, to the extent necessary, determine the issue price, the type of contribution (including cash contributions, contributions in kind, set-off and conversion of reserves or of profit carried forward into share capital), the date of issue, the conditions for the exercise of subscription rights and the beginning date for dividend entitlement. In this regard, the Board of

8 For a more comprehensive description of the terms and conditions of the issuance of such conditional capital, refer to art. 3b and 3d of the Articles.

Directors may issue new shares by means of a firm underwriting through a financial institution, a syndicate of financial institutions or another third party and a subsequent offer of these shares to the existing shareholders or third parties (if the subscription rights of the existing shareholders have been withdrawn or have not been duly exercised). The Board of Directors is entitled to permit, to restrict or to exclude the trade with subscription rights. It may permit the expiration of subscription rights that have not been duly exercised, or it may place such rights or shares as to which subscription rights have been granted, but not duly exercised, at market conditions or may use them otherwise in the interest of the Company.[9]

2.2.3 Maximum Issuable Shares

Until June 22, 2026, or an earlier expiry of the capital band, the total number of newly issued shares which may be issued with the restriction or withdrawal of advance subscription rights or pre-emptive rights (i) from the conditional capital pursuant to art. 3a and art. 3b of the Articles and (ii) from the capital band pursuant to art. 3c of the Articles must not exceed 2,890,894 new shares.

2.3 Changes in Share Capital

In the last five financial years, the Company has undergone the following changes in its share capital:

Date (Change of Articles / entry in Commercial Register)	Change in Company's share capital (if any)	Further description
June 25, 2019 / September 17, 2019	Share capital decrease from CHF 295,100,000.00 to CHF 292,515,490.00	Capital decrease through cancellation of a total of 258,751 treasury shares at a nominal value of CHF 10.00 each (see Section 2.3.1 for further information)
June 30, 2020 / October 1, 2020	Share capital decrease from CHF 292,515,490.00 to CHF 289,089,440.00	Capital decrease through cancellation of a total of 342,305 treasury shares at a nominal value of CHF 10.00 each (see Section 2.3.1 for further information)

2.3.1 The Company's Share Buy-Back Programs and Capital Decreases

On January 29, 2019, the Company announced that its Board of Directors had approved a share buy-back program in the total amount of up to CHF 100 million or a maximum of 8% of the Company's outstanding shares (the "Share Buy-Back Program"). The Share Buy-Back Program opened on January 30, 2019, was suspended on March 27, 2020, and expired on January 28, 2022 (while still suspended). A total of 601,056 shares (2.04% of shares outstanding when the Share Buy-Back Program was announced) had been repurchased under the program. The shares were repurchased for the purposes of cancellation subject to approval of the corresponding capital decrease by the Company's shareholders in accordance with Swiss corporate law.[10]

As a consequence of the Share Buy-Back Program, the Company's shareholders, at the ordinary General Meeting ("AGM") in 2019, resolved to reduce the Company's share capital by CHF 2,587,510 through the cancellation of 258,751 of the Company's treasury shares, and at the AGM in 2020, resolved to reduce the Company's share capital by CHF 3,423,050 through the cancellation of 342,305 of the Company's treasury shares.

2.3.2 Treasury Shares

Besides treasury shares stemming from the Share Buy-Back Program (see Section 2.3.1 above), which, as of March 31, 2024, have all been canceled, the Company regularly purchases additional shares for the purposes of compensation of the Board of Directors, and to serve the Company's Long-Term Incentive Plan. As of March 31, 2024, the Company held 54,456 treasury shares, which represents 0.19% of the Company's share capital.

2.4 Shares and Participation Certificates

As of March 31, 2024, the Company's share capital amounted to CHF 289,908,944.00, divided into 28,908,944 registered shares with a nominal value of CHF 10.00 each, all fully paid in. Pursuant to art. 11 of the Articles, each share carries one vote at a shareholders' meeting. The shares rank pari passu in all respects with each other, including, in respect of entitlements to dividends, to a share in the liquidation proceeds in the case of liquidation of the Company. The Company issues its registered shares as uncertificated securities (Wertrechte) and registers them as book-entry securities within the meaning of the Swiss Federal Act on Intermediated Securities (the "FISA"). In accordance with art. 973c of the CO, the Company maintains a register of uncertificated securities (Wertrechtebuch).

The Company has not issued any participation certificates.

2.5 Dividend-right Certificates

The Company has not issued any dividend-right certificates (Genussscheine).

9 For a more comprehensive description of the capital band, refer to art. 3c of the Articles.

10 Please refer to www.landisgyr.com/investors/share-buyback-program for further information.

2.6 Limitations on Transferability and Nominee Registrations[11]

Art. 5 of the Articles contains restrictions on a shareholder's possibility to be entered in the Company's share register as a shareholder with voting rights and on the registration of nominees (the "Nominee").[12]

2.6.1 Limitations on Transferability

Pursuant to art. 5 of the Articles, persons acquiring registered shares are, on application, entered in the share register without limitation as shareholders with voting power, provided they comply with the disclosure requirements stipulated by the FMIA and expressly declare that they have acquired the shares in their own name and for their own account. Entry as a shareholder with voting rights in the share register of the Company is subject to approval by the Company.

The Company may refuse entry as a shareholder with voting rights in case the applicant is non-compliant with any of the requirements set forth above or is non-compliant with the rules (and the requirements) set forth in the Articles for Nominee registrations. The limits for registration set forth for Nominees also apply, subject to art. 652b para. 3 CO, to the subscription for or acquisition of registered shares by exercising pre-emptive, option or convertible rights arising from shares, or any other securities issued by the Company or third parties. For purposes of the limitations on transferability of shares, legal entities or partnerships or other associations or joint ownership arrangements, which are linked through capital ownership or voting rights, through common management or in a similar manner, as well as individuals, legal entities or partnerships (especially syndicates), which act in concert with the intent to circumvent the entry restriction, are considered as one shareholder or Nominee. The Company may in special cases approve exceptions to the restrictions described in this paragraph (i.e., in art. 5 paras. 3, 4 and 5 of the Articles).

If the Company does not refuse to register the acquirer as a shareholder with voting rights within 20 calendar days upon receipt of the application, the acquirer is deemed to be a shareholder with voting rights. Non-recognized acquirers shall be entered in the share register as shareholders without voting rights. The corresponding shares shall be considered as not represented in the General Meeting of Shareholders.

2.6.2 Exceptions Granted in the Period Under Review

As of March 31, 2024, no exceptions under art. 5 of the Articles had been granted during the period under review.

2.6.3 Admissibility of Nominee Registrations

Persons not expressly declaring themselves to be holding shares for their own account in their application for entry in the share register or upon request by the Company, the Nominees, are entered in the share register with voting rights without further inquiry up to a maximum of 3.0% of the share capital outstanding at the time. Above this limit, shares held by Nominees are entered in the share register with voting rights only after the Nominee discloses the names, addresses and shareholdings of the persons for whose account the Nominee is holding 0.5% or more of the share capital at that time, and provided that the disclosure requirements stipulated by the FMIA are complied with.

The Company may refuse entry as a Nominee in case the applicant is non-compliant with the rules (and the requirements) set forth in the Articles for Nominee registrations. The limits for registration set forth for Nominees also apply, subject to art. 652b para. 3 CO, to the subscription for or acquisition of registered shares by exercising pre-emptive, option or convertible rights arising from shares, or any other securities issued by the Company or third parties. For purposes of the limitations set forth with regard to Nominee registrations, legal entities or partnerships or other associations or joint ownership arrangements, which are linked through capital ownership or voting rights, through common management or in a similar manner, as well as individuals, legal entities or partnerships (especially syndicates), which act in concert with the intent to circumvent the entry restriction, are considered as one shareholder or Nominee. The Company may in special cases approve exceptions to the restrictions described in this paragraph.

The Board of Directors has the right to conclude agreements with Nominees concerning their disclosure requirements.

2.6.4 Procedure and Conditions for Canceling Transferability Privileges

After due consultation with the persons concerned, the Company is further authorized to delete entries in the share register as a shareholder with voting rights with retroactive effect if they were affected on the basis of false information or if the respective person does not provide the information required by and for the registration of Nominees. The concerned person must be immediately informed about the deletion.

2.7 Convertible Bonds and Options

The Company has not issued any bonds or options regarding its shares outstanding as of March 31, 2024.

11 This Section 2.6 works as a summary of the limitations on transferability of the Company's shares and nominee registrations. See art. 5 of the Articles for more information.

12 Legal entities or partnerships or other associations which are linked through capital ownership or voting rights, through common management or in a similar manner, as well as individuals, legal entities or partnerships which act in concert with the intent to circumvent the entry restriction, are considered as one shareholder or Nominee.

3 Board of Directors

3.1 Members of the Board of Directors

3.1.1 Overview and Selection

The Board of Directors is entrusted with the ultimate direction of the Company as well as the supervision of the management. Candidates for the Board of Directors are carefully selected to ensure qualified, committed members who are skilled and will devote the effort and time necessary to effectively carry out their governance responsibilities. In selecting members, the Board of Directors aims for suitable diversity in its members and looks in particular for diversity in gender, competence, age, origin, background (current members represent six nationalities), and experience, as well as for expertise relevant to the specific role they will play on the Board of Directors, including their memberships on the three committees, as applicable, i.e., the Audit, Finance and Risk Committee (the "AFRC"), the Remuneration Committee (the "RemCo") and the Nomination, Governance and Sustainability Committee (the "NGSC"). The NGSC regularly works with the Board on identifying individuals who are qualified to become members of the Board and of the Committees with the target to achieve and maintain minimum the statutory guidelines for balanced representation of gender in the Board. Further, Landis+Gyr aims to reflect the international operations of the Company in the Board of Directors and therefore the Board of Directors shall include members with appropriate international experience.

Pursuant to Swiss corporate law and the Articles, all Directors are elected annually. The Board of Directors currently consists of eight non-executive members (six of which are independent) and no executive members. As the current Chair of the Board (the "Chair") formerly served as the Company's CEO, the Board of Directors has a Lead Independent Director whose role is further described in Section 3.5.1.2 below. As of March 31, 2024, the Directors of the Company were:

Name	Role	First Election	Expires	Committees
Andreas Umbach	Chair, not independent[13]	2017	2024 AGM	NGSC (Chair)
Eric Elzvik	Lead Independent Director	2017	2024 AGM	RemCo (Chair); AFRC; NGSC
Peter Bason	Not independent; representative of a major shareholder	2023	2024 AGM	None
Peter Mainz	Independent	2018	2024 AGM	RemCo; NGSC
Andreas Spreiter	Independent	2017	2024 AGM	AFRC (Chair)
Christina Stercken	Independent	2017	2024 AGM	AFRC; NGSC
Laureen Tolson	Independent	2021	2024 AGM	RemCo
Audrey Zibelman	Independent	2023	2024 AGM	None

Søren Thorup Sørensen did not stand for re-election at the 2023 AGM and is therefore not listed above as an active Director of the Company.

Further information on each of the Directors is available in Section 3.1.4 below.

3.1.2 Selection and Skills

Landis+Gyr aims to have a well-balanced Board of Directors with individuals who bring a variety of perspectives, backgrounds and skills and who apply them to permit the Board of Directors to offer informed stewardship. When identifying members for the new Board of Directors at the time of the Company's initial public offering, a collective set of important skills/traits was defined with the support of an external consultant. This set of skills/traits was reviewed and expanded over the past years, e.g. in 2021, when M&A expertise was added during the annual review to reflect the Company's recent acquisitions and current strategy. The skills matrix was reviewed again in 2022 but not amended. In 2023, the skills matrix was reviewed and updated as shown below. The Board Skills Matrix summarizes the current set of skills/traits grouped into four categories. The actual skills/traits of the current Board of Directors were then reviewed and mapped against the matrix, and it was confirmed that the existing Board of Directors collectively possesses all the identified skills/traits.

13 Andreas Umbach qualifies as an independent Director according to the DCG and the Swiss Code of Best Practice for Corporate Governance. To ensure consistency of this Corporate Governance Report with previous versions, he continues to be assessed as not independent. See also Sections 3.1.2 and 3.1.4 below.

Board Skills Matrix

	General				Governance				Technical / Functional					Industry Experience		
Board Member	Independence	Financial Proficiency	Global / International / Emerging Markets Experience	Leadership, General Management and P&L Experience	Understanding Fiduciary, Legal and Compliance Duties	Board Experience	Risk Management (incl. Health and Safety) and Audit	Environmental, Social and Governance (Sustainability)	Strategy Development and Execution	Growth and Innovation	Operational Excellence	Financial Expertise	Digitalization incl. Cybersecurity	Utility Markets and Regulation	Solutions, Software & Services in Energy	M&A Expertise
Andreas Umbach		■	■	■	□	■	□	□	■	■	■		□	■	■	■
Eric Elzvik	◆	■	■	□	■	■	■	□	■	□	■	■	■	□	□	■
Peter Bason		■	■	□	□	■	■	□	■	□	□	■	□			■
Peter Mainz	◆	■	■	■	■	■	□	□	■	■	■	■	□	■	□	■
Andreas Spreiter	◆	■	■	□	■	■	■	□	■	□	□	■	□	□	□	■
Christina Stercken	◆	■	■	□	■	■	■	■	■	□	■	■	□	□	□	■
Laureen Tolson	◆	□	■	■	□	□	□	□	■	■	■		■	□	■	□
Audrey Zibelman	◆	■	■	■	■	■	□	□	■	■	□		□	■	■	□

■ Very experienced / expert
□ Relevant experience / proficient
◆ Independent

The Board of Directors conducts an annual self-assessment based on a comprehensive and anonymous questionnaire which is reviewed and adjusted on an annual basis, dependent on the current focus area. In calendar year 2023, there was a focus on the Board composition and an individual assessment of the respective members among other things. The Chair conducts individual feedback and performance reviews with each director. The Lead Independent Director conducts the Chair's performance review with the Board of Directors and in absence of the Chair. Finally, the full Board of Directors jointly reviews the results of the self-assessment and defines any relevant changes or improvement actions. After several years of internal self-assessment, the Board decided to perform a more detailed self-assessment with the help of an external governance specialist. For this purpose, an external governance specialist was engaged in February 2024 to conduct the self-assessment for the calendar year 2024 which at the time of this report is still ongoing.

3.1.3 Independence

The Board of Directors has applied its own independence criteria which go beyond the requirements of the DCG, the FINMA Circular on Corporate Governance and the Swiss Code of Best Practice for Corporate Governance, based on an Independent Directors Policy. The Company's non-executive members of the Board of Directors are deemed independent if they:

- are not currently, and have not in the previous three years, been employed in some other function within the Company;
- have not been employed in the previous three years by the Company's audit firm as a lead auditor for the statutory audit;
- have no commercial links (i.e. no Material Related Person Transaction as defined in the Related Person Transaction Policy) with the Company which, in view of their nature and scope, would lead to a conflict of interests (including directorships on the board of a commercial partner); and
- are not significant shareholders of the Company (shareholdings of 10% or more) and are not representatives of individual shareholders (private or institutional) or a specific group of shareholders.

Exceptions to the above, for the purposes of this Corporate Governance Report, apply to the Chair of the Company for reasons of consistency (i.e., the Chair is not deemed to be independent although he fulfils all of the above criteria). See also Sections 3.1.1 above and 3.1.4 below.

3.1.4 Information regarding Directors

Andreas Umbach

Chair, not independent [14]
Since July 19, 2017
Born: 1963

Nationality: Swiss/German

Prior positions at Landis+Gyr:
Executive Chair of the Board of Directors of Landis+Gyr AG (April 2017 to July 2017); Group CEO/COO (2002 to 2017)

Current positions at publicly traded companies other than Landis+Gyr:
Chair of the Board of Directors of SIG Group AG (SIX: SIGN) (2018 to present)

Current positions at not publicly traded companies other than Landis+Gyr:
Chair of the Board of Directors of Schurter Group AG (2023 to present); Chair of the Supervisory Board of Techem Energy Services GmbH (2018 to present)

Current outside mandates at non-profit-oriented organizations:
Zug Chamber of Commerce and Industry (President) (2016 to present)

Prior other positions:
CEO of the Group until March 31, 2017, thereafter elected as executive Chair of Landis+Gyr AG and served in that role until the IPO. Chair of the Board of Directors of Rovensa SA (2020 to 2023); Board member of Ascom Holding AG (2010 to 2020; Chair 2017 to 2019); Board member of WWZ AG (2013 to 2020); Board member at LichtBlick SE (2012 to 2016); President of the Siemens Metering Division within the Power Transmission and Distribution Group and other positions within Siemens (2002 and prior)

Education:
Master of Business Administration, University of Texas at Austin, USA; Diplom-Ingenieur in Mechanical Engineering, Technical University of Berlin, Germany

Eric Elzvik

Lead Independent Director
Since July 19, 2017
Born: 1960

Nationality: Swiss/Swedish

Prior positions at Landis+Gyr:
None

Current positions at publicly traded companies other than Landis+Gyr:
Board member and Chair of the audit committee at AB Volvo (STO: VOLV) (2018 to present); Board member and Chair of the audit and compliance committee of LM Ericsson Telephone Company (STO: ERIC) (2017 to present)

Current positions at not publicly traded companies other than Landis+Gyr:
Chair of Deutsche Glasfaser Group (2023 to present); Chair of GlobalConnect Group (2019 to present); Senior Industrial Advisor to EQT Group (2017 to present)

Current outside mandates at non-profit-oriented organizations:
None

Prior other positions:
Board member of VFS Global AG (2018 to 2022); Board member of Fenix Marine Services (2017 to 2020); Board member of the Swiss Swedish Chamber of Commerce (2016 to 2017); Chief Financial Officer and Group Executive Committee Member, ABB Ltd (2013 to 2017); various other positions at ABB including Division CFO ABB Discrete Automation & Motion (2010 to 2013); Division CFO Automation Products Division (2006 to 2010) and prior to that various senior positions within finance, mergers & acquisitions and new ventures

Education:
Master of Business Administration (Civilekonom), Stockholm School of Economics, Sweden

Peter Bason

Not independent; representative of a major shareholder
Since June 22, 2023
Born: 1974

Nationality: Danish/USA

Prior Positions at Landis+Gyr:
None

Current positions at publicly traded companies other than Landis+Gyr:
None

Current positions at not publicly traded companies other than Landis+Gyr:
Chair of the Board of Directors of Välinge Group AB (2022 to present); Head of Long Term Equity at KIRKBI (2020 to present); Board member at Armacell International S.A. (2020 to present)

Current outside mandates at non-profit-oriented organizations:
None

Prior other positions:
Director at Altor Equity Partners (2009 to 2019); Associate Principal at McKinsey & Company (2002 to 2009)

Education:
Master of Science in Financial Economics from the University of Aarhus, Denmark

[14] Andreas Umbach, as of March 31, 2024, qualifies as an independent Director according to the DCG and the Swiss Code of Best Practice for Corporate Governance. In order to ensure that this Corporate Governance Report is consistent with previous versions, he continues to be assessed as not independent.

Peter Mainz

Independent
Since June 28, 2018
Born: 1964

Nationality: Austrian, USA permanent resident

Prior Positions at Landis+Gyr:
None

Current positions at publicly traded companies other than Landis+Gyr:
None

Current positions at not publicly traded companies other than Landis+Gyr:
Board Member of Metron Farnier (2019 to present)

Current outside mandates at non-profit-oriented organizations:
None

Prior other positions:
Chair of the Board of Directors at Metasphere Ltd. (2019 to 2023); Board member of Itron, Inc. (2016 to 2018); Non-Executive Director of Cyan Connode Holdings (2014 to 2015); President and Chief Executive Officer of Sensus (2008 to 2014); other positions at Sensus including Executive Vice President of Operations and Chief Financial Officer (2003 to 2008); various Positions at Invensys including VP Finance Metering Systems Division (1999 to 2003); and previously Controller at Schlumberger

Education:
Master of Business Administration, Texas A&M University, USA; Bachelor of Business Administration and Computer Science, Johannes Kepler University, Linz, Austria

Andreas Spreiter

Independent
Since July 19, 2017
Born: 1968

Nationality: Swiss/British

Prior Positions at Landis+Gyr:
Group CFO (2002 to 2012); prior positions at Landis+Gyr and its predecessors including Business Unit Head Digital Meters/Head of Center of Competence Electronic Meters and Business Unit Controller/Head of Finance & Controlling

Current positions at publicly traded companies other than Landis+Gyr:
None

Current positions at not publicly traded companies other than Landis+Gyr:
Member of the Supervisory Board and Chair of the audit and risk committee at Alpha ABMD Holdco B.V. (Ammega Group) (2019 to present); co-owner and managing director at Spreiter Consulting GmbH (2019 to present)

Current outside mandates at non-profit-oriented organizations:
None

Prior other positions:
Group CFO of Forbo International AG (2013 to 2017)

Education:
Master in Industrial Engineering, Swiss Federal Institute of Technology (ETH), Switzerland

Christina Stercken

Independent
Since July 19, 2017
Born: 1958

Nationality: German

Prior Positions at Landis+Gyr:
None

Current positions at publicly traded companies other than Landis+Gyr:
Board member and Chair of the Sustainability and Risk Committee of Ansell Ltd. (ASX: ANN) (2017 to present); Member of the Supervisory Board of TeamViewer SE (FRA: TMV) (2023 to present)

Current positions at not publicly traded companies other than Landis+Gyr:
None

Current outside mandates at non-profit-oriented organizations:
Vice Chair of Myanmar Foundation, Munich (2001 to present)

Prior other positions:
China Strategy Advisory Board Member of Hoerbiger Holding AG (2019 to 2023); Board member of Ascom Holding AG (2014 to 2020); Partner at EAC International Consulting (2006 to 2017); earlier positions include Siemens AG, Managing Director Corporate Finance M&A, Head of the Siemens Task Force China and Head of Public Sector Business Unit, Siemens Business Services; and BMW Pvt. Ltd., South Africa

Education:
Executive Master of Business Administration, Duke University, N.C., USA; Diploma, Economics and Business Administration, University of Bonn and Technical University of Berlin, Germany

Laureen Tolson

Independent
Since June 24, 2021
Born: 1960

Nationality: USA

Prior Positions at Landis+Gyr:
None

Current positions at publicly traded companies other than Landis+Gyr:
Board member of Delek US Holdings (NYSE: DK) (2021 to present)

Current positions at not publicly traded companies other than Landis+Gyr:
CEO of Tolson Consulting Company

Current outside mandates at non-profit-oriented organizations:
None

Prior other positions:
Board member of Fenix Marine Services (2020 to 2021); chief digital officer of Wabtec / GE Transportation (2017 to 2020); CEO/Global Product Head, Enterprise Software (2016 to 2017) and EVP Product Strategy, ABB Enterprise Software of ABB Inc (2012 to 2016); Vice President Systems Management Software of Dell, Inc. (2008 to 2012); Vice President, Java Software Group (2005 to 2008)

Education:
Graduate of the International Institute for Management Development (IMD) (Lausanne, Switzerland); Master of Business Administration at National University (San Diego, USA) and B.A. in Business Administration and Economics, Minor Computer Science from Pt. Loma Nazarene University (San Diego, USA)

Audrey Zibelman

Independent
Since June 22, 2023
Born: 1957

Nationality: USA

Prior Positions at Landis+Gyr:
None

Current positions at publicly traded companies other than Landis+Gyr:
Board member of SunPower Inc. (NYSE: SPWR) (2023 to present); Board member of EOS Energy (NYSE: EOSE) (2021 to present)

Current positions at not publicly traded companies other than Landis+Gyr:
Founder and CEO of Zibelman Energy Advisors (2023 to present); Board member of Pollination Global Holdings Ltd. (2023 to present); Board member of EarthGrid PBC (2023 to present); Board member of Sosteneo SGR (2023 to present); Board member of SPAN.io, Inc. (2022 to present); Board member of Squadron Energy Pty (2022 to present); member of the Advisory Board of Meridiam (2022 to present)

Current outside mandates at non-profit-oriented organizations:
RMI Board of Trustees (2022 to present), National Infrastructure Advisory Council (2022 to present); Victorian Panel for State Electricity Utility (2023 to present)

Prior other positions:
Vice President of X, Alphabet Moonshot Factory (2021 to 2022); Managing Director and CEO of Australian Energy Market Operator (2017 to 2020), Chair and CEO of the New York Public Services Commission (2013 to 2017), Founder, President and CEO of Viridity Energy, Inc. (2007 to 2013); EVP and COO of PJM, LLC (2004 to 2007), Chair, President and CEO of TRANSLink, LLC (2001 to 2004), Vice President and Counsel of and to Xcel Energy (1991 to 2001)

Education:
B.A. in English at Penn State University, USA; J.D. at Hamline School of Law, USA

3.2 Other Activities and Vested Interests

Please see the above descriptions in Section 3.1 for information on other activities and vested interests of the current Directors.

3.3 Mandates Permitted Outside of Landis+Gyr

Pursuant to art. 12 of the Ordinance Against Excessive Compensation with respect to Listed Stock Corporations (the "Ordinance"), the articles of association of listed companies are required to contain regulations stating the number of permissible activities of the members of the board of directors, the executive board and the advisory board in the supreme management or administrative bodies of legal entities which are obliged to be registered in the Commercial Register or in a corresponding foreign register and which are not controlled by the Company or do not control the Company.

Art. 23 of the Articles limits the number of outside mandates by the members of the Board as follows:

a) up to 10 mandates in legal entities (whereof up to 4 (respectively the Chair of the Board of Directors up to 3) mandates may be in publicly traded companies pursuant to Article 727 para. 1 number 1 CO);
b) up to 10 mandates in associations, charity foundations and employee assistance foundations.

With the approval of the Nomination, Governance and Sustainability Committee, the members of the Executive Management may have up to 3 additional mandates in legal entities (whereof up to 1 mandate may be in a publicly traded company pursuant to Article 727 para. 1 number 1 CO). Mandates shall mean mandates in comparable functions at other enterprises with an economic purpose. Mandates in different legal entities that are under uniform control or the same beneficial ownership are deemed one mandate. Mandates in companies which are controlled by the Company or which control the Company are not subject to the limitations set forth in this Art. 23 of the Articles.

Please see the above descriptions in Section 3.1 for information on mandates of the current members of the Board of Directors.

3.4 Elections and Terms of Office

Please refer to Section 3.1 above for information relating to the time of first election to office of the Company's current Directors.

As prescribed by Swiss law and the Ordinance in particular, members of the Board of Directors, including the Chair, are elected individually by the General Meeting for a one-year term. In accordance with art. 15 of the Articles, re-election is possible for all Directors provided that at the time of election or re-election, the relevant Director has not reached the age of 70 and has not served on the board for more than 12 years.[15] The members of the Remuneration Committee as well as the independent proxy (the "Independent Proxy") are also elected by the General Meeting for a one-year term.

3.5 Internal Organizational Structure

3.5.1 Allocation of Tasks Within the Board of Directors

3.5.1.1 General

The Organization Regulations define the essential roles and responsibilities of the Board of Directors, the Chair, the Lead Independent Director and the Committees as well as the CEO, the Group Executive Management and the extended executive management.

In general, the Chair of the Board of Directors or, in his/her absence, conflict of interest, unavailability, or failure to act, the Lead Independent Director (or, in his/her absence, conflict of interest, unavailability, or failure to act, any other designated member of the Board of Directors), convenes the meetings of the Board of Directors, sets the agenda, prepares the meetings, and chairs them. He/she supervises the drafting and signing of the respective minutes, the implementation of resolutions taken by the Board of Directors, conducts strategic relations and contacts with shareholders, investors, the media and the general public in coordination with the CEO, and assumes any other duty as further set out in the applicable laws, the Articles of Association and the Company's Organization Regulations.

The tasks and areas of responsibility of the Lead Independent Director are further described in Section 3.5.1.2 below.

The Board of Directors has established an Audit, Finance and Risk Committee, a Remuneration Committee and a Nomination, Governance and Sustainability Committee. The members of the Committees are shown in the table under Section 3.1.1 above. The Board of Directors may, in accordance with art. 8.1 of the Organization Regulations, define other temporary committees or define temporary delegation of certain matters to a group of members of the Board of Directors. Please see Sections 3.5.2.1 et seqq. for the specific tasks and areas of responsibility of the Committees.

15 For more information on the terms of office of Board members, see art. 4 of the Organization Regulations, available at www.landisgyr.com/webfoo/wp-content/uploads/2023/11/LandisGyr-Organizational-Regulations_External.pdf.

3.5.1.2 Tasks and Area of Responsibility of the Lead Independent Director

Appointed by the Board of Directors for a term of one year, the role of the Lead Independent Director is to ensure independence and leadership for other independent directors. Besides creating a governance means to address any potential issue where the Chair – due to his previous role as CEO of the Group – may be conflicted, the Lead Independent Director function enhances the opportunity for each Board member's point of view to be heard. Further, if the Chair is indisposed or conflicted, the Lead Independent Director chairs the Board meetings. This includes any deliberations or decision-taking involving the assessment of the Chair's work.

3.5.2 Tasks and Areas of Responsibility of the Committees

The committees and their members are shown in the table under Section 3.1.1 above.

3.5.2.1 Tasks and Area of Responsibility of the Audit, Finance and Risk Committee (AFRC)

The AFRC supports the Board in fulfilling its responsibilities with respect to matters involving the financial and risk management aspects of governance of the Company and the Group. In particular, the AFRC supports the Board in fulfilling its oversight responsibility to the shareholders, potential shareholders, the investment community and other stakeholders relating to the integrity of the Company's financial statements, the effectiveness of the Company's internal control over financial reporting, the Company's compliance with legal and regulatory requirements, the independent auditor's qualification and independence, the performance of the Company's internal audit function and external auditors, and the effectiveness of the Company's risk management processes.

Comprising three independent Board members (whereas the minimum number of members amounts to two according to the Organization Regulations), the AFRC in particular evaluates the work of the internal control functions (e.g., Internal Audit and Compliance) and of the external auditor, making proposals to the Board on the choice of the external auditor and, at the request of the Chief Financial Officer (the "CFO"), approving the budget for auditing and other fees from the external auditors.[16] The AFRC also assesses the yearly business expenses of the members of the Group Executive Management. The organization, detailed responsibilities and reporting duties of the AFRC are stipulated in Appendix D and F of the Organization Regulations.

16 The external auditor is PwC (auditor of Landis+Gyr Group AG and of the Consolidated Financial Statements of the Landis+Gyr Group). It conducts its audit in compliance with Swiss law and in accordance with Swiss auditing standards and auditing standards generally accepted in the United States of America (US GAAS).

3.5.2.2 Tasks and Area of Responsibility of the Remuneration Committee (RemCo)

The RemCo supports the Board of Directors in remuneration matters, ensuring that the Company's remuneration system shall be designed and operated to (a) achieve and realize the Company's and the Group's objectives, purpose and sustainable interests, (b) be consistent with sound financial, performance management, compliance and governance principles, as well as applicable laws and regulations, and (c) attract, motivate and retain talented employees with the necessary skills and qualities.

The RemCo consists of three independent Board members whereas the Articles of Assocation and the Organization Regulations mandate a minimum of two members.[17] The RemCo establishes and reviews the remuneration strategy and prepares the annual proposals to the shareholders' meeting regarding the maximum aggregate remuneration of the Board of Directors and the Group Executive Management, as well as the Remuneration Report. Further, the RemCo regularly reviews the remuneration scheme of the Group, the remuneration-related targets for the Group Executive Management and other members of senior management, and proposes the maximum aggregate remuneration, as well as reviewing the individual remuneration of the Group Executive Management. The RemCo also reviews and proposes the individual remuneration of the Chair of the Board and other members of the Board. The organization, detailed responsibilities and reporting duties of the RemCo are stipulated in Article 19 of the Articles of Association and in Appendix C and F of the Organization Regulations.

3.5.2.3 Tasks and Area of Responsibility of the Nomination, Governance and Sustainability Committee (NGSC)

Comprising four members of the Board of Directors (three is the minimum number of members as set forth in the Organization Regulations), of which the majority is independent, the NGSC supports the Board of Directors with respect to matters relating to the corporate governance of the Company and the Group, sustainability matters (incl. ESG matters) of the Company and the Group as well as nomination- and compensation-related matters. More particularly, the NGSC supports the Board in assessing the members of the Board, the Board Committees, the CEO and the other members of the Group Executive Management with regard to (i) the nomination process, (ii) the succession planning, (iii) the performance review as well as (iv) the self-assessment of the Board and the Board Committees. The NGSC is further responsible for corporate governance matters, including but not limited to the review of the effectiveness of the Board, its Committees and individual members, the review of the size and composition of the Board and the review of the Corporate Governance report. In addition, the NGSC is responsible for sustainability matters, practices and procedures including the review of the Sustainability Report, and the setting of and monitoring of compliance with the Company's ESG targets and sustainability goals. The organization, detailed responsibilities and reporting duties of the NGSC are stipulated in Appendix E and F of the Organization Regulations.

17 In accordance with Swiss law, these members are elected each year by the shareholders' meeting. They serve for one year and may be re-elected for further terms.

3.5.3 Working Methods of the Board of Directors and the Committees

3.5.3.1 Meetings of the Board of Directors and the Committees

The Board of Directors meets regularly in accordance with the requirements of the Company and to fulfill its duties and responsibilities, usually bi-monthly in person, virtually or as a hybrid meeting, but at least four times a year. The Organization Regulations stipulate that meetings take place at the request of the Chair or Lead Independent Director, or of any other member if done in writing and indicating the background and purpose of the request. According to art. 18 of the Articles, Board resolutions may also be passed via teleconference, or, unless a member calls for an oral deliberation, in writing by way of a circular or via electronic means.

The AFRC typically meets once every two to three months, but at least four times a year. Comprising independent Directors, the AFRC reports to the Board on its activities and decisions. The minutes of the meetings are made available to the members of the Board. The Internal Audit Head reports functionally to the AFRC. The Internal Audit Head is independent in its reporting and is not subject to any instructions. He/she shall have full and unrestricted reporting rights and obligations to the AFRC and the Internal Audit is independent in determining its activities. The Chief Compliance Officer, who reports functionally to the AFRC, and the Group Data Privacy Officer provide regular, independent reports to the CEO and to the AFRC and ad hoc reports whenever appropriate or requested by the AFRC. Both the Chief Compliance Officer and Group Data Protection Officer shall provide ad hoc, independent and unrestricted reports directly to the Board/AFRC with respect to significant Group compliance or Group data privacy issues or risks.

The RemCo typically meets once every two to three months, but at least four times a year. The Chair of the RemCo reports to the Board on its activities and decisions. The minutes of the meetings are made available to the members of the Board.

The NGSC typically meets once every two to three months, but at least four times a year. The Chair of the NGSC reports to the Board on its activities and decisions. The minutes of the meetings are made available to the members of the Board.

In the 12 months preceding this Corporate Governance Report, the Board of Directors held nine meetings and various information sessions, including site visits. Four out of those nine meetings were in-person meetings, whereas the remaining five meetings were either hybrid meetings with some Directors attending in person and others via video conference, or full video conferences. The in-person meetings lasted for approximately seven hours on average, whereas the strategy session was conducted over two full days in September 2023, involving all Directors and some management members, including the Group Executive Management and the Extended Executive Management attending in person and other management members attending certain sessions via video conference. The meetings of the Board held via conference calls had an average duration of approximately four hours. In addition, the Board conducted a half day, in-person training session regarding ESG developments in FY 2023, as well as various legal and regulatory training sessions within the course of regular Board meetings.

As of April 1, 2023 through March 31, 2024	Number of meetings (attendance)	Average duration (hours)
Board of Directors	9 (100%)	6
AFRC	8 (100%)	3[18]
RemCo	6 (100%)	2.5
NGSC	4 (100%)	2

3.5.3.2 Meeting Attendance

All meetings of the Board of Directors, the AFRC, the RemCo and the NGSC enjoyed a 100% attendance of all members of the Board of Directors or the Committees, respectively (see table below). The Board meetings were, except for certain Directors-only sessions, attended by the CEO and members of the Group Executive Management, the Company Secretary/Group General Counsel and other senior managers. In general, the Chair, the CEO, the CFO, the Group General Counsel and other senior managers attended the AFRC meetings, except for certain Directors-only discussions. Meetings of the RemCo were all attended by an external advisor to the RemCo (in person or via conference call) and the Head of Human Resources, the CEO, the CFO and Group General Counsel attended parts of meetings of the RemCo in an advisory function but were excluded from certain discussions. No member of the management attended the part of the meetings in which their own performance or remuneration were discussed. Except for some Director-only sessions, the meetings of the NGSC were attended by the Group General Counsel and some meetings were also attended by the CEO, who was however excluded from certain discussions.

Meetings of the Board of Directors as of April 1, 2023 through March 31, 2024:

Dates	28.04.23	25.05.23	21.06.23	17.08.23	21./22. 09.23	24.10.23	14.12.23	26.02.24	13.03.24
Andreas Umbach	√	√	√	√	√	√	√	√	√
Eric Elzvik	√	√	√	√	√	√	√	√	√
Peter Bason	n/a	n/a	Guest	√	√	√	√	√	√
Peter Mainz	√	√	√	√	√	√	√	√	√
Søren Thorup Sørensen[19]	√	√	√	n/a	n/a	n/a	n/a	n/a	n/a
Andreas Spreiter	√	√	√	√	√	√	√	√	√
Christina Stercken	√	√	√	√	√	√	√	√	√
Laureen Tolson	√	√	√	√	√	√	√	√	√
Audrey Zibelman	n/a	n/a	Guest	√	√	√	√	√	√

18 In addition, there were various ad hoc conference calls lasting approximately one hour each of to deal with matters as they arose.
19 Board member up to the 2023 AGM.

3.6 Definition of Areas of Responsibility between the Board and the Group Executive Management

According to Swiss law, the Board of Directors is responsible for the ultimate direction and supervision of the Company. Art. 716a of the CO lists certain non-transferable and inalienable duties of the Board of Directors. In addition, the Board of Directors may pass resolutions on all matters that are not defined by Swiss law or the Articles as lying in the responsibility of the General Meeting.

In accordance with Swiss Law, the Articles and the Organization Regulations, the Company's two main governing bodies allocate their tasks and responsibilities as set forth below.

3.6.1 Board of Directors

The Board of Directors is entrusted with the ultimate direction of the Company as well as with the supervision of the management. This includes determining the strategy of the Group upon recommendation of the CEO and appointing the CEO and the other members of the Group Executive Management, as well as the Head of Global Internal Audit. The Board of Directors further determines the sustainability strategy of the Company and the Group, promoting a culture that encourages entrepreneurship and that is characterized by integrity, long-term thinking and responsibility.

Although pursuant to the Articles and the Organization Regulations, the Board may, to the extent permitted by law, delegate various responsibilities to the CEO and the Group Executive Management, in line with arts. 16 and 17 of the Articles and the Organization Regulations, it retains certain duties, such as the determination of the risk profile of the Group, monitoring risks and ensuring that fundamental policies and controls are in place for compliance with applicable law and regulations.[20] Resolutions of the Board of Directors require the affirmative simple majority of the votes cast. Resolutions may also be taken by circular resolutions, which require the affirmative votes of the majority of the Directors, and by electronic means in accordance with applicable laws, always provided no Director requests an oral deliberation and further provided that more than 50% of the Directors cast a vote or give written or e-mail notice that they abstain. In the case of a tie on any issue, the Chair has the casting vote.

20 The detailed description of these retained responsibilities and duties are stipulated in arts. 16 and 17 of the Articles.

3.6.2 Group Executive Management *(Konzernleitung)*

The Group Executive Management consists of the CEO, the CFO, the executive vice president America, and the executive vice president EMEA as well as any other member (if any) appointed to the Group Executive Management by the Board of Directors.[21] The CEO, in his/her duties,[22] is assisted by the Group Executive Management and the Extended Executive Management. He is appointed and removed by the Board of Directors. The other Group Executive Management members are appointed and removed by the Board of Directors upon recommendation of the CEO. The Extended Executive Management is led by the CEO and consists of the Group Executive Management as well as other key functional leaders and direct reports to the CEO and appointed by the CEO, to ensure a full breadth of perspective and integrated business thinking as the basis for the CEO's and the Board's legally binding decision making. The Group Executive Management and the Extended Executive Management generally meet on a weekly basis.

3.7 Information and Control Instruments vis-à-vis the Group Executive Management

At the invitation of the Board of the Directors, members of the Group Executive Management and Extended Executive Management may attend Board meetings and report on significant projects and events. However, the Board may limit their participation to relevant meetings or parts of meetings. In addition, the Board may meet in private sessions, i.e., without management presence.

To ensure the Board of Directors receives timely information on material matters involving the Group's business, the members of the Group Executive Management and Extended Executive Management report to the Board and its committees before or at every meeting, including information regarding strategic, financial, risk and compliance matters. The Head of Global Internal Audit and the Chief Compliance Officer and the Group Data Privacy Officer also make regular reports to the Board or its committees. In addition, the Chair acts as liaison between the Board and management and in this capacity has regular interactions with the CEO, other members of the Group Executive Management and the Group General Counsel. The Lead Independent Director has regular interactions with the CEO and the Senior Vice President of Global Human Resources, and the Chair of the AFRC has regular interactions with the CFO and the Head of Global Internal Audit.

In addition to reviewing and approving the Group's comprehensive annual risk assessment process, the Board and its committees are updated regularly by members of the Group Executive Management and Extended Executive Management on all key risks facing the Group, such as quality issues, the progress of major customer projects, the progress of research and development projects and other risk areas as they are identified, i.e., cyber security risks.

21 See art. 11.1 of the Organization Regulations.
22 The CEO exercises those duties which the Board of Directors has delegated to management in accordance with the Company's Organization Regulations and Swiss law.

Other reports to the Board include, among others, but are not limited to information and updates about regional market performances and portfolios, technology, strategic projects and options, i.e., M&A projects and market developments, investor relations, legal and compliance, HR, ESG activities of the Group and financial information, such as the balance sheet, the income and cash flow statements, and key figures for the Company and its segments. The reports incorporate comments on the respective business results and a forecast of the key figures. The CEO and CFO report at every Board meeting on business developments and all matters relevant to the Company, including competitor activities and emerging opportunities and threats. Furthermore, the Board reviews and approves major customer contracts that exceed a certain value or have particular risk characteristics. During the Board meetings, the Chairs of the AFRC, the RemCo and the NGSC also report on all matters discussed by their committees and on the key findings and assessments, and they submit proposals accordingly. Each year, the Board of Directors discusses and approves the budget for the following year and the five-year midterm plan.

The Board's responsibility includes defining the fundamentals of and monitoring the effectiveness of an Internal Control System (the "ICS") relevant to the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error. The ICS ensures the implementation of appropriate procedures and measures to identify and monitor the main financial risks to which the Company is exposed. In particular, the aim of the ICS is to ensure the integrity and completeness of accounting, to provide timely and reliable financial reporting, and to prevent, minimize and identify errors and irregularities in the financial statements.

In order to achieve these objectives, Group companies in scope for external audit are determined annually. Hence, it is ensured that approximately 80% of the revenue and of total assets of the Group are covered. The external audit confirms the existence of the ICS in connection with the year-end audit. Additionally, the external auditor submits improvement suggestions on a yearly basis, which are implemented in the following year.

The internal audits are conducted by the internal audit function in accordance with an annual plan approved by the AFRC. A distinction is made between regular and special engagement audits. The latter consist of limited reviews, compliance audits and other special engagements that are incident-specific and upon request of senior management, the AFRC or the Board. In all cases, internal audit engagements are approved by the AFRC. Regular audits, defined as part of the risk-based annual internal audit plan, focus on the larger entities and higher risk areas. Detailed reports of identified deficiencies are prepared (with deficiencies classified as either high, medium or low risk) and remedial action plans are agreed with management. The risks and deficiencies identified in these audits are minimized or mitigated by measures adopted by management and are regularly monitored. In the financial year 2023, fifteen internal audits were conducted. The internal audits were restricted to selected business processes. In its review of audited Group companies and organizations, risks and control deficiencies in connection with the above-mentioned business processes were analyzed. Internal audit reports are submitted to the AFRC and reviewed by the AFRC with the Head of Global Internal Audit at least four times per year. The implementation and reliability of the controls introduced with the ICS were examined by the Group and regional management to ensure that deviations were identified and that appropriate corrective measures were implemented.

The NGSC supports the Board in all matters that relate to nominations, governance and sustainability. In this capacity, the NGSC reviews current corporate governance matters but also the CEO and GEM performance review and succession plan. The NGSC further determines the Group's ESG framework and long-term ambitions and targets for approval of the full Board and regularly reviews and discusses progress. Within the context of the annual Board Self-Assessment process run by the NGSC – in FY 2023 together with an external consultant – the Board also reviews its own performance and the performance of the Committees, as well as the cooperation with the CEO and the Group Executive Management and identifies improvement opportunities. The NGSC also identifies training and education options for the Board and also for the Group Executive Management and ensures adequate training sessions.

4 Group Executive Management

4.1 Members of the Group Executive Management

As of March 31, 2024, the members of the Group Executive Management were:

Name	Position	Year of Appointment
Werner Lieberherr	Chief Executive Officer (CEO)	2020
Elodie Carr-Cingari	Chief Financial Officer (CFO)	2020
Sean Cromie	Executive Vice President and Head of Americas	2022
Bodo Zeug	Executive Vice President and Head of EMEA	2021

Werner Lieberherr

CEO
Since April 1, 2020
Born: 1960

Nationality: Swiss/USA

Prior positions at Landis+Gyr:
None

Current positions outside of Landis+Gyr:
Board Member of BRUSA HyPower AG (2023 to present)

Prior other positions:
President & Chief Executive Officer of MANN+HUMMEL Group (2018 to 2019); Executive Vice President & Chief Operating Officer of Rockwell Collins (NASDAQ: COL) (2017 to 2018); President & Chief Executive Officer of B/E Aerospace (NASDAQ: BEAV) (2010 to 2017) and Senior Vice President & General Manager Commercial Aircraft Segment (2006 to 2010); various executive roles at the utility businesses of ABB (1991 to 2003) and Alstom (2004 to 2006)

Outside mandates at non-profit-oriented organizations:
None

Education:
Master of Business Administration from the Kellogg School of Management, Northwestern University, USA; Master of Science in Operations Research & Industrial Engineering, ETH Zürich, Switzerland

Elodie Carr-Cingari

EVP and CFO
Since November 16, 2020
Born: 1974

Nationality: French / Swiss

Prior positions at Landis+Gyr:
None

Current positions outside of Landis+Gyr:
Board member and Chair of the Audit Committee of Siegfried Holding (SIX: SFZN) (2023 to present)

Prior other positions:
Group CFO and Member of the Executive Board of Hoerbiger Group (2019 to 2020); CFO of Global Steam Business, and previously of Europe Power Service Business and of Global Grid Business, and various other executive finance roles in General Electric / Alstom (2008 to 2018); Various financial leadership roles in Hewlett-Packard, including Finance Director Consumer Business EMEA (1998 to 2008)

Outside mandates at non-profit-oriented organizations:
None

Education:
Master of Business Administration from Bocconi University in Milan, Italy

Sean Cromie

EVP and Head of Americas
Since January 1, 2022
Born: 1966

Nationality: Irish / USA

Prior positions at Landis+Gyr:
Executive Vice President Operations and Supply Chain Management (2020 to 2021)

Current positions outside of Landis+Gyr:
None

Prior other positions:
President and General Manager Life Sciences & Environment with MANN+HUMMEL (2018 to 2019); various senior management positions at B/E Aerospace (2003 to 2018) including General Manager Commercial Aircraft Segment (2011 to 2018); Managing Director (2007 to 2010) and Business Director (2003 to 2007); Business Unit Manager with San Mina SCI (2000 to 2003)

Outside mandates at non-profit-oriented organizations:
None

Education:
Bachelor of Combined Sciences (Hons) from Ulster University, Northern Ireland

Bodo Zeug

EVP and Head of EMEA
Since September 1, 2021
Born: 1969

Nationality: German

Prior positions at Landis+Gyr:
Executive Vice President Strategy (2020–2021); Executive Vice President Supply Chain Management and Operations (2017 to 2020)

Current positions outside of Landis+Gyr:
Supervisory Board of ROI Management Consulting AG (2017 to present)

Prior other positions:
Partner at ROI-EFESO (2015 to 2017); Principal with Barkawi Management Consultants (2011 to 2015); Head of Operations for CommScope (2010 to 2011); General Manager & Vice President at Flextronics (2005 to 2009); Product Manager at Siemens China (1999 to 2005); Engineer at Ericsson (1996 to 1999)

Outside mandates at non-profit-oriented organizations:
None

Education:
Master of Electronic Engineering from the FAU Erlangen-Nuremberg, Germany; MBA from the University of Hagen, Germany

4.2 Other Activities and Vested Interests

Please see the above descriptions in Section 4.1 for information on other activities and vested interests of the current members of the Group Executive Management.

4.3 Mandates Permitted Outside of Landis+Gyr

With the approval of the Nomination, Governance and Sustainability Committee, the members of the Executive Management may have up to 3 additional mandates in legal entities (whereof up to 1 mandate may be in a publicly traded company pursuant to Article 727 para. 1 number 1 CO). Mandates shall mean mandates in comparable functions at other enterprises with an economic purpose. Mandates in different legal entities that are under uniform control, or the same beneficial ownership are deemed one mandate. Mandates in companies which are controlled by the Company, or which control the Company are not subject to the limitations set forth in art. 23 of the Articles.

All members of the Group Executive Management combined currently have three outside mandates at other companies (see Section 4.1 above for further information). To ensure compliance, the Group Executive Management must secure approval from the NGSC before accepting any new mandate.

4.4 Management Contracts

There are no management contracts in place between the Company and any third parties.

5 Compensation, Shareholdings and Loans

The remuneration programs within Landis+Gyr are periodically reviewed to ensure continued alignment with the Group's strategy and market practice.

Rules regarding the principles of compensation, participation plans, loans, credits and pension benefits are set in arts. 24, 25, 26, 28 and 29 of the Articles. The rules regarding the approval of the remuneration by the AGM are set forth in art. 12 of the Articles. Further details with respect to all matters regarding compensation, the shareholdings and loans can be found in the Company's Remuneration Report.

6 Shareholders' Participation Rights

6.1 Restrictions on Voting Rights and Representation

6.1.1 General Rules on Restrictions to Voting Rights

Shareholders' rights of participation in the General Meeting are defined by law and the Articles. Each share, provided it is recorded in the share register as a share with voting rights, entitles the holder to one vote. Subject to the registration of shares, the Articles do not impose any restrictions on the voting rights of shareholders. Votes may be exercised only after a shareholder has been registered in the Company's share register as a shareholder with voting rights up to a specific qualifying day (the "Record Date") designated by the Board of Directors before the General Meeting. The potential restrictions on the voting rights carried by the shares of the Company are described in detail in Section 2.6 above. In accordance with art. 5 of the Articles (as described in Section 2.6), the Company may in special cases approve exceptions to the restrictions described in Section 2.6 above. No such exceptions were granted in the period under review herein.

6.1.2 Reasons for Granting Exceptions in the Year Under Review

No exceptions from the voting rights restrictions set forth in the Articles were granted in the period under review herein.

6.1.3 Procedure and Conditions for Abolishing Voting Rights Restrictions

The abolishing of voting rights restrictions as set forth in the Articles requires a resolution of the General Meeting passed by at least two-thirds of the represented share votes and absolute majority of the par value of represented shares (see art. 13 of the Articles).

6.1.4 Rules on Participation in the General Meeting

Pursuant to the Articles, shareholders may be represented at shareholders' meetings by an independent proxy or any other person who need not be a shareholder. The Board of Directors determines the requirements regarding proxies and voting instructions.

6.1.5 Rules on Instructions to the Independent Proxy and Electronic Participation in the General Meeting

Shareholders may also be represented by the independent proxy at the General Meeting. The requirements that apply to powers of attorney and instructions are determined by the Board of Directors (art. 11 of the Articles). The independent proxy has a duty to exercise the voting rights assigned to him/her by shareholders in accordance with their instructions. The independent proxy is elected annually by the General Meeting. The term of office begins on the day of election and ends at the close of the next Ordinary General Meeting. Re-election is permitted. Swiss law allows for proxy instructions both in written as well as electronic form. Since the Company's IPO in 2017, instructions by shareholders to the independent proxy for participation in the General Meeting have been permissible both in written and electronic form.

The Board of Directors may determine that the General Meeting be held abroad or simultaneously at different locations, provided that the contributions of the participants are transmitted directly in video and audio to all venues, or that shareholders who are not present at the venue(s) of the General Meeting may exercise their rights by electronic means. The Board of Directors may at any time until June 22, 2026, provide that the General Meeting be held electronically without a venue (art. 8a of the Articles).

6.2 Quorums Required by the Articles of Association

Art. 13 of the Articles requires a resolution of the General Meeting passed by at least two-thirds of the represented shares and an absolute majority of the par value of represented shares for the following items:

a) All agenda items which require such qualified majority by law (art. 704 of the CO and certain resolutions in connection with the Swiss Federal Merger Act);
b) the facilitation or abolishment of the limitations on the transferability of shares as set forth in the Articles; or
c) an amendment of art. 13 of the Articles.

6.3 Convocation of the General Meeting

The Company's Articles do not differ from applicable Swiss statutory provisions under Swiss law. The Board of Directors is required to convene an extraordinary General Meeting within two months if requested by one or more shareholder(s) representing in aggregate at least 5% of the Company's nominal share capital registered in the commercial register. Shareholders' meetings may also be convened by the Board of Directors or, if necessary, by the Company's statutory auditors or liquidators under Swiss law.

The General Meeting is convened by publication of a notice of such meeting in the Swiss Official Gazette of Commerce (Schweizerisches Handelsamtsblatt) at least 20 calendar days before the date of the meeting. If the post or e-mail addresses of the shareholders are known, a notice is sent simultaneously by mail or e-mail. The notice states the day, time and place of the meeting, the agenda, the proposals of the Board of Directors and the proposals of the shareholders who have requested the shareholders' meeting or that an item be included on the agenda.

6.4 Inclusion of Items on the Agenda

Registered shareholders with voting rights individually or jointly representing at least CHF 1 million of the nominal share capital of the Company may demand that items be put on the agenda. Such demands must be submitted to the Chair at least 45 days before the date of the shareholders' meeting and must specify the items and the proposals in writing.

6.5 Entries in the Share Register

The Record Date (see above, Section 6.1.1) is set by the Board of Directors and included in the invitation to the General Meeting.

7 Change of Control and Defense Measures

7.1 Duty to Make an Offer
The Articles do not contain any provisions on opting-out or opting-in in the sense of art. 125 para. 3 and 4 of the FMIA or art. 135 para. 1 of the FMIA, respectively.

7.2 Clauses on Change of Control
There are no agreements in place containing change of control clauses benefiting members of the Board of Directors and/or the Group Executive Management as well as other members of the Company's management.

8 Auditor

8.1 Duration of the Mandate and Term of Office of the Lead Auditor
The independent group auditor of the Company is PricewaterhouseCoopers AG (PwC), Dammstrasse 21, 6302 Zug, Switzerland, who has been the auditor of the Company since financial year 2016 (April 1, 2016 to March 31, 2017). The lead audit partner is rotated every seven years in accordance with Swiss law. The responsible lead audit partner within PwC is Patrick Balkanyi, who has been in charge of the Landis+Gyr mandate since 2023.

8.2 Auditing Fees
PwC was paid compensation of CHF 1.6 million for services in connection with auditing the annual financial statements of the Company and the consolidated statements of the Group for financial year 2023.

8.3 Additional Fees
PwC charged CHF 0.1 million for non-audit services performed during the year-ended March 31, 2024. The non-audit services primarily included tax advisory services.

8.4 Information Instruments Pertaining to the External Audit
PwC presents to the AFRC, on an annual basis, a detailed report on the results of the audit of the consolidated and stand alone financial statements, the findings on significant accounting and reporting matters, and findings on the internal control system. The results and findings of this report are discussed in detail with the CFO.

The AFRC reviews annually the appropriateness of retaining PwC as the auditor of the Landis+Gyr Group AG and its subsidiaries, before proposing to the Board and to the AGM of Landis+Gyr Group AG the election of PwC as auditors. The AFRC assesses the effectiveness of the work of the auditor in accordance with Swiss law, based on its understanding of the Group's business, control, accounting and reporting issues, and the manner in which significant matters are identified and resolved at the Group level or in the statutory accounts. It also makes a recommendation to the Board of Directors concerning the choice of the external auditor.

The AFRC is also informed on the work of PwC through briefings from its Chair, who is in turn briefed as required by PwC. Audit fees are ultimately approved by the AFRC.

In the period under review, PwC attended three meetings of the AFRC at which PwC presented its report on the audit of the Group's accounts for the financial year 2022 and the audit plan for the audit of the Group's accounts for the financial year 2023.

The Group and PwC have agreed on clear guidelines and firewalls for non-audit services that are appropriate for PwC to provide. These services include due diligence on mergers, acquisitions and disposals and certain tax and business risk assurance and IS/IT advisory support. These guidelines are aimed at ensuring PwC's independence in their capacity as auditors to the Group. PwC monitors its independence throughout the year and confirms its independence to the AFRC annually.[23]

9 Stakeholder Engagement

Engaging with shareholders and other stakeholders is a top priority for Landis+Gyr and the Board of Directors. Since 2019, the Chair together with the Lead Independent Director have held a Corporate Governance Roadshow every year. They engage with shareholders and proxy advisors to discuss and understand their opinions and perspectives on the corporate governance, remuneration and sustainability practices of the Company. The comprehensive feedback from these constructive dialogues is shared with the entire Board of Directors and has resulted in various improvements in the Company's best practices.

10 Information Policy

Landis+Gyr is committed to communicating in a timely and transparent way to shareholders, potential investors, financial analysts and customers. To this end, the Board of Directors takes an active interest in fostering good relations and engagement with shareholders and other stakeholders. In addition, the Company complies with the requirements of SIX Swiss Exchange on the dissemination of material and price-sensitive information. Matters affecting the share price are published immediately in accordance with the ad hoc publicity rules of the SIX Swiss Exchange. Ad hoc announcements can be accessed at the same time as they are communicated to the SIX Swiss Exchange at the links indicated at the end of this Section 10.

It is also possible to receive potentially price-relevant information directly, promptly and free of charge from Landis+Gyr by e-mail. This service is offered under the links indicated at the end of this Section 10.

23 For more information on the AFRC in respect of the external auditor, see Section 3.5.2.1 above.

The Company releases its financial results in an annual report that is published within four months after the March 31 balance sheet date. In addition, the Company releases results for the first half of each fiscal year within three months of the September 30 balance sheet date. The Company's annual report and half year results are announced via press releases and media and investor conferences in person and via telephone. The Company also publishes press releases at the time of any potentially price-sensitive event. The annual report can also be accessed in electronic form under the links below at the end of this Section 10.

Notices to shareholders are made by publication in the Swiss Official Gazette of Commerce (Schweizerisches Handelsamtsblatt). The Board of Directors may designate further means for official publications. The following web links provide further information:

The Company's website:
www.landisgyr.com

Ad hoc messages (pull system):
www.landisgyr.com/investors

Subscription for ad hoc messages (push system):
www.landisgyr.com/investors/ad-hoc-announcements

Financial reports and annual reports:
www.landisgyr.com/investors/results-center

Corporate calendar:
www.landisgyr.com/investors/corporate-calendar
The Landis+Gyr Group Investor Relations Department can be contacted, either through the website, or by telephone, e-mail or letter.

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11 Quiet Periods

The Company's "Insider Dealing and Market Manipulation Policy" (the "Trading Policy") generally allows Landis+Gyr personnel to deal in Landis+Gyr securities at all times (i.e., without any sort of limitation to deal in Landis+Gyr securities). There are four groups excepted from such general rule: "Insiders"; "Persons Confined to Trading Windows"; "Restricted Persons"; "LTIP Participants" (all as defined in the Insider Policy).

Insiders are restricted from dealing in Landis+Gyr securities at all times as long as they qualify as Insiders. Persons Confined to Trading Windows, Restricted Persons and LTIP Participants are (besides further specific restrictions to their liberty to deal in Landis+Gyr securities and provided they are not an Insider) only allowed to deal in Landis+Gyr securities provided there is an open "Trading Window".

A "Trading Window" is defined as the period of time during which a Person Confined to Trading Windows, a Restricted Person or an LTIP Participant, subject to other potential restrictions as set out in Landis+Gyr policies, may deal in Landis+Gyr securities or "Restricted Securities" (specific non-Landis+Gyr securities determined by the Landis+Gyr ad hoc committee). While subject to potential changes which are communicated "ad hoc", the two Trading Windows commence upon (1) the second trading day following the public release of Landis+Gyr's annual results and end on the start of September 1 (at 00:00.00 local time), and (2) the second trading day following the public release of Landis+Gyr's semi-annual results and end on the start of March 1 (at 00:00.00 local time). For financial year 2023, Landis+Gyr's Trading Windows, therefore, were the following:

- May 4, 2023, 8:00 CET to August 31, 2023, 24:00 CET; and
- October 27, 2023, 8:00 CET to February 29, 2024, 24:00 CET.

The Board of Directors thanks the Company's shareholders, customers and other stakeholders for their interest in and support of the Company.

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Remuneration Report 2023

Landis+Gyr

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Letter from the Chair of the Remuneration Committee

Dear Shareholders,
On behalf of the Board of Directors and the Remuneration Committee, I am pleased to introduce Landis+Gyr's Remuneration Report for the financial year ended March 31, 2024.

The Remuneration Report explains Landis+Gyr's remuneration system and its governance, as well as how the performance results impacted the variable incentive payments to the Group Executive Management in their remuneration plans.

At the last Annual General Meeting ("AGM") in 2023, binding votes were conducted on the maximum aggregate remuneration amounts for the Board of Directors and the Group Executive Management, with approval rates of 93.9% and 98.6%, respectively. Further, the consultative vote on the Remuneration Report achieved an approval rate of 87.5%.

As in previous years, among other engagement activities carried out by the Board of Directors, the Chair of the Board of Directors and the Chair of the Remuneration Committee continued to engage directly with Landis+Gyr shareholders and other stakeholders through a series of governance roadshow meetings. The input received was considered in the on-going evaluation of our remuneration systems and programs, with the aim of keeping our incentive plans in line with Landis+Gyr's business strategy and shareholders' interests. We are confident that our current structures and processes are in alignment with market standards and effectively support our compensation strategy to attract, motivate and retain the right talent. In further addressing feedback received, we have enhanced our disclosures related to the performance outcome under both our Short- and Long-Term Incentive Plans in this year's Remuneration Report.

The outcome of the Short-Term Incentive Plan reflects both the solid financial performance achieved, as well as the excellent progress made in driving our ESG targets. In financial year 2023, Landis+Gyr achieved strong net revenue growth of 15.6% year-over-year in constant currency to a new record of USD 1,963.0 million. Adjusted EBITDA increased by 60% compared to the prior financial year. We also continue to ensure the alignment between Landis+Gyr's ESG strategy and the topics measured within the Short-Term Incentive Plan, and were again able to make excellent progress in delivering on our ESG commitments in financial year 2023.

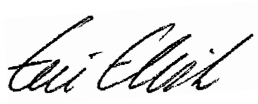
In our share-based Long-Term Incentive Plan, we continue to measure performance against relative Total Shareholder Return and Earnings per Share. For the grant made in 2021, shares will be allocated upon the vesting date at the end of the first quarter of financial year 2024, with the performance period covering the three financial years from 2021 to 2023. The outcome of the 2021 plan reflects the strong three-year Earnings per Share performance, as well as the Total Shareholder Return positioning close to the median of the peer group.

In addition, during the past year the Remuneration Committee and the Board discussed the future inclusion of ESG targets in the Long-Term Incentive Plan in order to further drive our ESG priorities and ambitions. On the basis of these discussions, and considering input received from shareholders, the Board decided to include ESG targets with a 20% weighting in the Long-Term Incentive Plan as of the grant in financial year 2025, aligned with the beginning of the Company's next three-year ESG cycle. Correspondingly, the targets will be discussed and set over the coming 12 months, concurrent with the definition of our ESG priorities for the 2025 to 2027 ESG cycle.

After introducing the global Employee Share Purchase Plan in 2022, we were pleased to make the second offering in 2023. The plan offers the opportunity to our employees at all levels of the organization to purchase Landis+Gyr shares at a discounted price, thereby encouraging them to become shareholders and participate in the success of the Company. Participation levels were similar to the first year and employees based in 21 different countries joined the plan, many of them for the second year.

Further, the Remuneration Committee conducted its regular activities during the past year, including the preparation of the Remuneration Report and the say-on-pay votes for the AGM. At the upcoming AGM in June 2024, we will ask for your approval of the maximum aggregate remuneration amount to be awarded to the Board of Directors for the 2024/2025 term of office and to the Group Executive Management for the financial year 2025 ending on March 31, 2026. In addition, you will again have the opportunity to express your opinion on our remuneration principles and systems through a consultative vote on this Remuneration Report 2023.

We encourage and pursue open and regular dialogue with our shareholders and their representatives, as we continue to evolve our remuneration system, with the goal of ensuring continued alignment with the strategy and performance of Landis+Gyr and the interests of our shareholders. On behalf of the Board of Directors and the Remuneration Committee, I would like to thank you again for your feedback and ongoing support.



Eric Elzvik
Chair of the Remuneration Committee
and Lead Independent Director
Cham, May 2024

Remuneration Report 2023

The Remuneration Report provides a comprehensive overview of Landis+Gyr's (Landis+Gyr Group AG defined as the "Company", and its subsidiaries, together the "Group") remuneration governance and principles, structure and elements. The Remuneration Report also includes information on the remuneration awarded to members of the Board of Directors ("Board") and Group Executive Management ("GEM") for the financial year ("FY") ended March 31, 2024 ("FY 2023").

The Remuneration Report is written in accordance with the Swiss Code of Obligations, specifically Articles 734a–734f, the standard relating to information on Corporate Governance of the SIX Swiss Exchange, and the principles of the Swiss Code of Best Practice for Corporate Governance of economiesuisse.

Remuneration Governance and Principles

Shareholder Engagement

Shareholders of Swiss listed companies have significant influence on the remuneration of governing bodies and annually approve the maximum aggregate remuneration for the members of such governing bodies. In addition, the principles governing remuneration must be defined in a company's articles of association, which are also subject to shareholder approval.

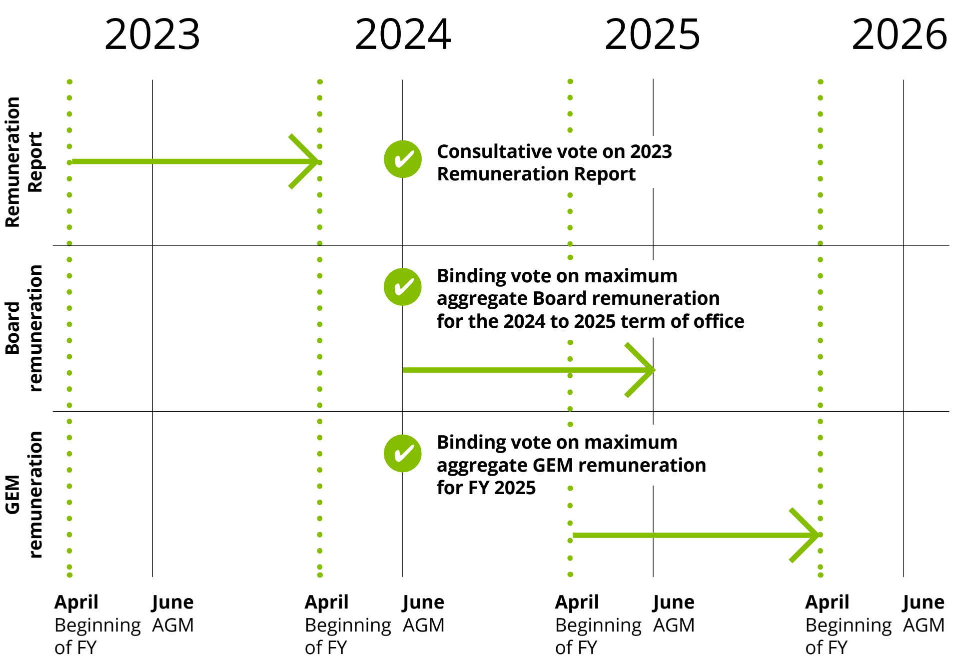
Landis+Gyr's Articles of Association include the principles governing remuneration (specifically art. 12, 25, 26, 28 and 29) and can be viewed online at: www.landisgyr.com/about/executive-management-and-board/ → Corporate Governance Documents → Articles of Association. The key provisions are summarized below:

- **Votes on remuneration (art. 12):** Every year, the AGM votes separately and bindingly on the maximum aggregate remuneration of the Board for the term of office until the next AGM and on the maximum aggregate remuneration of the GEM (fixed and performance-based components) for the subsequent financial year.
- **Principles relating to the remuneration of the Board (art. 25) and the members of the GEM (art. 26):** The remuneration of the Board consists of a fixed base fee, fixed committee fees and a lump sum for expenses. The fees are awarded in cash and shares. The remuneration of the GEM consists of a fixed annual base salary and performance-based remuneration, which includes an annual short-term incentive paid in cash as well as a long-term incentive settled in shares, and other benefits.
- **Loans and credits (art. 28):** The Company may not grant any loans or credits to members of the Board or the GEM.
- **Additional amount for new members of the GEM (art. 29):** If the maximum aggregate remuneration already approved by the AGM is not sufficient to cover the remuneration for incoming GEM members in the respective financial year, the Company may pay an additional amount in each case of up to 30% of the maximum aggregate remuneration amount approved.

In line with the Company's Articles of Association, the Board will submit three separate remuneration-related resolutions for shareholder approval at the 2024 AGM as illustrated in Exhibit 1:

- This Remuneration Report (consultative vote).
- The maximum aggregate remuneration amount for the Board for the 2024/2025 term of office (binding vote).
- The maximum aggregate remuneration amount for the GEM for the financial year 2025, starting April 1, 2025, and ending March 31, 2026 (binding vote).

EXHIBIT 1: SAY ON PAY – REMUNERATION-RELATED SHAREHOLDER APPROVALS



At the 2023 AGM held on June 22, 2023, shareholders approved a maximum aggregate remuneration amount for the Board for the 2023/2024 term of office of CHF 1.8 million, as well as the maximum aggregate amount of fixed and variable remuneration for members of the GEM for FY 2024 of CHF 8.5 million. In addition, shareholders approved the Remuneration Report 2022 in a consultative vote.

The estimated remuneration granted to the Board for the 2023/2024 term of office is CHF 1.5 million compared to the approved amount of CHF 1.8 million. An amount of CHF 6.2 million was granted to the GEM in FY 2023 compared to the approved amount of CHF 8.5 million. For a reconciliation of approved versus awarded amounts please refer to page 19.

Governance on Remuneration Matters

As outlined in Exhibit 2, the Remuneration Committee acts in an advisory capacity while the Board retains the decision authority on remuneration matters relating to the Board and the GEM, except for the remuneration-related shareholder approvals for the Board and the GEM. Members of the Remuneration Committee are elected annually and individually by the shareholders at the respective Annual General Meeting. The Chair of the Remuneration Committee reports to the full Board after each meeting. The minutes of the meetings are made available to the members of the Board. The Remuneration Committee may invite the Chair of the Board to attend the meetings as a non-voting guest, but he is not present during meetings or parts of meetings during which his own remuneration is discussed. The CEO and the Head of HR may attend the Remuneration Committee meetings in an advisory function, but are excluded from certain discussions. The Chair of the Remuneration Committee may decide to invite other executives to attend the meetings as appropriate. No member of management attends the meetings or the part of the meetings in which their own performance or remuneration is discussed.

The Remuneration Committee may decide to consult an external advisor on specific remuneration matters. In FY 2023, HCM International AG ("HCM") was mandated as an independent advisor on Board and GEM remuneration matters. HCM does not have any other mandates with Landis+Gyr.

EXHIBIT 2: GOVERNANCE ON REMUNERATION MATTERS

	CEO	Remuneration Committee	Board	AGM
Remuneration principles (Articles of Association)		Proposes	Reviews	Approves (binding vote)
Remuneration principles and system for the Board and GEM		Proposes	Approves	
Remuneration report		Proposes	Approves	Consultative vote
Maximum aggregate amount of remuneration for the Board		Proposes	Reviews	Approves (binding vote)
Individual remuneration of Board members		Proposes	Approves	
Maximum aggregate amount of remuneration for GEM		Proposes	Reviews	Approves (binding vote)
Remuneration of the Chief Executive Officer ("CEO")		Proposes	Approves	
Individual remuneration of other GEM members	Proposes	Reviews	Approves	

Activities of the Remuneration Committee

The Remuneration Committee meets as often as business requires but at least four times a year. In the 2023/2024 compensation cycle, the Remuneration Committee held five[1] meetings and covered the topics described in Exhibit 3. Details on Remuneration Committee members and their meeting attendance are provided in the Corporate Governance Report on page 8 et seq.

EXHIBIT 3: OVERVIEW OF THE MAIN TOPICS DISCUSSED BY THE REMUNERATION COMMITTEE DURING 2023/2024 COMPENSATION CYCLE

	27.04.23	25.05.23	23.10.23	13.12.23	12.03.24
Remuneration governance and policy					
Preparation of AGM related reward items including maximum aggregate remuneration amounts for the Board and GEM to be submitted to AGM vote	X				X
Remuneration Report	X	X		X	X
Review of remuneration principles, strategy and systems			X		
Review of stakeholder feedback on remuneration disclosure			X		
Remuneration Committee governance, meeting schedule and agenda setting			X		
Review of incentive plan design and structure			X	X	X
Board remuneration					
Review of Board benchmarking			X	X	
Review of Board Remuneration Policy	X				
GEM remuneration					
Review of GEM benchmarking			X	X	
Review and recommendation of individual GEM remuneration levels	X	X			X
Review of short-term incentive performance for previous financial year	X	X			X
Review of short-term incentive performance target setting for new financial year	X	X			X
Review of long-term incentive performance for previous performance period	X	X			X
Review of long-term incentive performance target setting and eligibility for new performance period	X				X

1 In addition, there were various ad hoc conference calls each of approximately one hour's duration to deal with matters as they arose.

Remuneration Principles

Landis+Gyr's remuneration programs are designed to recognize and reward performance, enabling the organization to attract, motivate and retain talented employees who drive performance and the achievement of business strategy and objectives as well as the creation of shareholder value.

The remuneration programs within Landis+Gyr are periodically reviewed to ensure continued alignment with the Group's strategy and market practice. They are built around the following principles:

Principle	Description
Performance	Anchor Landis+Gyr's business strategy, drive results and sharpen the focus on long-term performance and incentivize and reward performance in a sustainable manner, also in alignment with the Company's ESG strategy.
Shareholder value	Align with shareholders' interests, drive creation of shareholder value and foster entrepreneurial thinking.
Talent management	Attract, motivate and retain talented employees who can drive world-class performance, and who are incentivized based on such performance.
Market orientation	Ensure a best practice remuneration system with competitive levels and structures, reflecting a sustainable balance between short-term and long-term performance focus.

Determination of Board and GEM Remuneration

The remuneration for the Board and the target remuneration for the GEM take into account the roles and responsibilities, the respective experience required as well as current market pay practices. In addition, for the GEM, internal compensation structures as well as affordability are considered. To support remuneration recommendations to the Board, the Remuneration Committee periodically (every two to three years) benchmarks remuneration of the members of the Board and GEM against remuneration of comparable companies. For these purposes, the Remuneration Committee regards Swiss listed industrial and technology companies of comparable size to Landis+Gyr in terms of revenue as the most relevant reference group. For the Board benchmarking, this core reference group is expanded with a selection of cross-industry Swiss listed companies of comparable size (excluding financial services companies) to create a sufficiently broad and representative comparison. For the GEM, the reference group may be further extended with international peers as required to reflect global pay practices and talent markets.

In FY 2023 benchmarking for both the Board and the GEM was conducted. For the Board benchmarking a reference group of 33 Swiss listed companies[1] was used, with the benchmark focusing not only on remuneration levels, but also considering fee structure and pay instruments. The analysis of the benchmark showed that the Board remuneration system and structure are aligned with the market, supporting the Board's decision not to make any changes to the Board fee structure at present.

1 The companies included in the reference group in FY 2023 for the purpose of Board benchmarking are: Aevis, Arbonia, Autoneum, Aryzta, BKW, Bossard, Bucher, Bystronic, Daetwyler, Dormakaba, EMS-Chemie, Flughafen Zuerich, Forbo, Geberit, Huber+Suhner, Implenia, Mobilezone, Montana, Oerlikon, Pierer Mobility, Rieter, Schweiter, SFS, Siegfried, SIG, SofwareOne, Sonova, Stadler Rail, Straumann, Sulzer, Tecan, VAT, Zur Rose.

For the GEM, a benchmark examining remuneration levels and structure against a reference group of 18 Swiss listed industrial and technology companies[1] was undertaken, which also confirmed the overall alignment of GEM remuneration structures with the market. The outcome of the benchmark is being considered by the Board in the discussions regarding GEM remuneration levels for FY 2024.

EXHIBIT 4: REFERENCE GROUPS USED FOR GEM AND BOARD BENCHMARKING

GEM	Board
Geography: Switzerland + International (ad-hoc)	**Geography:** Switzerland
Industry: Industrials + technology	**Industry:** Industrials + cross-industry (excl. financials)
Size: Comparable (Revenue)	**Size:** Comparable (Revenue)

Remuneration System

Remuneration System of the Board

To ensure its independence in fulfilling its supervisory duties, the remuneration of the Board is fixed and does not contain any variable component.

The Chair of the Board receives a fixed annual base fee of CHF 400,000 and a lump sum for expenses. The Chair is not entitled to compensation for assuming additional committee responsibilities. Due to his previous long-standing employment relationship with Landis+Gyr, during which he was continuously covered under the collective pension scheme offered by Landis+Gyr in Switzerland, and in accordance with the requirements of Swiss pension regulations, the pension cover was subsequently continued under the terms of his directorship with the Company, under the provision that all contributions, including the employer portion, are to be funded by the Chair himself. This ensures that the Company does not incur costs for pension fund contributions in addition to the Chair's fixed base fee of CHF 400,000. The actual base fee payment to the Chair is therefore reduced by the amount remitted by the Company into the pension scheme representing the employer pension contributions. If the level of these contributions changes, based on the regulations of the pension scheme, the actual base fee payment is adjusted accordingly. In FY 2023 the Company paid CHF 36,196 (FY 2022: CHF 36,170) in employer pension contributions for the Chair, which were deducted accordingly from the Chair's base fee payment.

1 The Swiss listed industrial companies included in the GEM benchmarking reference group in FY 2023 were: Arbonia, Bossard, Bucher, Bystronic, Daetwyler, Dormakaba, Geberit, Implenia, Montana, Oerlikon, Rieter, Schweiter, SFS, SIG, SoftwareOne, Stadler Rail, Sulzer, VAT.

Other members of the Board receive a fixed annual base fee and fixed fees for membership of Board committees, as well as a lump sum for expenses. Participation in the Swiss pension scheme may apply, to the extent legally required, with the corresponding employer contributions included in the base and committee fees paid as per Exhibit 5 below. In FY 2023 no other members of the Board participated in the Swiss pension scheme.

The amounts of the base fee and committee membership fees, as illustrated in Exhibit 5, reflect the responsibility and time requirement inherent to the respective function and remained the same in FY 2023 compared to FY 2022. The base fee and committee membership fee are paid 65% in cash and 35% in Company shares, which are blocked for sale for a period of three years from the date of grant. The cash portion of the base fee and committee membership fee is paid monthly; the share portion is granted in four quarterly instalments, with each instalment blocked for three years from the date of its grant. Should a Board member resign before completion of the respective term of office, that member is entitled to the respective pro-rata remuneration, and any shares already received that are in excess of the pro-rata entitlement are to be re-transferred to the Company. All granted shares remain blocked until the end of the respective blocking period. Should a Board member not stand for re-election, or not be re-elected following completion of the previous term of office, already granted shares also remain blocked until the end of the respective blocking period. In the event of a change of control, the blocking period on the shares is lifted.

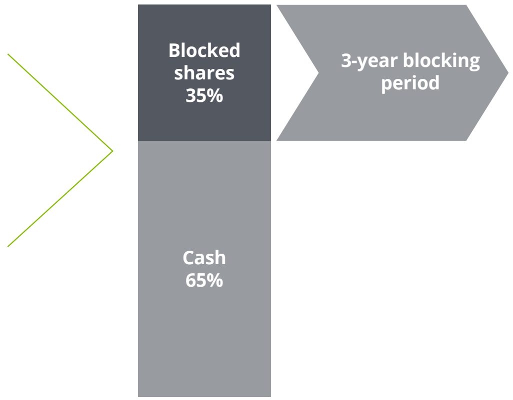
EXHIBIT 5: REMUNERATION SYSTEM OF THE BOARD, IN CHF

Fixed remuneration

Base fee	
Chair[1]	400,000
Lead Independent Director	230,000
Member	120,000

Committee fee	Chair	Member
Audit, Finance and Risk Committee	30,000	15,000
Remuneration Committee	30,000	15,000
Nomination, Governance and Sustainability Committee	30,000[2]	15,000

Pay Mix



1 The base fee for the Chair is CHF 400,000 (no change compared to FY 2022); CHF 36,196 of the base fee was deducted in FY 2023 (FY 2022: CHF 36,170) as the Chair is financing the entire cost of the pension cover himself, including the Company contribution, by way of a reduction to the base fee. The split of the base fee into 65% cash and 35% shares is applied to the base fee after the deduction of the Company pension contributions.

2 As the Chair of the Board is also the Chair of the Nomination, Governance and Sustainability Committee, no Chair fee was paid in FY 2023 for this committee.

Remuneration System of the Group Executive Management

The remuneration elements of the GEM are summarized in Exhibit 6.

EXHIBIT 6: REMUNERATION SYSTEM OF THE GEM

	FIXED REMUNERATION		VARIABLE REMUNERATION	
	Base salary	**Pension and other benefits**	**Short-Term Incentive Plan**	**Long-Term Incentive Plan**
Purpose	Attraction and retention of talent	Risk protection, market competitiveness	Promotion of Landis+Gyr's operational, financial and ESG performance	Sharing in the long-term success of Landis+Gyr and alignment with shareholders' interests
Performance period	–	–	1 year	3 years
Key drivers	Role, experience and individual performance	Market practice, legal require-ments	Group and (if relevant) regional financial as well as non-financial performance considerations	Group long-term stock market and operational performance measures
Instrument/ settlement	Cash	Pension and insurance plans, other benefits including ESPP	Cash	Performance stock units settled in shares
Performance KPIs	–	–	Financial: Net Sales, adjusted EBITDA[1], operating Cash Flow less taxes paid Non-financial: ESG-related	Equally weighted relative Total Shareholder Return and Earnings per Share
Target incentive amounts	–	–	Individually defined, based on respective role and in alignment with market; currently do not exceed 75% of base salary	Individually defined, based on respective role and in alignment with market; currently do not exceed 80% of base salary; converted into number of performance stock units at grant
Payout range	–	–	0% to 200% of target incentive amount; in addition, payout respective to each KPI is capped at 200%	0% to 200% of number of granted performance stock units; in addition, the vesting multiple respective to each KPI is capped at 200%
Impact of share-price on payout value	–	–	NO	YES
Forfeiture provisions	–	–	YES	YES
Clawback provisions	–	–	YES	YES

1 Consolidated global Landis+Gyr Group EBITDA derived from its US GAAP financial statements as adjusted for restructuring expenses, warranty normalization, and timing difference on FX derivatives, all as shown in the full year financial reporting as adjusted EBITDA with the exception of the warranty normalization items.

Base Salary

Base salary is the fixed remuneration paid to employees for carrying out their role and is established considering the following factors:

- scope and responsibilities of the role, as well as qualifications and experience required to perform the role,
- market value of the role in the location in which Landis+Gyr competes for talent,
- skills and expertise of the individual in the role, and
- individual performance.

The base salary is paid out to GEM members in twelve equal monthly cash instalments.

Pension Benefits

The purpose of pension benefits is to provide security for employees and their dependents in the event of retirement, sickness, inability to work and death. The GEM members participate in the social insurance and pension plans in the countries where their employment contracts were entered into. The plans vary according to local market practice and legislation; at a minimum they reflect the statutory requirements of the respective countries. In line with local employment practice for Swiss employees, GEM members under Swiss employment contracts are covered by a supplementary non-compulsory occupational welfare plan in addition to the Company's compulsory occupational pension scheme.

Other Benefits

In addition, Landis+Gyr aims to provide competitive employee benefits. Benefits are considered from a global perspective, while appropriately reflecting differing local market practice and employment conditions.

For the GEM members, benefits include local market benefits such as company car or car allowance, health cover, etc. and, where relevant, international benefits such as tax advisory services. Further, to the extent applicable, replacement awards to incoming GEM members to compensate, generally on a "like-for-like" basis, for remuneration forfeited at the previous employer as a result of joining Landis+Gyr are reported as "other benefits". The monetary value of these remuneration elements is evaluated at fair value and disclosed in the remuneration table.

Employee Share Purchase Plan ("ESPP")

Landis+Gyr's benefits structure also includes the ESPP, which was introduced in FY 2022. Under the ESPP, employees at all levels of the organization may purchase Landis+Gyr shares at a price below the market price prevailing at the time of purchase. Minimum and maximum purchase levels apply and the purchased shares are subject to a blocking period, during which the shares may not be sold. To the extent that members of the GEM participate in the ESPP, the value of the discount granted is included as remuneration in the remuneration table under "Other benefits".

Short-Term Incentive Plan ("STIP")

The STIP is an annual cash incentive plan, containing both financial as well as non-financial performance considerations. The purpose of the STIP is to motivate eligible participants to deliver outstanding performance and increased contribution towards Landis+Gyr's success.

Plan participants are incentivized based on the achievement of global and (if relevant) regional financial performance targets, as well as quantitative ESG targets related to Landis+Gyr's ESG strategy. The financial performance targets correlate with the mid-term plan and long-term strategy and are aligned with business priorities, with the aim of achieving sustainable profitability and growth in alignment with shareholders' interests. The financial performance targets account for 80% of the individual target incentive amount and the ESG performance targets for 20%. ESG performance targets are defined based on the material topics resulting directly from Landis+Gyr's ESG strategy and roadmap. The targets for FY 2023 were set based on the seven equally weighted key performance indicators ("KPIs") as detailed in Exhibit 7 and focus on the reduction of the carbon footprint of the Company and its product portfolio, as well as enabling a positive environmental impact through our products and solutions, promoting ESG-driven supplier management, driving employee learning initiatives, promoting gender balance and improving cybersecurity maturity.

Both the financial as well as the ESG performance targets are determined by the Board at the beginning of each financial year. These targets represent commercially sensitive information and are therefore not disclosed, whereas additional information on the ESG KPIs is provided in Exhibit 7. Information on the realized payout for FY 2023 is provided on page 14.

Payouts under the STIP are calculated based on the achievement level of the respective performance targets, with 100% achievement resulting in 100% payout. For each financial performance target, minimum threshold performance levels, below which there is no payout, as well as maximum performance levels, at which payout is capped at 200%, apply. Linear interpolation is used to calculate the payout between threshold and target, and target and maximum. Similarly, for each ESG performance target respective threshold, target and maximum performance levels are defined, with the final payout for the ESG component determined based on the achievement of the seven equally weighted targets. Total payout under the STIP can range from 0% to 200% of the target incentive amount. For FY 2023, the individual target incentive amount for the CEO corresponds to 75% (FY 2022: 75%) of base salary and for the other members of the GEM on average to 67% (FY 2022: 67%) of base salary. The maximum payout amount for the CEO is hence equivalent to 150% of base salary (FY 2022: 150%) and for other members of the GEM on average to 133% of base salary (FY 2022: 133%).

In case of termination of employment during the performance period, the STIP payout may be reduced or forfeited depending on the conditions of such termination and subject to applicable law. In addition, clawback provisions apply as detailed on page 11.

For FY 2023, the STIP scorecard for the GEM comprised both financial and non-financial performance targets, measured using the KPIs as detailed in Exhibit 7.

EXHIBIT 7: STIP PERFORMANCE SCORECARD FOR THE GEM FOR FY 2023

% of target incentive amount	Topic	KPI	Weight FY 2023	KPI measurement
80%	Sales	Net Sales	30%	CEO, CFO: 100% Group results Regional EVPs: 50% Group results, 50% Regional results
	Profit	Adjusted EBITDA	40%	
	Cash Flow	Operating Cash Flow less taxes paid	30%	
20%	ESG[1]	1) % of electricity sourced from renewable energy sources 2) Million tons of CO_2 savings enabled through Landis+Gyr products & solutions 3) % of shipped units that are part of the Landis+Gyr Eco-Portfolio[2] 4) % of direct material spend covered by ESG supplier audits 5) Number of employee learning hours 6) % share of female employees 7) Average % BSIMM[3] score		100% Group results

1 All seven ESG KPIs are equally weighted.
2 For a definition of the Eco-Portfolio see page 32 of the Sustainability Report.
3 Building Security in Maturity Model; for a definition see page 64 of the Sustainability Report.

With respect to the financial KPIs, for the CEO and CFO 100% Group results are considered when determining the level of performance. For the GEM members with regional responsibility, 50% Group and 50% respective regional results are evaluated, with the financial KPIs correspondingly assessed at both the global and regional level. The ESG KPIs are assessed at the global level for all participants.

Long-Term Incentive Plan ("LTIP")

The current LTIP, under which the first grant was made in FY 2018, is a share-based incentive plan measured over a three-year performance period, representing three financial years. Its purpose is to foster long-term value creation for the Group by providing the members of the GEM and other eligible key managers with the possibility:

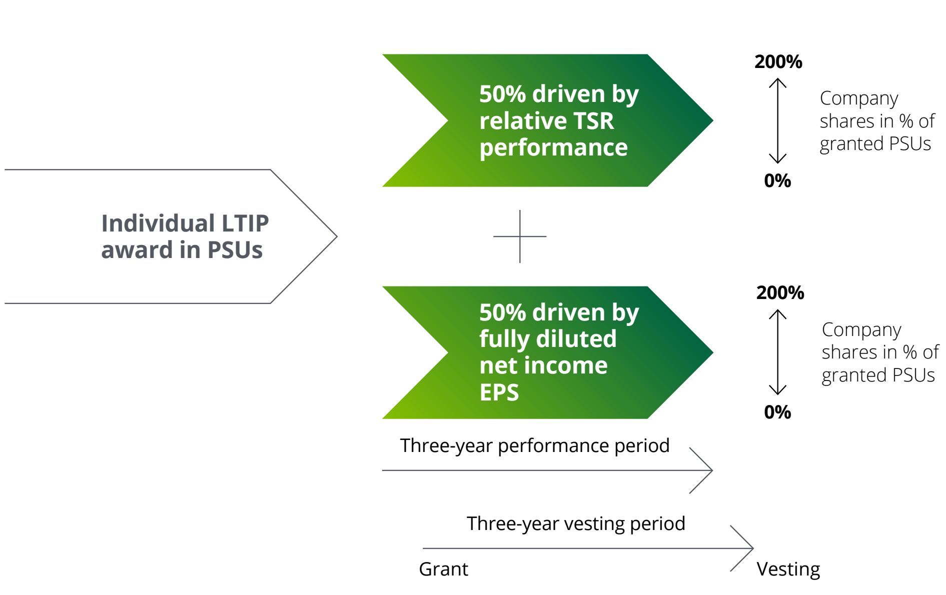
- to become shareholders or to increase their shareholding in the Company,
- to participate in the future long-term success of Landis+Gyr, and
- to further align the long-term interests of the plan participants with those of the shareholders.

The individual target incentive amounts under the LTIP are determined based on the role and responsibilities, taking into account external market levels. For the grants made in FY 2023, the individual target incentive amount for the CEO corresponds to 80% (FY 2022: 75%) of base salary and for other members of the GEM represents on average 50% (FY 2022: 46%) of base salary (for details see page 15 et seq.). Awards under the LTIP are a contingent entitlement, granted in the form of performance stock units ("PSUs"), to receive Landis+Gyr shares, provided certain performance targets are achieved during the three-year performance period (see Exhibit 8) and subject to continuous employment. In case the performance does not reach certain pre-determined thresholds after three years, no PSUs will vest under the LTIP.

For the purpose of the LTIP, the measurement of Landis+Gyr's long-term performance comprises two equally weighted KPIs:

- 50% of the award is linked to the Total Shareholder Return ("TSR") measured over three years relative to a peer group of Swiss and international companies[1] and
- 50% of the award is linked to the fully diluted net income Earnings per Share ("EPS").

EXHIBIT 8: VESTING UNDER THE LTIP



The vesting curves for each KPI under the LTIP are defined to support the symmetrical performance and payout situations below and above the target and allow for a realistic performance-related chance to realize vesting.

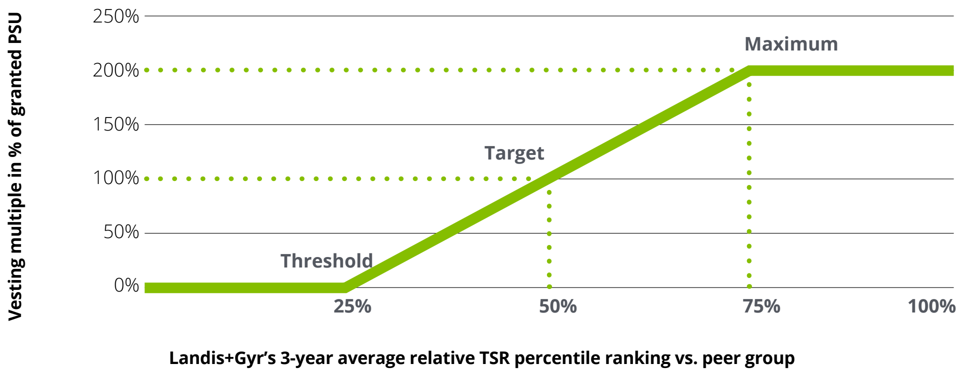
Relative TSR performance is measured against a custom peer group of 24 Swiss and international organizations[1] operating in comparable industries to Landis+Gyr and representing the markets that are relevant for Landis+Gyr. There was no change to the peer group in FY 2023 as compared to FY 2022.

Landis+Gyr's TSR performance is assessed as a three-year average percentile rank compared to the peer group. For each company in the peer group, the relative TSR is calculated considering not only the variation of the closing prices over the three-year performance period, but also the dividends distributed in the same period, assuming that at the time of distribution those dividends are reinvested in the shares of the respective company. All calculations related to TSR performance are done by an independent third-party company.

For the FY 2023 grant, 100% of the PSUs linked to the relative TSR performance will vest after the three-year performance period if Landis+Gyr is ranked at the median of the peer group. The maximum vesting multiple of 200% applies if the Landis+Gyr TSR is at or above the 75th percentile of the peer group. The vesting multiple of 0% applies should Landis+Gyr's TSR performance relative to the peers be at or below the 25th percentile of the peer group. Linear interpolation applies between the threshold, target and maximum performance levels. In addition, to allow for further performance alignment, if Landis+Gyr's absolute TSR attributable to the relevant three-year performance period is negative, the relative TSR vesting multiple will be capped at 100% regardless of whether Landis+Gyr outperforms the median of the peer group.

Exhibit 9 represents an illustration of the relative TSR vesting curve for the FY 2023 grant.

EXHIBIT 9: VESTING CURVE 3-YEAR RELATIVE TSR FOR FY 2023 GRANT

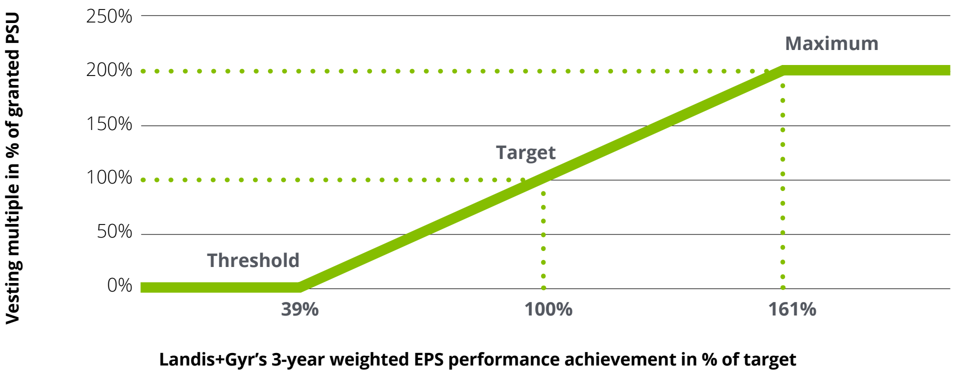


1 The peer companies used to measure the 3-year relative TSR performance for the FY 2023 grant are: ABB, Aichi Tokei Denki, Apator, Arbonia, Badger Meter, Burckhardt Compression, Daetwyler, Genus Power Infrastructures, Hexing Electrical, Hubbell, Inficon, Itron, Legrand, LEM, Mueller Water Products, OC Oerlikon, Osaki Electric, Rexel, SIT, Smart Metering Systems, SPIE, Sulzer, Takaoka Toko, Xylem.

The three-year fully diluted net income EPS is calculated as the cumulative weighted sum of the reported net income fully diluted EPS attributable to shareholders for the financial years covered by the respective three-year performance period. In order to give more weight to the EPS achieved in the later years of the performance period, the EPS of each year is weighted as follows: The first financial year is weighted at 1/6, the second financial year at 2/6 and the third financial year at 3/6.

If the weighted EPS target is reached, 100% of the respective PSUs granted under the EPS KPI will vest. If the weighted EPS performance is at or above the maximum performance level, 200% of respective granted PSUs will vest. If the weighted EPS performance is at or below the threshold performance level, 0% of PSUs granted under the EPS KPI will vest. Linear interpolation applies between the threshold, target and maximum performance levels. Exhibit 10 represents an illustration of the weighted EPS vesting curve for the FY 2023 grant.

EXHIBIT 10: VESTING CURVE 3-YEAR WEIGHTED EPS FOR FY 2023 GRANT



Actual EPS targets are considered commercially sensitive information and communicating such targets would allow insight into the strategy of Landis+Gyr and may create a competitive disadvantage for the Company. Consequently, the decision was made not to disclose the specifics of those targets at the time of their setting, but to explain in more detail the process applied in setting EPS targets, and to subsequently disclose the target achievement at the end of the respective performance period, i.e., for the FY 2023 grant with the reporting for FY 2025.

EPS targets for each grant are set by the Board following a thorough outside-in approach conducted by the Remuneration Committee's independent external advisor. Investors' return expectations on market value, stock risk profile, investment projections and current profitability levels were taken as a starting point and translated into EPS targets, using multifactor valuation models and statistical analyses in order to establish an appropriate link between LTIP payouts and the value created for investors.

No changes with regard to the methodology were made when determining EPS targets for the 2023 grant. The consistent application of this robust target setting approach helps achieve Landis+Gyr's goal of designing compensation elements with a realistic performance-based chance to realize vesting and to balance perceived riskiness and value of the plan for participants. The results of the outside-in approach were assessed against historical company performance, as well as equity analysts' expectations and strategic plan as suggested by management, to reinforce the Remuneration Committee's and Board's confidence in the overall quality and robustness of the EPS targets.

At the end of the vesting period, based on actual performance achieved, the resulting multiple of PSUs will be settled in ordinary shares of Landis+Gyr. Forfeiture rules in case of termination of employment before the end of the respective vesting period apply as summarized in Exhibit 11 and clawback provisions exist as detailed below.

EXHIBIT 11: SUMMARY OF LTIP FORFEITURE PROVISIONS

Termination reason	Vesting provisions	Early vesting	Vesting level
Death and disability	Pro-rata vesting	Yes	At target
Retirement	Pro-rata vesting	No	Based on actual performance
Termination without cause	Pro-rata vesting	No	Based on actual performance
Other termination reasons	Full forfeiture	n/a	n/a

In addition, in the event of a change of control, early vesting on a pro-rata basis at target, i.e., without consideration of performance, applies.

Clawback of Variable Remuneration

Landis+Gyr's clawback provisions allow for partial or full recovery of performance-based cash or equity paid or vested to members of the GEM during the previous three financial years. These provisions apply in cases where the Company is required to make a material restatement to its accounts (due to fraud or error) as well as in the event of fraud, gross negligence or willful misconduct, any serious breach of Landis+Gyr's code of business ethics and conduct or in the event of actions that caused serious reputational harm to the Company.

Employment Conditions

The members of the GEM are employed under contracts of unlimited duration with notice periods up to a maximum of twelve months. They are not contractually entitled to termination payments or any change of control provisions other than the early vesting of LTIP awards as mentioned above, which are applicable to all plan participants. Correspondingly, members of the GEM are not disproportionately advantaged by change of control provisions in comparison to any other employees. The employment contracts for the GEM may include non-competition agreements following the end of employment not exceeding a period of 12 months.

Remuneration Awarded to Members of Governing Bodies

The section below is in line with the Swiss Code of Obligations, which requires disclosure of remuneration granted to members of the Board and GEM. Remuneration paid to members of the Board and to the highest paid member of the GEM is shown separately.

Remuneration Awarded to the Board for FY 2023

Explanatory Comments

Exhibit 12 summarizes the remuneration paid to the Board for the full FY 2023. Søren Thorup Sørensen, the representative of Kirkbi Invest A/S, one of Landis+Gyr's major shareholders, did not stand for re-election at the 2023 AGM. He was replaced by Peter Bason, who stood for election at the 2023 AGM as the new representative of Kirkbi Invest A/S. As reflected in Exhibit 12, Søren Thorup Sørensen had waived all remuneration for his Board duties for the 2022/2023 term of office and Peter Bason waived his remuneration for the 2023/2024 term of office. Audrey Zibelman was newly elected at the 2023 AGM and Exhibit 12 therefore reflects her pro-rated remuneration for FY 2023. The other six Board members were re-elected at the 2023 AGM.

Exhibit 13 summarizes the remuneration paid for the full FY 2022, including the pro-rated remuneration of David Geary, who did not stand for re-election at the 2022 AGM. As mentioned above, Søren Thorup Sørensen waived all remuneration for his Board duties for the 2022/2023 term of office.

In FY 2023 the Board received total remuneration of CHF 1,499,820 (FY 2022: CHF 1,432,277). There was no change to the Board fee levels in FY 2023 as compared to FY 2022. The difference in total remuneration in FY 2023 as compared to FY 2022 is due to the reasons as explained above.

Remuneration of the Board

EXHIBIT 12: REMUNERATION OF MEMBERS OF THE BOARD FOR FY 2023[1] (AUDITED), IN CHF

Non-executive Board members	Role in the Board	Base fees paid in cash	Committee fees paid in cash	Base and committee fees delivered in shares[2]	Total fees (cash and shares)	Expense lump sum	Employer social security contributions	Total remuneration
Andreas Umbach	Chair	272,250[3]	–	127,750	400,000	20,000	25,390	445,390
Eric Elzvik	Lead Independent Director	149,500	39,000	101,500	290,000	10,000	20,574	320,574
Andreas Spreiter	Independent Member	78,000	19,500	52,500	150,000	10,000	11,356	171,356
Christina Stercken	Independent Member	78,000	19,500	52,500	150,000	10,000	–	160,000
Peter Mainz	Independent Member	78,000	19,500	52,500	150,000	10,000	–	160,000
Søren Thorup Sørensen[4]	Not independent; representative of a major shareholder	–	–	–	–	–	–	–
Laureen Tolson	Independent Member	78,000	9,750	47,250	135,000	10,000	–	145,000
Peter Bason[5]	Not independent; representative of a major shareholder	–	–	–	–	–	–	–
Audrey Zibelman[6]	Independent Member	58,500	–	31,500	90,000	7,500	–	97,500
Total Board of Directors		**792,250**	**107,250**	**465,500**	**1,365,000**	**77,500**	**57,320**	**1,499,820**

1 Represents gross amounts, prior to deductions for social security, withholding tax, etc. for services rendered from April 1, 2023 until March 31, 2024, with the exception of two Board members who were newly elected at the 2023 AGM as per footnotes 5 and 6 below, and one Board member who did not stand for re-election at the 2023 AGM as per footnote 4 below.
2 Granted in quarterly instalments; fair value is defined using the volume weighted average share price for the last 20 trading days of the month preceding the month of the respective quarterly grant.
3 Includes employer pension contribution in the amount of CHF 36,196 funded by the Chair through a reduction to base fees paid.
4 Waived all remuneration for the term of office 2022/2023. Søren Thorup Sørensen did not stand for re-election at the 2023 AGM.
5 Newly elected at the 2023 AGM. Peter Bason waived all remuneration for the term of office 2023/2024.
6 Newly elected at the 2023 AGM. Amounts reflect the period from July 1, 2023 until March 31, 2024.

EXHIBIT 13: REMUNERATION OF MEMBERS OF THE BOARD FOR FY 2022[1] (AUDITED), IN CHF

Non-executive Board members	Role in the Board	Base fees paid in cash	Committee fees paid in cash	Base and committee fees delivered in shares[2]	Total fees (cash and shares)	Expense lump sum	Employer social security contributions	Total remuneration
Andreas Umbach	Chair	272,425[3]	–	127,575	400,000	20,000	26,128	446,128
Eric Elzvik	Lead Independent Director	149,500	39,000	101,500	290,000	10,000	21,044	321,044
David Geary[4]	Independent Member	19,500	2,437	11,813	33,750	2,500	–	36,250
Andreas Spreiter	Independent Member	78,000	19,500	52,500	150,000	10,000	11,355	171,355
Christina Stercken	Independent Member	78,000	17,062	51,188	146,250	10,000	–	156,250
Peter Mainz	Independent Member	78,000	19,500	52,500	150,000	10,000	–	160,000
Søren Thorup Sørensen[5]	Not independent; representative of largest shareholder	–	–	–	–	–	–	–
Laureen Tolson	Independent Member	78,000	7,313	45,938	131,250	10,000	–	141,250
Total Board of Directors		**753,425**	**104,812**	**443,013**	**1,301,250**	**72,500**	**58,527**	**1,432,277**

1 Represents gross amounts, prior to deductions for social security, withholding tax, etc. for services rendered from April 1, 2022 until March 31,2023 (with exception of one Board member who did not stand for re-election at the 2022 AGM as per footnote 4 below).
2 Granted in quarterly instalments; fair value is defined using the volume weighted average share price for the last 20 trading days of the month preceding the month of the respective quarterly grant.
3 Includes employer pension contribution in the amount of CHF 36,170 funded by the Chair through a reduction to base fees paid.
4 Amounts reflect the period in office from April 1, 2022 until June 30, 2022. David Geary did not stand for re-election at the 2022 AGM.
5 Waived all remuneration for the term of office 2022/2023.

Remuneration Awarded to the GEM for FY 2023

Performance Assessment and Explanatory Comments

For FY 2023, the members of the GEM received base salary, variable remuneration and pension and other benefits, in line with the remuneration system, as detailed in Exhibit 6.

For the Group as a whole, as illustrated in Exhibit 14, FY 2023 results related to the financial performance targets represent strong growth and very good performance achieved on all KPIs, with Net Sales being at a new record level of USD 1,963.0 million. At a regional level, the Americas achieved excellent growth on all KPIs, delivering very strong results above target. Asia Pacific was generally at or just below target and EMEA overall above threshold but below target.

In FY 2023 Landis+Gyr continued to drive forward its ESG priorities and roadmaps, resulting in either meeting or exceeding the ESG targets for the financial year. Among other successful activities, we continued to expand our green product offerings, and the efforts focusing on improving cybersecurity maturity resulted in significantly exceeding the set target. In addition, the Group continues to focus on further increasing the share of female employees at all levels of the organization.

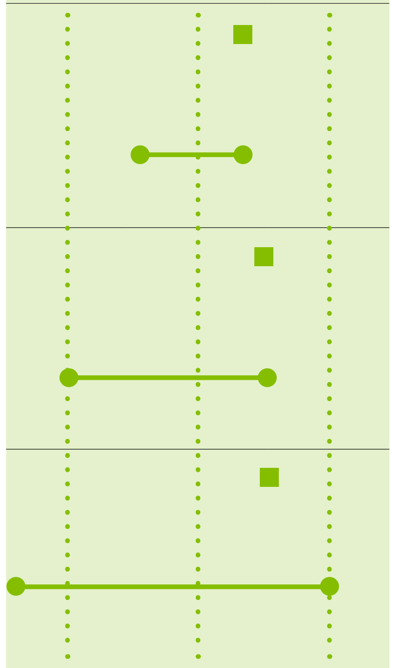
At Group level, the resulting weighted payout factor related to the financial performance targets, which account for 80% of the target incentive amount, amounts to 119.4%. The resulting weighted payout factor related to the ESG performance targets, accounting for 20% of the target incentive amount, amounts to 35.6%.

No discretion was applied by the Board to the outcome of the STIP for FY 2023. Positive and negative M&A related effects, which were not considered in the target setting, are excluded from the quantification of performance achievements for FY 2023.

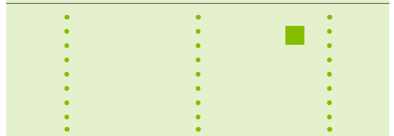
The overall payout for both financial and non-financial performance targets is 155.0% of the STIP target incentive amount for the CEO (FY 2022: 112.1%) and between 110.7% and 160.6% of the STIP target incentive amounts for the other members of the GEM (FY 2022: 101.6% to 119.4%).

EXHIBIT 14: PERFORMANCE GROUP AND REGIONS FOR FY 2023

Financial KPIs	Weight	Performance achievement	Payout factor: Threshold (25%)	Payout factor: Target (100%)	Payout factor: Maximum (200%)
Net Sales	24%	At Group level, Net Sales performance achieved growth of 15.6% in constant currency, resulting in above target payout. At a regional level, the Americas exceeded the target significantly. EMEA fell just short of target and Asia Pacific came in below target, but above threshold.			
Adjusted EBITDA	32%	At Group level, adjusted EBITDA margin was at 11.4%, achieving growth of 60% compared to prior year, and resulting in above target payout. At a regional level, the Americas significantly exceeded target, with EMEA coming in at threshold and Asia Pacific just below target.			
Operating Cash Flow less taxes paid	24%	At Group level, Net Cash provided by operating activities was USD 121.2m, compared to cash used of USD (45.8) m in prior year, resulting in a payout factor above target. At a regional level, the Americas exceeded the maximum perfomance, whereas EMEA fell below threshold and Asia Pacific reached the target.			



ESG KPIs	Weight	Performance achievement	Payout factor: Threshold (0%)	Payout factor: Target (100%)	Payout factor: Maximum (200%)
ESG (for details see page 9)	20%	The ESG performance was at or above target for each of the KPIs, with the performance in the range of 100% to 142% of the respective target, resulting in an overall payout factor of 178%.			



Group

Regions

In FY 2023, GEM members received total remuneration of CHF 6,203,253 (FY 2022: CHF 5,580,984). This is an overall increase of 11.1% compared to previous year, with the main changes explained in the following sections below.

Remuneration of the GEM

EXHIBIT 15: REMUNERATION OF GROUP EXECUTIVE MANAGEMENT MEMBERS FOR FY 2023[1] (AUDITED), IN CHF

Remuneration elements	Members of the GEM[2]	Highest remuneration Werner Lieberherr, CEO
Base salary	2,100,015	800,000
Short-term incentive in cash[3]	2,163,664	930,240
Fair value at grant under the LTIP[4]	1,290,641	634,276
Other benefits[5]	127,063	42,000
Pension costs[6]	201,603	98,283
Employer social security contributions[7]	320,267	187,873
Total remuneration	**6,203,253**	**2,692,672**

1 Represents gross amounts paid, prior to deductions for social security, withholding tax, etc. for services rendered from April 1, 2023 until March 31, 2024.
2 Reflects remuneration of four members of the GEM for FY 2023.
3 Payable in FY 2024 for FY 2023.
4 Disclosure reflects awards for the reporting year, that is, fair value at grant for FY 2023. The LTIP value at vesting may vary based on performance outcomes and respective share price at the time of vesting.
5 Includes car benefits, allowances, tax advisory services, etc., as well as ESPP discount, if applicable. Two of the four GEM members participated in the FY 2023 ESPP offering.
6 Representing employer contributions for retirement savings, death and disability towards the statutory Swiss pension scheme as well as the supplementary welfare plan for the two GEM members under Swiss employment contracts; and representing employer 401k contributions for one GEM member on a US employment contract, as well as statutory employer pension contributions for one GEM member on a German employment contract.
7 Includes estimates of social security contributions related to the LTIP grant made in FY 2023.

EXHIBIT 16: REMUNERATION OF GROUP EXECUTIVE MANAGEMENT MEMBERS FOR FY 2022[1] (AUDITED), IN CHF

Remuneration elements	Members of the GEM[2]	Highest remuneration Werner Lieberherr, CEO
Base salary	2,145,942	800,000
Short-term incentive in cash[3]	1,667,811	672,720
Fair value at grant under the LTIP[4]	1,112,315	546,709
Other benefits[5]	171,593	42,000
Pension costs[6]	201,173	97,118
Employer social security contributions[7]	282,150	162,436
Total remuneration	**5,580,984**	**2,320,983**

1 Represents gross amounts paid, prior to deductions for social security, withholding tax, etc. for services rendered from April 1, 2022 until March 31, 2023.
2 Reflects remuneration of four members of the GEM for FY 2022.
3 Payable in FY 2023 for FY 2022.
4 Disclosure reflects awards for the reporting year, that is, fair value at grant for FY 2022. The LTIP value at vesting may vary based on performance outcomes and respective share price at the time of vesting.
5 Includes car benefits, allowances, tax advisory services, etc., as well as ESPP discount, if applicable. GEM members did not participate in the FY 2022 ESPP offering.
6 Representing employer contributions for retirement savings, death and disability towards the statutory Swiss pension scheme as well as the supplementary welfare plan for the two GEM members under Swiss employment contracts; and representing employer 401k contributions for one GEM member on a US employment contract, as well as statutory employer pension contributions for one GEM member on a German employment contract. The provider for the statutory Swiss pension plan for employees in Switzerland, including the two GEM members under Swiss employment contracts, was changed as of July 1, 2022; however, the retirement savings contributions and the level of cover for death and disability were maintained at the same level as with the previous provider.
7 Includes estimates of social security contributions related to the LTIP grant made in FY 2022. There was no vesting of the 2019 LTIP in FY 2022 due to the performance outcome, therefore no actual social security contributions were paid in FY 2022 related to the LTIP.

The following explanatory comments can be given with regard to the changes compared to prior year:

Composition of the GEM: Exhibit 15 includes full-year remuneration paid in FY 2023 to four members of the GEM. There were no changes to the composition of the GEM during FY 2023.

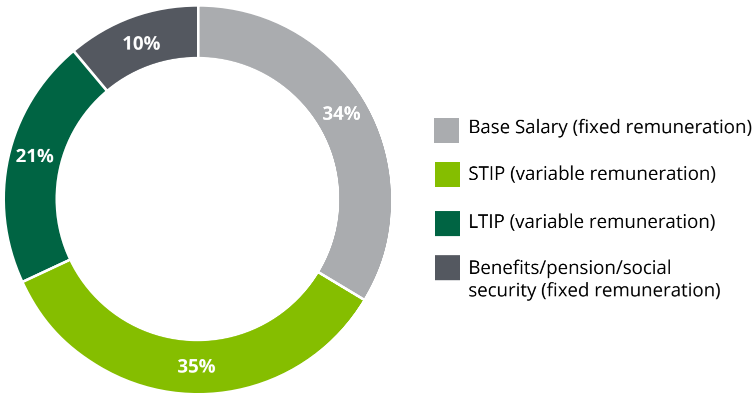
Base salary: Base salaries were not increased in FY 2023. The variance in base salary between FY 2023 as compared to FY 2022 is due to exchange rate differences, as one member of the GEM is employed in the United States and correspondingly paid in USD and one member of the GEM is employed in Germany and correspondingly paid in EUR. Due to changes in the respective currency rates to the CHF, base salaries shown in FY 2023 are somewhat lower than in FY 2022.

STIP: No members of the GEM received an increase to their STIP target incentive amount in FY 2023. The difference in payouts under the STIP between FY 2023 and FY 2022 reflect the achieved performance levels as described above. Further, the exchange rate impact as described above, also has a moderate effect on the CHF values shown in FY 2023 as compared to FY 2022.

LTIP: The LTIP target incentive amounts were increased for all four members of the GEM in FY 2023 to ensure the overall attractiveness of the remuneration packages in alignment with the market and to retain key talent. The increase of the LTIP, rather than any increase to the fixed remuneration elements, emphasizes the Company's focus on driving the alignment of executive remuneration with shareholders' interests, and the long-term value creation both for shareholders and the Company. Furthermore, the LTIP targets are subject to a rigorous target-setting process and reflect high ambition levels. For the CEO, the target incentive amount was increased from 75% to 80% of base salary. For the other members of the GEM, on average, the target incentive amount increased from 46% to 50% of base salary. Further, the disclosed grant amounts are somewhat impacted by the exchange rate differences described above, as well as the difference between the fair value at grant date and the 20-day volume-weighted average share price prior to grant date used to convert the target incentive amounts into PSUs, which was CHF 79.61 for the grant made in FY 2023 (FY 2022: CHF 53.87).

As illustrated in Exhibit 17, for FY 2023 the total variable remuneration, i.e., STIP and LTIP, for the GEM represents 56% of total remuneration received. For the CEO, the total variable remuneration represents 58% of his total remuneration and 139% of his total fixed remuneration, i.e., base salary, benefits, pension and social security. For the other members of the GEM, the total variable remuneration represents on average 54% of total remuneration and ranges from 102% to 136% of total fixed remuneration, reflecting the variation in achieved performance levels. As described in previous sections of the report, the target mix between variable STIP and LTIP in relation to fixed remuneration for the GEM balances short- and long-term performance in alignment with Landis+Gyr's remuneration strategy and shareholders' interests.

EXHIBIT 17: GEM PAY COMPOSITION FY 2023



Performance of LTIP Grant FY 2021

For the LTIP grant made in FY 2021, with the performance period covering the three financial years 2021 to 2023, the overall vesting multiple is 1.38. It is driven by two equally weighted KPIs, namely relative Total Shareholder Return and Earnings per Share. As illustrated in Exhibit 18, Landis+Gyr's three-year average relative TSR percentile rank in the peer group was just below median, resulting in a vesting multiple of 0.76 for the relative TSR component of the 2021 LTIP. The EPS performance, as illustrated in Exhibit 19, exceeded the maximum, resulting in a vesting multiple of 2.0 for the EPS component of the 2021 LTIP. Out of the 62,528 PSUs originally granted to plan participants in FY 2021, approximately 66,000 shares, including 24,306 for members of the GEM, will be allocated upon vesting in July 2024.

EXHIBIT 18: RELATIVE TSR PERFORMANCE LTIP GRANT FY 2021

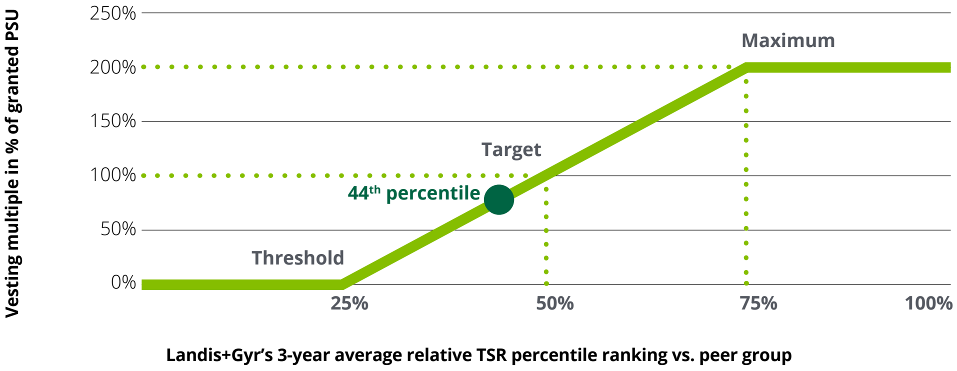
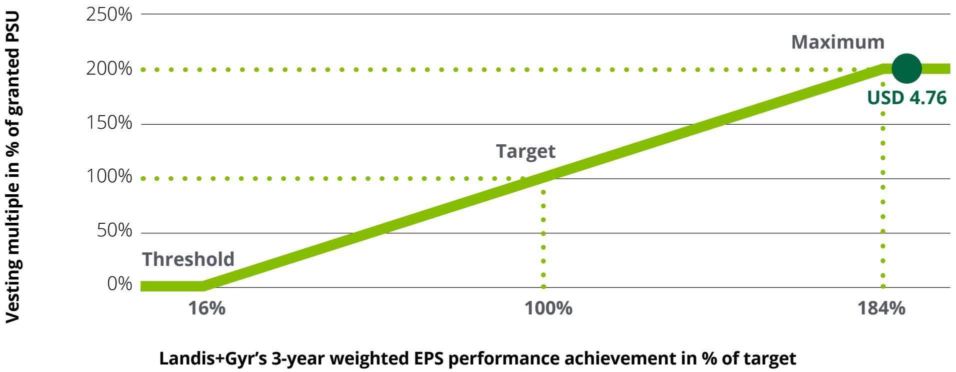


EXHIBIT 19: EPS PERFORMANCE LTIP GRANT FY 2021



Further, as already mentioned in the FY 2022 Remuneration Report, the overall vesting multiple for the 2020 LTIP was 0.58. Upon vesting of the 2020 LTIP in July 2023, a total of 25,969 shares were allocated, out of the 64,632 PSUs originally granted to plan participants in FY 2020. 7,977 shares were allocated to members of the GEM under the FY 2020 LTIP, out of a total of 13,751 originally granted.

Holding of Shares by Members of the Board and the GEM

The members of the Board and GEM, including related parties, hold a total participation of 0.43% of the outstanding registered shares as of March 31, 2024 (0.38% as of March 31, 2023). This participation includes registered shares purchased as well as fully vested shares allocated in connection with the remuneration schemes and, for members of the Board, shares allocated in payment of part of their fees. However, unvested PSUs are not included.

EXHIBIT 20: SHARES HELD BY MEMBERS OF THE BOARD (AUDITED)

	Role	Shares held as at March 31, 2024	Shares held as at March 31, 2023
Andreas Umbach	Chair	77,536	75,751
Eric Elzvik	Lead Independent Director	11,054	9,636
Andreas Spreiter	Independent Member	10,970	10,236
Christina Stercken	Independent Member	4,894	4,160
Peter Mainz	Independent Member	4,139	3,405
Søren Thorup Sørensen[1]	Not independent; representative of a major shareholder	n/a	–
Laureen Tolson	Independent Member	1,950	1,289
Peter Bason[2]	Not independent; representative of a major shareholder	–	n/a
Audrey Zibelman[3]	Independent Member	435	n/a

1 Representative of KIRKBI Invest A/S, a major shareholder of Landis+Gyr, holding 2,222,633 shares which amounts to 7.69% of outstanding share capital. Did not stand for re-election at the 2023 AGM.
2 Representative of KIRKBI Invest A/S, a major shareholder of Landis+Gyr, holding 2,222,633 shares which amounts to 7.69% of outstanding share capital. Newly elected at the 2023 AGM.
3 Newly elected at the 2023 AGM.

EXHIBIT 21: SHARES HELD BY MEMBERS OF THE GEM (AUDITED)

	Role	Shares held as at March 31, 2024	Shares held as at March 31, 2023	Unvested PSUs held as at March 31, 2024
Werner Lieberherr	Chief Executive Officer	8,689	3,300	28,002
Elodie Carr-Cingari	Chief Financial Officer	1,162	1,000	11,710
Bodo Zeug	Head of EMEA	1,101	–	8,524
Sean Cromie	Head of Americas	1,649	–	8,396

As reflected in Exhibit 21, as at March 31, 2024, members of the GEM held a total of 56,632 unvested PSUs with respect to grants made under the LTIP. As at March 31, 2023, members of the GEM held a total of 54,023 unvested PSUs.

Shareholding Guidelines for the GEM Members

Shareholding guidelines were introduced for GEM members in FY 2018, which are designed to increase the alignment of the interests of GEM members and shareholders. The target ownership levels are defined based on the role and correspond to:
– 300% of base salary for the position of CEO
– 200% of base salary for other GEM members

GEM members are expected to build up their shareholding to the targeted ownership levels within five years, from the introduction of the guidelines or appointment to the GEM, respectively. Based on appointment dates, the first validation of compliance with the shareholding guidelines is required at the end of FY 2024.

Equity Overhang and Dilution as of March 31, 2024

In total as of March 31, 2024, the equity overhang, defined as the total number of outstanding unvested PSUs divided by the total number of shares issued, amounts to 0.57% (as at March 31, 2023: 0.59%).

The company's gross burn rate defined as the total number of equities (shares and PSUs) granted in FY 2023 divided by the total number of shares issued amounts to 0.25% (FY 2022: 0.36%).

It is the Company's policy to settle all shares under the equity plans for the Board remuneration, the LTIP and the ESPP through existing treasury shares as well as additional shares purchased in the market, thereby not creating any dilution effect to shareholders.

Loans Granted to Members of the Board or the GEM

As referenced on page 4, in accordance with art. 28 of the Articles of Association, Landis+Gyr Group AG may not grant loans to members of the Board or the GEM and hence did not do so during FY 2023. Correspondingly, no loans to members of the Board, the GEM or to closely related parties were outstanding at the end of FY 2023.

Related-Party Transactions

Disclosure on remuneration for FY 2023 covers members of the Board and the GEM as indicated, and for both includes related parties to the extent applicable. Such related parties cover spouses, partners, children and other dependents or closely linked persons. In FY 2023 no remuneration was paid to any related party.

Remuneration to Former Members of Governing Bodies

During FY 2023, no remuneration was paid to former members of the Board or the GEM for their time as a member of such governing bodies, nor to any related parties.

External Mandates Held by Members of Governing Bodies

As at March 31, 2024, members of the Board and GEM held the following external mandates:

EXHIBIT 22: EXTERNAL MANDATES OF MEMBERS OF THE BOARD AS AT MARCH 31, 2024 (AUDITED)

Board of Directors	Current positions at publicly traded companies	Current positions at non-publicly traded companies and non-profit organizations
Andreas Umbach	Chair of the Board of Directors, SIG Group AG	Chair of the Board of Directors, Schurter Group AG Chair of the Supervisory Board, Techem Energy Services GmbH President, Zug Chamber of Commerce and Industry
Eric Elzvik	Board member and Chair of the audit committee, AB Volvo Board member and Chair of the audit and compliance committee, LM Ericsson Telephone Company	Chair, Deutsche Glasfaser Group Chair, GlobalConnect Group Senior Industrial Advisor, EQT Group
Peter Bason	None	Chair of the Board of Directors, Välinge Group AB Head of Long Term Equity, KIRKBI Board member, Armacell International S.A.
Peter Mainz	None	Board member, Metron Farnier
Andreas Spreiter	None	Member of the supervisory board and Chair of the audit and risk committee, Alpha ABMD Holdco B.V. Co-owner and Managing Director, Spreiter Consulting GmbH
Christina Stercken	Board member and Chair of the Sustainability and Risk Comittee, Ansell Ltd. Member of the Supervisory Board, TeamViewer SE	Vice Chair, Myanmar Foundation
Laureen Tolson	Board member, Delek US Holdings	CEO, Tolson Consulting Company
Audrey Zibelman	Board memer, SunPower Inc. Board member, EOS Energy	Founder and CEO, Zibelman Energy Advisors Board member, Pollination Global Holdings Ltd. Board member, EarthGrid PBC Board member, Sosteno SGR Board member, SPAN io, Inc. Board member, Squadron Energy Pty Member of the Advisory Board, Meridiam

EXHIBIT 23: EXTERNAL MANDATES OF MEMBERS OF THE GEM AS AT MARCH 31, 2024 (AUDITED)

Board of Directors	Current positions at publicly traded companies	Current positions at non-publicly traded companies and non-profit organizations
Werner Lieberherr	None	Member of the Boad of Directors, BRUSA HyPower AG
Elodie Carr	Member of the Board of Directors, Siegfried Holding AG	None
Bodo Zeug	None	Member of the Supervisory Board, ROI Management Consulting AG
Sean Cromie	None	None

Reconciliation of AGM Remuneration Resolutions

For the 2023/2024 term of office, the 2023 AGM approved a maximum aggregate remuneration amount for the Board of CHF 1.8 million (including social security costs). Exhibit 24 below shows the reconciliation between the remuneration that has been/ will be paid/granted for the respective term of office and the maximum aggregate amount approved by the shareholders.

The maximum aggregate amount, comprising fixed and variable remuneration, of the existing members of the GEM for FY 2023 approved by the 2022 AGM, is CHF 8.5 million (including social security costs, benefits, etc.). Exhibit 25 below shows the reconciliation between the remuneration paid to the GEM for FY 2023 and the maximum aggregate amount approved by the shareholders.

EXHIBIT 24: REMUNERATION APPROVED AND PAID/GRANTED FOR THE MEMBERS OF THE BOARD

	Total remuneration granted (paid/payable)	Maximum aggregate amount available	Status
2022 AGM to 2023 AGM	CHF 1.4 million[1]	CHF 1.7 million	Approved (2022 AGM)
2023 AGM to 2024 AGM	CHF 1.5 million[2]	CHF 1.8 million	Approved (2023 AGM)
2024 AGM to 2025 AGM		CHF 1.8 million[3]	Proposed (2024 AGM)

1 For 7 members of the Board, of which one member waived his remuneration for the term of office.
2 For 8 members of the Board, of which one member waived his remuneration for the term of office; represents an estimate for the term of office 2023/2024; the final amount will be disclosed in the Remuneration Report 2024.
3 For 8 members of the Board.

EXHIBIT 25: REMUNERATION APPROVED AND PAID/GRANTED FOR THE MEMBERS OF THE GEM

	Total remuneration granted	Maximum aggregate amount available	Status
FY 2022	CHF 5.6 million[1]	CHF 8.5 million	Approved (2021 AGM)
FY 2023	CHF 6.2 million[2]	CHF 8.5 million	Approved (2022 AGM)
FY 2024		CHF 8.5 million	Approved (2023 AGM)
FY 2025		CHF 8.5 million[3]	Proposed (2024 AGM)

1 For 4 members of the GEM as per the explanations given on pages 14 to 15.
2 For 4 members of the GEM as per the explanations given on pages 14 to 15.
3 The amount requested for FY 2025 is for 4 members of the GEM, consistent with the amount requested for FY 2024.

Report of the statutory auditor

to the General Meeting of Landis+Gyr Group AG

Cham

Report on the audit of the remuneration report

Opinion

We have audited the remuneration report of Landis+Gyr Group AG (the Company) for the year ended 31 March 2024. The audit was limited to the information pursuant to article 734a-734f CO in the tables marked 'audited' on pages 13 and 15 and pages 17 to 19 of the remuneration report.

In our opinion, the information pursuant to article 734a-734f CO in the remuneration report complies with Swiss law and the Company's articles of incorporation.

Basis for opinion

We conducted our audit in accordance with Swiss law and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and standards are further described in the 'Auditor's responsibilities for the audit of the remuneration report' section of our report. We are independent of the Company in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

The Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the tables marked 'audited' in the remuneration report, the consolidated financial statements, the financial statements and our auditor's reports thereon.

Our opinion on the remuneration report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the remuneration report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the audited financial information in the remuneration report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Board of Directors' responsibilities for the remuneration report

The Board of Directors is responsible for the preparation of a remuneration report in accordance with the provisions of Swiss law and the Company's articles of incorporation, and for such internal control as the Board of Directors determines is necessary to enable the preparation of a remuneration report that is free from material misstatement, whether due to fraud or error. It is also responsible for designing the remuneration system and defining individual remuneration packages.

Auditor's responsibilities for the audit of the remuneration report

Our objectives are to obtain reasonable assurance about whether the information pursuant to article 734a-734f CO is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law and SA-CH will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this remuneration report.

As part of an audit in accordance with Swiss law and SA-CH, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement in the remuneration report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made.

We communicate with the Board of Directors or its relevant committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors or its relevant committee with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

PricewaterhouseCoopers AG

Patrick Balkanyi	Rahel Sopi
Licensed audit expert Auditor in charge	Licensed audit expert

Zug, 29 May 2024

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Financial Report 2023

Landis+Gyr

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Financial Review of Landis+Gyr Group

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Overview

The following discussion of the financial condition and results of the operations of Landis+Gyr Group AG (“Landis+Gyr”) and its subsidiaries (together, the “Company” or the “Group”) should be read in conjunction with the Consolidated Financial Statements, which have been prepared in accordance with US GAAP, and the related notes thereto included in this Financial Review. Due to rounding, numbers presented may not add up to the totals provided.

This Financial Report contains non-GAAP measures of performance. Definitions of these measures and reconciliations between these measures and their US GAAP counterparts can be found in the “Supplemental Reconciliations and Definitions” section of this Financial Review.

Landis+Gyr is a leading global provider of integrated energy management solutions. The Company measures and analyzes energy utilization to generate empowering analytics for smart grid and infrastructure management, enabling utilities and consumers to reduce energy consumption. Its innovative and proven portfolio of software, services and intelligent sensor technology is a key driver to decarbonize the grid. Building on over 125 years of industry experience, Landis+Gyr employs about 6,900 people in over 30 countries across five continents with the mission to manage energy better.

Traditional standalone metering products represent the historical core of the Company’s offerings. However, the utility business model is expected to change rapidly over the next five to ten years, driven by current and future challenges, as well as megatrends impacting the global energy industry. The Company believes that smart meters play a key role for future energy distribution systems, which are rolled out across the globe. Landis+Gyr’s Smart Metering and Grid Edge Intelligence technologies already allow utilities and consumers to control the way energy is used in a safe, secure and reliable way, driving efficiencies and allowing for increased cost control and data utilization. Going forward, Landis+Gyr will shape the way resources are being managed through Smart Infrastructure technology even more effectively and efficiently, creating value for utilities and energy consumers.

To best serve its customers, Landis+Gyr has organized its business into three regional reportable segments: the Americas, EMEA and Asia Pacific.

- Americas comprises the United States, Canada, Central America, South America, Japan and certain other markets which adopt US standards. This segment reported 58% of the total net revenue for the financial year 2023 (FY 2023; April 1, 2023 to March 31, 2024), compared to 53% in the financial year 2022 (FY 2022; April 1, 2022 to March 31, 2023). The Company is a leading supplier of Advanced Metering Infrastructure (“AMI”) communications networks and the leading supplier of smart electricity meters in North America. In addition, Landis+Gyr is one of the leading suppliers of modern standalone and smart electric meters in South America.
- EMEA, which comprises Europe, the Middle East, South Africa and certain other markets adopting European standards, reported 34% and 36% of Landis+Gyr’s total net revenue for the financial years 2023 and 2022, respectively. In EMEA, the Company is one of the leading providers of smart electricity meters and the leading supplier of smart ultrasonic gas meters.
- Asia Pacific comprises Australia, New Zealand, China, Hong Kong, and Singapore, while the balance is generated in other markets in Asia. It reported 8% and 11% of Landis+Gyr’s total revenue for the financial years 2023 and 2022, respectively. In Asia Pacific (excluding China), the Company is one of the leading smart electricity meter providers.

Summary of Financial Information

RESULTS OF OPERATIONS

	FINANCIAL YEAR ENDED MARCH 31,				
USD in millions, except per share data	**2024**	2023	2022	2021	2020
Order Intake	1,977.6	1,925.8	2,665.5	1,298.7	1,371.4
Committed Backlog as of March 31,	3,769.0	3,748.6	3,388.6	2,165.9	2,223.9
Net revenue	**1,963.0**	**1,681.4**	**1,464.0**	**1,357.4**	**1,699.0**
Cost of revenue	1,364.2	1,206.2	981.2	966.8	1,166.2
Gross profit	**598.8**	**475.2**	**482.7**	**390.7**	**532.8**
Operating expenses					
Research and development	179.8	175.7	160.3	148.7	157.7
Sales and marketing	80.8	78.3	71.9	69.6	88.2
General and administrative	158.0	130.9	126.7	107.2	113.5
Amortization of intangible assets	36.1	39.2	35.1	34.2	34.5
Impairment of intangible assets	–	–	–	396.0	–
Operating income (loss)	**144.1**	**51.0**	**88.8**	**(365.1)**	**139.0**
Other income (expense), net	(21.8)	7.2	3.3	(3.5)	(0.6)
Income (loss) before income tax benefit (expense)	**122.3**	**58.3**	**92.0**	**(368.6)**	**138.4**
Income tax benefit (expense)	(16.9)	(80.9)	7.0	(19.4)	(19.5)
Net income (loss) before noncontrolling interests and equity method investments	**105.4**	**(22.6)**	**99.0**	**(388.0)**	**119.0**
Net income (loss) from equity investments	3.2	229.7	(19.6)	(4.6)	(5.8)
Net income (loss)	**108.7**	**207.1**	**79.4**	**(392.7)**	**113.2**
Net income (loss) attributable to noncontrolling interests, net of tax	(1.3)	(0.8)	0.0	(0.3)	(0.6)
Net income (loss) attributable to Landis+Gyr Group AG shareholders	**110.0**	**207.9**	**79.4**	**(392.4)**	**113.7**
Earnings per share (basic)	3.79	7.35	2.59	(13.61)	3.90
Earnings per share (diluted)	3.78	7.32	2.59	(13.61)	3.90
Adjusted gross profit	627.6	514.6	494.9	449.3	584.3
Adjusted operating expenses	403.7	374.7	347.9	309.5	347.2
Adjusted EBITDA	**223.9**	**139.9**	**147.0**	**139.6**	**237.2**
Free Cash Flow (excluding M&A)	**91.1**	**(22.0)**	**89.0**	**97.6**	**120.4**

SUMMARY CONSOLIDATED BALANCE SHEETS

USD in millions	March 31, 2024	March 31, 2023	March 31, 2022	March 31, 2021	March 31, 2020
ASSETS					
Current assets					
Cash and cash equivalents	127.8	117.4	84.9	140.5	319.4
Accounts receivable, net	337.6	351.4	323.6	282.1	335.8
Inventories, net	237.5	242.3	143.1	110.6	147.5
Prepaid expenses and other current assets	108.6	109.0	59.7	65.6	59.7
Total current assets	**811.6**	**820.1**	**611.2**	**598.9**	**862.3**
Property, plant and equipment, net	121.6	117.2	116.3	118.5	117.5
Goodwill and other intangible assets, net	1,230.0	1,264.8	1,319.0	1,218.2	1,642.4
Deferred tax assets	64.9	43.8	43.6	18.0	17.0
Other long-term assets	216.4	178.3	197.9	205.8	145.1
TOTAL ASSETS	**2,444.4**	**2,424.2**	**2,288.0**	**2,159.4**	**2,784.3**
LIABILITIES AND EQUITY					
Current liabilities					
Trade accounts payable	155.2	214.8	163.3	127.8	175.9
Accrued liabilities	41.6	47.6	34.9	45.1	28.4
Warranty provision – current	30.2	30.9	33.4	37.3	31.6
Payroll and benefits payable	81.8	66.1	62.0	51.6	55.5
Short-term debt	4.4	180.7	228.8	147.7	352.2
Operating lease liabilities – current	14.8	13.5	13.1	15.2	13.2
Other current liabilities	96.4	102.0	90.9	93.9	84.6
Total current liabilities	**424.3**	**655.6**	**626.5**	**518.6**	**741.3**
Long-term debt	248.2	–	–	–	–
Warranty provision – non current	13.0	15.4	14.9	20.3	30.4
Pension and other employee liabilities	26.8	24.7	29.2	32.3	46.1
Deferred tax liabilities	33.6	37.5	36.5	14.5	25.0
Tax provision	20.1	23.7	26.5	32.1	20.6
Operating lease liabilities – non current	68.0	82.1	90.6	95.3	59.5
Other long-term liabilities	59.0	56.0	66.2	70.6	63.8
Total liabilities	**892.9**	**895.0**	**890.5**	**783.7**	**986.6**
Redeemable noncontrolling interests	**5.0**	**6.4**	**12.0**	**–**	**–**
Total shareholders’ equity	**1,546.5**	**1,522.8**	**1,385.6**	**1,375.8**	**1,797.6**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**2,444.4**	**2,424.2**	**2,288.0**	**2,159.4**	**2,784.3**

Order Intake
Order intake increased by USD 51.7 million, or 2.7%, from USD 1,925.8 million in the year ended March 31, 2023, to USD 1,977.6 million in the year ended March 31, 2024, on a reported currency basis (1.6% on a constant currency basis). The continued strong order intake, equivalent to a book-to-bill ratio of 1.01 was driven by major contract wins in the regions Americas (recorded an order intake of USD 1,238.1 million (book-to-bill of 1.09)) and EMEA (orders of USD 600.7 million (book-to-bill of 0.90)).

Committed Backlog
Committed backlog increased by USD 20.3 million, or 0.5%, from USD 3,748.6 million in the year ended March 31, 2023, to USD 3,769.0 million in the year ended March 31, 2024, on a reported currency basis (increase of 0.3% on a constant currency basis).

As of March 31, 2024, in the Americas, committed backlog related to products, services and solutions was USD 2,981.1 million compared to USD 2,860.9 million as of March 31, 2023. The majority of the committed backlog in the Americas relates to the USA. In EMEA, as of March 31, 2024, the committed backlog was USD 698.4 million compared to USD 773.9 million as of March 31, 2023. Most of the EMEA committed backlog refers to contracts in the UK (25.6%), Belgium (19.5%), Finland (19.1%) and Switzerland (12.6%). In Asia Pacific, as of March 31, 2024, committed backlog was USD 89.5 million compared to USD 113.8 million as of March 31, 2023. Half of the current backlog is recorded in Hong Kong.

Net Revenue
Net revenue increased by USD 281.6 million, or 16.7%, from USD 1,681.4 million in the year ended March 31, 2023, to USD 1,963.0 million in the year ended March 31, 2024, on a reported currency basis (increase of 15.6% on a constant currency basis). The increase in net revenue was predominantly driven by the Americas, amounting to USD 243.4 million. In the Americas segment, the increase in net revenue of 27.4%, on a constant currency basis, was the result of the strong backlog execution particularly in North America and Japan, as well as catch-up of pent-up demand. The EMEA segment recorded a solid net revenue growth of 7.0%, on a constant currency basis supported by France, Germany, Switzerland, South Africa and Belgium and reduced by softening in the UK. The Asia Pacific segment net revenue decreased by (12.1)% on a constant currency basis driven by India and Australia, partially compensated by growth in the Philippines and in Hong Kong.

Cost of Revenue and Gross Profit
Cost of revenue increased by USD 158.0 million, or 13.1%, from USD 1,206.2 million in the year ended March 31, 2023, to USD 1,364.2 million in the year ended March 31, 2024. This increase results directly from the higher volume, partly offset by the operating leverage, and the recovery of supply chain costs. As a result, gross profit increased by USD 123.6 million, or 26.0%, from USD 475.2 million (or 28.3% as a percentage of revenue) in the financial year 2022 to USD 598.8 million (or 30.5% as a percentage of revenue) in the financial year 2023.

OPERATING EXPENSES

	FINANCIAL YEAR ENDED MARCH 31,	
USD in millions	**2024**	2023
Research and development	179.8	175.7
Sales and marketing	80.8	78.3
General and administrative	158.0	130.9
Amortization of intangible assets	36.1	39.2
Total operating expenses	**454.7**	**424.1**

Research and Development
Research and development expenses increased by USD 4.1 million, or 2.3%, from USD 175.7 million in the year ended March 31, 2023, to USD 179.8 million in the year ended March 31, 2024. This increase is mainly attributable to the continuous effort to support current and future backlog conversion in Americas, and strategic initiatives like global smart ultrasonic gas and water technology, and EV charging solutions.

Sales and Marketing
Sales and marketing expenses increased by USD 2.5 million, or 3.2%, from USD 78.3 million in the year ended March 31, 2023, to USD 80.8 million in the year ended March 31, 2024, with an increase in personnel expenses.

General and Administrative
General and administrative expenses increased by USD 27.2 million, or 20.7%, from USD 130.9 million in the year ended March 31, 2023, to USD 158.0 million in the year ended March 31, 2024. The increase in general and administrative expenses was mainly driven by strategic initiatives, as well as higher variable personnel expenses.

Amortization of Intangible Assets

Cost of revenue includes amortization charges of USD 6.0 million and USD 17.6 million for the years ended March 31, 2024 and 2023, respectively; amortization of intangible assets included under operating expenses decreased by USD 3.2 million, or 8.1%, from USD 39.2 million in the year ended March 31, 2023, to USD 36.1 million in the year ended March 31, 2024.

Operating Income and Reported and Adjusted EBITDA

Operating income increased by USD 93.1 million to USD 144.1 million for the year ended March 31, 2024, from USD 51.0 million for the year ended March 31, 2023, as a result of higher gross profit reduced by higher operating expenses. Operating income included depreciation and amortization of USD 72.7 million for the year ended March 31, 2024, and USD 82.2 million for the year ended March 31, 2023, which are included in various line items in the Consolidated Statement of Operations.

Operating income before depreciation and amortization, which corresponds to EBITDA, increased by USD 83.6 million, or 62.8%, from USD 133.2 million for the year ended March 31, 2023, to USD 216.8 million for the year ended March 31, 2024. EBITDA included non-recurring and other items in the financial year ended March 31, 2024, that Management assessed to be non-indicative of operational performance. These items are excluded to arrive at Adjusted EBITDA.

Adjusted EBITDA was USD 223.9 million in FY 2023, compared to USD 139.9 million in FY 2022. The non-recurring and other items which amounted to USD 7.1 million included (i) restructuring expenses of USD 12.6 million related mostly to a global restructuring initiative completed in FY 2023 (Project Horizon), (ii) warranty normalization adjustments of USD (4.6) million to adjust warranty expenses to the three-year average of actual warranty costs incurred (in cash or the value of other compensation paid out to customers) in respect of warranty claims and (iii) change in unrealized gains and losses on derivatives where the underlying hedged transactions have not yet been realized amounting to USD (0.9) million.

In the financial year ended March 31, 2023, these non-recurring and other items which amounted to USD 6.7 million included (i) restructuring expenses of USD 11.8 million related mostly to the discontinuation of manufacturing activities in India, (ii) warranty normalization adjustments of USD (5.1) million to adjust warranty expenses to the three-year average of actual warranty costs incurred (in cash or the value of other compensation paid out to customers) in respect of warranty claims and (iii) change in unrealized gains and losses on derivatives where the underlying hedged transactions have not yet been realized amounting to less than USD 0.1 million.

For further details, refer to the next chapter Segment Information.

OTHER INCOME (EXPENSE) AND INCOME TAX EXPENSE

	FINANCIAL YEAR ENDED MARCH 31,	
USD in millions	**2024**	2023
Other income (expense)		
Interest income	1.9	1.3
Interest expense	(19.2)	(10.3)
Income (loss) on foreign exchange, net	(8.3)	17.2
Non-operational pension credit	2.3	4.0
Gain from change in fair value of earn-out liabilities	1.9	1.3
Loss from change in fair value of investments in equity securities	(0.5)	(6.4)
Other income (expense), net	**(21.8)**	**7.2**
Income before income tax expense	**122.3**	**58.3**
Income tax expense	(16.9)	(80.9)

Interest Income

Interest income increased year-over-year with USD 1.9 million in the year ended March 31, 2024, and USD 1.3 million in the year ended March 31, 2023.

Interest Expense

Interest expense increased by USD 8.9 million from USD 10.3 million in the year ended March 31, 2023, to USD 19.2 million in the year ended March 31, 2024, primarily attributable to higher cost of borrowings and higher utilization of the credit facility during FY 2023.

Income (Loss) on Foreign Exchange, Net

Result on foreign exchange shifted from an income of USD 17.2 million in the year ended March 31, 2023, to a loss of USD 8.3 million in the year ended March 31, 2024. The deviation is primarily attributable to the US Dollar’s performance against the other major currencies in FY 2023.

For a discussion of the Company’s other income (expense), refer to Note 5: Other Income (Expense), Net in its Consolidated Financial Statements.

Income Tax Expense

Income tax expense decreased by USD 64.0 million, from USD (80.9) million in the year ended March 31, 2023, to USD (16.9) million in the year ended March 31, 2024. In FY 2023 the tax expense included the benefit from the release of the valuation allowance on deferred tax assets in India. In the prior year, the tax expense was mainly driven by the gain on the divestment of Spark Investment Holdco Pty Ltd ("Spark") of USD (69.1) million.

Segment Information

The following tables set forth net revenues and Adjusted EBITDA for Landis+Gyr's segments: Americas, EMEA and Asia Pacific for the years ended March 31, 2024 and 2023.

KEY FIGURES

USD in millions, unless otherwise indicated	Financial year ended March 31, 2024	Financial year ended March 31, 2023	Change USD	Change Constant Currency
Committed Backlog				
Americas	2,981.1	2,860.9	4.2%	3.9%
EMEA	698.4	773.9	(9.8%)	(9.7%)
Asia Pacific	89.5	113.8	(21.4%)	(20.7%)
Total	**3,769.0**	**3,748.6**	**0.5%**	**0.3%**
Net revenue to external customers				
Americas	1,131.3	887.9	27.4%	27.4%
EMEA	668.1	602.3	10.9%	7.0%
Asia Pacific	163.6	191.2	(14.4%)	(12.1%)
Total	**1,963.0**	**1,681.4**	**16.7%**	**15.6%**
Adjusted Gross Profit				
Americas	401.9	312.5	28.6%	
EMEA	181.4	150.6	20.5%	
Asia Pacific	44.0	44.9	(2.2%)	
Inter-segment eliminations	0.4	6.6		
Total	**627.6**	**514.6**	**22.0%**	
Adjusted EBITDA				
Americas	185.4	119.0	55.8%	
EMEA	17.5	(14.1)	–	
Asia Pacific	18.0	13.3	35.3%	
Corporate unallocated	3.0	21.7		
Total	**223.9**	**139.9**	**60.0%**	
Adjusted EBITDA % of net revenue to external customers				
Americas	16.4%	13.4%		
EMEA	2.6%	(2.3%)		
Asia Pacific	11.0%	6.9%		
Group	**11.4%**	**8.3%**		

Americas

Segment Revenue
Net revenue to external customers in the Americas segment increased by USD 243.4 million, or 27.4%, from USD 887.9 million in the year ended March 31, 2023, to USD 1,131.3 million in the year ended March 31, 2024, on a reported currency basis (27.4% on a constant currency basis). The increase in revenue in the Americas segment was primarily driven by the conversion of the strong backlog and the performance in North America and Japan.

Segment Adjusted EBITDA
Adjusted EBITDA in the Americas segment increased by USD 66.4 million, or 55.8%, from USD 119.0 million in the year ended March 31, 2023, to USD 185.4 million in the year ended March 31, 2024. The increase in Adjusted EBITDA is the result of the higher volume sold, partially offset by investments related to backlog execution and ramp-up for future order conversion. For a reconciliation of Adjusted EBITDA on a segment basis to Adjusted EBITDA on a Group basis, see the section Supplemental Reconciliations and Definitions.

EMEA

Segment Revenue
Net revenue to external customers in the EMEA segment increased by USD 65.8 million, or 10.9%, from USD 602.3 million in the year ended March 31, 2023, to USD 668.1 million in the year ended March 31, 2024, on a reported currency basis (7.0% on a constant currency basis). This increase was driven by France, South Africa, Germany, Switzerland and Belgium, reduced by softening in the UK.

Segment Adjusted EBITDA
Adjusted EBITDA in the EMEA segment increased by USD 31.6 million, from USD (14.1) million in the year ended March 31, 2023, to USD 17.5 million in the year ended March 31, 2024. The increase in Adjusted EBITDA is largely the result of the higher volume sold, combined with an improved operating leverage and recovery of supply chain costs. The latter two lead to a better Adjusted Gross Profit Margin of 27.1% in FY 2023 compared to 25.0% in FY 2022. For a reconciliation of Adjusted EBITDA on a segment basis to Adjusted EBITDA on a Group basis, see the section Supplemental Reconciliations and Definitions.

Asia Pacific

Segment Revenue
Net revenue to external customers in the Asia Pacific segment decreased by USD 27.6 million, or 14.4%, from USD 191.2 million in the year ended March 31, 2023, to USD 163.6 million in the year ended March 31, 2024, on a reported currency basis ((12.1)% on a constant currency basis). The decrease in revenue in the Asia Pacific segment was primarily driven by India and Australia (FX headwinds (AUD-USD)), partially compensated by the Philippines and Hong Kong.

Segment Adjusted EBITDA
Adjusted EBITDA in the Asia Pacific segment increased by USD 4.7 million, from USD 13.3 million in the year ended March 31, 2023, to USD 18.0 million in the year ended March 31, 2024. The increase in profitability was mainly driven by an improved Adjusted Gross Profit Margin, moving from 23.5% in FY 2022 to 26.9% in FY 2023 driven by the partial recovery of supply chain costs as well as general cost reduction measures. For a reconciliation of Adjusted EBITDA on a segment basis to Adjusted EBITDA on a Group basis, see the section Supplemental Reconciliations and Definitions.

Restructuring and Other Saving Initiatives

The Company continually reviews its business, manages costs and aligns resources with market demand. As a result, the Company has taken several actions to reduce fixed costs, eliminate redundancies, strengthen operational focus and better position itself to respond to market pressures or unfavorable economic conditions.

The following table outlines the cumulative three-year and current costs incurred to date under these programs per segment:

RESTRUCTURING CHARGES

USD in millions	Cumulative Costs incurred up to March 31, 2024	Total Costs incurred in the Financial year ended March 31, 2024
Americas	6.4	5.9
EMEA	8.9	5.2
Asia Pacific	10.6	0.2
Corporate	1.3	1.3
Restructuring charges	**27.2**	**12.6**

The restructuring activities during FY 2023 related mostly to a global restructuring initiative completed in FY 2023 (Project Horizon). The program aimed at streamlining the organization and optimizing the indirect labor cost structure with a targeted workforce reduction of approximately 200 positions.

The cumulative costs incurred up to March 31, 2024, represent the Company's ongoing restructuring efforts under various programs over the last three financial years.

Liquidity and Capital Resources

The Company funds its operations and growth with cash flow from operations and borrowings. Cash flows may fluctuate and are sensitive to many factors including changes in working capital, the timing and magnitude of capital expenditures and repayment of debt.

The Company believes that cash flow from operating activities, available cash and cash equivalents and access to borrowing facilities will be sufficient to fund currently anticipated working capital, planned capital spending, debt service requirements, dividend payments to shareholders, if any, and the share-based compensation schemes for at least the next twelve months. Over the longer term, the Company believes that its cash flows from operating activities, available cash and cash equivalents and access to borrowing facilities will be sufficient to fund Landis+Gyr's capital expenditures, debt service requirements and dividend payments. The Company also regularly reviews acquisition and other strategic opportunities, which may require additional debt or equity financing.

CASH FLOW

	FINANCIAL YEAR ENDED MARCH 31,	
USD in millions	**2024**	2023
Cash flow provided by (used in) operating activities	121.2	(45.8)
Cash flow provided by (used in) investing activities	(102.9)	205.8
Investments (divestments)	72.8	(182.0)
Free Cash Flow (excluding M&A)	**91.1**	**(22.0)**
Cash flow used in financing activities	(5.4)	(118.9)

Operating Activities

Cash flow provided by (used in) operating activities increased by USD 167.0 million from USD (45.8) million in the financial year 2022 to USD 121.2 million in the financial year 2023. The increase is primarily attributable to stronger revenue and improved profitability, as well as lower cash absorption from operating working capital.

Investing Activities

Cash flow provided by (used in) investing activities decreased by USD (308.7) million from USD 205.8 million in the financial year 2022 to USD (102.9) million in the financial year 2023, primarily related to the proceeds from the divestment of Spark of USD 237.8 million, before taxes, in the prior period, as well as the investments in the current year.

Investments/divestments of USD 72.8 million in the financial year 2023 consist of USD 22.7 million investment for the 5.36% shareholding in Brusa Elektronik AG ("Brusa"), as well as USD 50.0 million cash contribution to Span.IO Inc ("Span") in exchange for the right to obtain a variable number of preferred shares to be issued by the investee in connection with its next round of financing. It also includes USD 3.3 million paid to acquire all of the outstanding shares and voting rights in Thundergrid Limited ("Thundergrid"), less USD 3.2 million contingent consideration received from the sale of the Company's shareholding in Spark Investment Holdco Pty Ltd ("Spark").

Financing Activities

Cash flow used in financing activities decreased by USD 113.5 million, from USD (118.9) million in the financial year 2022 to USD (5.4) million in the financial year 2023. In the year ended March 31, 2024, the outflow for financing activities was driven mainly by the dividend payment of USD (70.8) million and the purchase of treasury shares of USD (3.5) million) net of the cash inflow from re-financed credit facilities of USD 67.8 million. In the year ended March 31, 2023, the outflow for financing activities was driven mainly by the decrease of the borrowings under the corporate credit facility agreements of USD (50.0) million, as well as the dividend payment of USD (64.7) million.

Net Operating Working Capital

One key factor affecting cash flow from operating activities is the change in working capital. Operating working capital ("OWC") reflects trade account receivables from third and related parties (net of allowance for doubtful accounts) including notes receivables and unbilled receivables, plus net inventories less trade accounts payable from third and related parties including prepayments. The table below outlines Landis+Gyr's operating working capital for the Company as of March 31, 2024 and 2023.

NET OPERATING WORKING CAPITAL

USD in millions, except percentages	March 31, 2024	March 31, 2023
Accounts receivable, net	337.6	351.4
Inventories, net	237.5	242.3
Trade accounts payable	(155.2)	(214.8)
Operating Working Capital	**419.9**	**378.9**
Operating Working Capital as a percentage of Net Revenue	21.4%	22.5%

During the period under review, the main changes to the Group's OWC arose from the decrease in accounts payable driven by lower purchase volume due to increased inventory turns in the second half of FY 2023.

Capital Expenditures

A key component of cash flow used in investing activities is capital expenditures ("Capex"). Landis+Gyr's Capex is composed of three elements: (i) Replacement Capex; (ii) Expansion Capex (i.e., directly linked to expected volume growth); and (iii) Service Contract Capex (i.e., for the Company's Managed Services business unit in the Americas to fund on-balance sheet metering devices).

CAPITAL EXPENDITURES

	FINANCIAL YEAR ENDED MARCH 31,	
USD in millions, except percentages	2024	2023
Service contracts	2.4	1.8
Expansion	17.3	15.9
Replacement	11.9	11.5
Capex	**31.6**	**29.2**
Capex as a percentage of Net Revenue	1.6%	1.7%

Capital expenditures increased by USD 2.4 million, or 8.2%, from USD 29.2 million in the financial year 2022 to USD 31.6 million in the financial year 2023, primarily driven by the expansion of the manufacturing capacity within EMEA. Capex represented 1.6% and 1.7% of net revenue for the financial years 2023 and 2022, respectively.

Net Debt

The table below presents the components of net debt as of March 31, 2024 and 2023.

NET DEBT

USD in millions	March 31, 2024	March 31, 2023
Cash and cash equivalents	(127.8)	(117.4)
Credit facilities	248.2	170.0
Other borrowings	4.4	10.7
Other financial liabilities (assets), net	6.6	2.4
Net Debt	**131.3**	**65.6**

The Company's policy is to ensure the Group will have adequate financial flexibility at all times without incurring unnecessary cost. Financial flexibility can be either provided through direct access to debt capital markets (private placement markets) or money markets (commercial paper) or through the establishment of bank facilities, either on a bilateral basis or on a syndicated basis.

Indebtedness

Total outstanding debt was as follows:

INDEBTEDNESS

USD in millions	March 31, 2024	March 31, 2023
Credit facilities	248.2	170.0
Other borrowings	4.4	10.7
Debt	**252.6**	**180.7**

For the description of the Company's indebtedness, refer to Note 17: Debt in its Consolidated Financial Statements.

Critical Accounting Policies and Estimates

The Consolidated Financial Statements of the Company have been prepared in accordance with US GAAP. The preparation of the financial statements requires management to make estimates and assumptions, which have an effect on the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the balance sheet date and on the reported amounts of revenues and expenses during the reporting period.

Management evaluates the estimates on an ongoing basis, including, but not limited to, those related to costs of product guarantees and warranties, allowances for bad debts, recoverability of inventories, fixed assets, goodwill and other intangible assets, income tax expenses and provisions related to uncertain tax positions, pensions and other post-retirement benefit assumptions and legal and other contingencies.

Where appropriate, the estimates are based on historical experience and on various other assumptions that Management believes to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from the Company's estimates and assumptions.

The Company deems an accounting policy to be critical if it requires an accounting estimate to be made based on assumptions about matters that are highly uncertain at the time the estimate is made and if different estimates that reasonably could have been used, or if changes in the accounting estimates that are reasonably likely to occur periodically, could materially impact the Company's Consolidated Financial Statements.

Management also deems an accounting policy to be critical when the application of such policy is essential to the Company's ongoing operations. Management believes the following critical accounting policies require difficult and subjective judgments to be made, often as a result of the need to make estimates regarding matters that are inherently uncertain.

The following policies should be considered when reading the Consolidated Financial Statements:

- Revenue Recognition
- Business and Assets Acquisitions
- Contingencies
- Inventories
- Pension and Other Post-retirement Benefits
- Income Taxes
- Goodwill and Other Intangible Assets
- Warranty
- Leases

For a summary of the Company's accounting policies and a description of accounting changes and recent accounting pronouncements, including the expected dates of adoption and estimated effects, if any, on Landis+Gyr's Consolidated Financial Statements, see "Note 2: Summary of Significant Accounting Principles" in its Consolidated Financial Statements.

Supplemental Reconciliations and Definitions

Adjusted EBITDA

The reconciliation of Operating income (loss) to Adjusted EBITDA is as follows for the financial years ended March 31, 2024 and 2023:

ADJUSTED EBITDA

	L+G GROUP AG		AMERICAS		EMEA		ASIA PACIFIC		CORPORATE AND ELIMINATIONS	
	FINANCIAL YEAR ENDED MARCH 31,		FINANCIAL YEAR ENDED MARCH 31,		FINANCIAL YEAR ENDED MARCH 31,		FINANCIAL YEAR ENDED MARCH 31,		FINANCIAL YEAR ENDED MARCH 31,	
USD in millions, unless otherwise indicated	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Operating income (loss)	**144.1**	**51.0**	**142.1**	**86.6**	**(5.7)**	**(48.3)**	**14.4**	**(0.9)**	**(6.7)**	**13.6**
Amortization of intangible assets	42.0	56.9	25.8	30.1	9.1	18.6	0.3	1.4	6.8	6.8
Depreciation	30.6	25.3	16.6	11.1	10.4	10.1	2.2	2.8	1.5	1.3
EBITDA	**216.8**	**133.2**	**184.5**	**127.8**	**13.8**	**(19.6)**	**16.9**	**3.3**	**1.7**	**21.7**
Restructuring charges	12.6	11.8	5.9	0.4	5.2	1.4	0.2	10.0	1.3	–
Warranty normalization adjustments (1)	(4.6)	(5.1)	(4.9)	(9.2)	(0.6)	4.0	0.9	0.1	–	–
Timing difference on FX derivatives (2)	(0.9)	–	–	–	(1.0)	0.2	0.1	(0.2)	–	–
Adjusted EBITDA	**223.9**	**139.9**	**185.4**	**119.0**	**17.5**	**(14.1)**	**18.0**	**13.3**	**3.0**	**21.7**
Adjusted EBITDA margin (%)	11.4%	8.3%	16.4%	13.4%	2.6%	(2.3%)	11.0%	6.9%		

1) Warranty normalization adjustments represents warranty expenses that diverge from a three-year average of actual warranty costs incurred (in cash or the value of other compensation paid out to customers) in respect of warranty claims. For the calculation of the average of actual warranty costs incurred in respect of warranty claims for the periods under review and going forward, see section "Warranty Provisions".
2) Timing difference on FX derivatives represents unrealized gains and losses on derivatives where the underlying hedged transactions have not yet been realized.

Adjusted Gross Profit

The reconciliation of Gross Profit to Adjusted Gross Profit is as follows for the financial years ended March 31, 2024 and 2023:

ADJUSTED GROSS PROFIT

	L+G GROUP AG		AMERICAS		EMEA		ASIA PACIFIC		CORPORATE AND ELIMINATIONS	
	FINANCIAL YEAR ENDED MARCH 31,		FINANCIAL YEAR ENDED MARCH 31,		FINANCIAL YEAR ENDED MARCH 31,		FINANCIAL YEAR ENDED MARCH 31,		FINANCIAL YEAR ENDED MARCH 31,	
USD in millions, unless otherwise indicated	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Gross profit	**598.8**	**475.2**	**387.0**	**306.6**	**169.3**	**126.4**	**42.1**	**35.6**	**0.4**	**6.6**
Amortization of intangible assets	6.0	17.6	1.1	5.2	4.8	11.1	0.1	1.3	–	–
Depreciation	23.8	19.5	15.0	9.7	8.1	8.2	0.8	1.6	–	–
Restructuring charges	4.5	7.3	3.7	0.2	0.7	0.7	0.1	6.4	–	–
Warranty normalization adjustments	(4.6)	(5.1)	(4.9)	(9.2)	(0.6)	4.0	0.9	0.1	–	–
Timing difference on FX derivatives	(0.9)	–	–	–	(1.0)	0.2	0.1	(0.2)	–	–
Adjusted gross profit	**627.6**	**514.6**	**401.9**	**312.5**	**181.4**	**150.6**	**44.0**	**44.9**	**0.4**	**6.6**
Adjusted gross profit margin (%)	32.0%	30.6%	35.5%	35.2%	27.1%	25.0%	26.9%	23.5%		

Adjusted Operating Expenses

The reconciliation of Operating expenses to Adjusted Operating Expenses is as follows for the financial years ended March 31, 2024 and 2023:

ADJUSTED OPERATING EXPENSES

	FINANCIAL YEAR ENDED MARCH 31,	
USD in millions	**2024**	2023
Research and development	**179.8**	**175.7**
Depreciation	(2.9)	(2.7)
Restructuring charges	(2.7)	(0.1)
Adjusted research and development	**174.2**	**172.9**
Sales and marketing	80.8	78.3
General and administrative	158.0	130.9
Depreciation	(3.9)	(3.1)
Restructuring charges	(5.4)	(4.3)
Adjusted sales, general and administrative	**229.5**	**201.8**
Adjusted operating expenses	**403.7**	**374.7**

Warranty Provisions

The Company offers standard warranties on its metering products and solutions for periods ranging from one to five years. In some instances, warranty periods can be further extended based on customer specific negotiations.

Warranty accruals represent the Company's estimate of the cost of projected warranty and are based on historical and projected warranty trends, specific quality issues identified (if any), supplier information and other business and economic projections as well as other commercial considerations. The Company's results in any given period are affected by additions to as well as releases of or other adjustments to these accruals, offset by insurance proceeds, received or receivable, if any.

New product warranties recorded during the financial years ended March 31, 2024, and March 31, 2023, primarily consist of additions in line with the ordinary course of business.

In assessing the underlying operational performance of the business over time, Management believes that it is useful to consider average actual warranty costs incurred (in cash or the value of other compensation paid out to customers) in respect of warranty claims as an alternative to warranty accruals, which are estimates and subject to change and significant period-to-period volatility. The main part of the outflow (in cash or the value of other compensation paid out to customers) in respect of warranty in the years ended March 31, 2024, and March 31, 2023, was related to a legacy component issue in the Americas.

Management presents Adjusted EBITDA in this Financial Report 2023 as an alternative performance measure (both at the Group and at the segment level). With regards to warranty, Adjusted EBITDA includes only the average actual warranty costs incurred over the last 3 years (in cash or the value of other compensation paid out to customers) in respect of such claims, which amounted to USD 12.5 million and USD 14.5 million for the years ended March 31, 2024 and 2023. For the years ended March 31, 2024 and 2023, the warranty normalization adjustments made in calculating Adjusted EBITDA amounted to USD (4.6) million and USD (5.1) million, respectively.

The following table provides information on Landis+Gyr's accruals in respect of warranty claims as well as the associated outflow (in cash and cash equivalents) for the periods under review.

WARRANTY PROVISION

USD in millions, unless otherwise indicated	FINANCIAL YEAR ENDED MARCH 31, 2024	2023	2022	Average
Beginning of the year	**46.2**	**48.3**	**57.6**	
Business combinations	–	–	1.4	
Additions [1]	11.3	11.2	6.7	
Other changes/adjustments to warranties [2]	(3.3)	(1.8)	(1.1)	
Outflow	(11.3)	(10.3)	(16.0)	(12.5)
Effect of changes in exchange rates	0.2	(1.2)	(0.2)	
Ending balance	**43.2**	**46.2**	**48.3**	

1 "Additions" reflects new product warranty amounts included in warranty provisions.
2 Other changes/adjustments to warranties reflects amounts included in warranty provisions as a result of releases or other adjustments resulting from settlement of claims for which accruals had previously been recorded.

The following table provides further information on Landis+Gyr's warranty claims and the derivation of the warranty normalization adjustments used in calculating Adjusted EBITDA.

WARRANTY NORMALIZATION ADJUSTMENTS

USD in millions, unless otherwise indicated	FINANCIAL YEAR ENDED MARCH 31, 2024	2023
Additions [1]	11.3	11.2
Releases	(3.3)	(1.8)
Net changes to warranty accruals	**8.0**	**9.4**
Three-year average actual warranty costs incurred (in cash or the value of other compensation paid out to customers) in respect of warranty claims	(12.5)	(14.5)
Warranty normalization adjustments	**(4.6)**	**(5.1)**

1 "Additions" reflects new product warranty amounts included in warranty provisions (USD 11.3 million and USD 11.2 million for the years ended March 31, 2024 and 2023, respectively).

Main Exchange Rates Applied

The following exchange rates against the USD have been applied for the most important currencies concerned:

EXCHANGE RATES

Exchange rates	INCOME STATEMENT AVERAGE EXCHANGE RATE, 12 MONTHS 2024	2023	EXCHANGE RATE ON BALANCE-SHEET DATE March 31, 2024	March 31, 2023
Euro countries – EUR	1.0846	1.0413	1.0789	1.0869
United Kingdom – GBP	1.2568	1.2050	1.2620	1.2349
Switzerland – CHF	1.1287	1.0475	1.1085	1.0942
Brazil – BRL	0.2028	0.1940	0.1995	0.1974
Australia – AUD	0.6577	0.6841	0.6521	0.6700

Glossary

The following table provides definitions for key terms and abbreviations used within this Financial Report.

Term	Definition
Adjusted EBITDA	Operating income (loss) excluding depreciation and amortization, impairment of intangible assets, restructuring charges, warranty normalization adjustments and timing difference on FX derivatives
Adjusted Gross Profit	Total revenue minus the cost of revenue, adjusted for depreciation, amortization, restructuring charges, warranty normalization adjustments and timing difference on FX derivatives
Adjusted Operating Expense	Research and development expense (net of research and development related income), plus sales and marketing expense, plus general and administrative expense, adjusted for depreciation and restructuring charges
Basic EPS	The amount of earnings for the period divided by the weighted-average number of shares of common stock outstanding during the reporting period
Capex	Capital expenditures (cash used to acquire property, plant and equipment and intangible assets)
Committed Backlog	Cumulative sum of the awarded contracts, with firm volume and price commitments, that are not fulfilled as of the end of the reporting period
Cost of revenue	Cost of manufacturing and delivering the products or services sold during the period
Diluted EPS	The amount of earnings for the period divided by the weighted-average number of shares of common stock outstanding during the reporting period, including the shares that would have been outstanding assuming the issuance of common shares for all potentially dilutive common shares outstanding during the reporting period

Term	Definition
EBITDA	Earnings before interest, taxes, depreciation & amortization and impairment of intangible assets
Effective cash tax rate	Total projected cash tax payments as a percentage of income (loss) before income tax expenses
Effective P&L tax rate	Total projected tax expense including current and deferred taxes, as well as discrete events as a percentage of income (loss) before income tax expenses
EPS	Earnings per Share (the Company's total earnings divided by the weighted-average number of shares outstanding during the period)
Free Cash Flow (excluding M&A)	Cash flow from operating activities (including changes in net operating working capital) minus cash flow from investing activities (capital expenditures in fixed and intangible assets) excluding mergers, acquisition and divestments activities
Net Debt	Current and non-current loans and borrowings less cash and cash equivalents
Net Revenue	Income realized from executing and fulfilling customer orders, before any costs or expenses are deducted
Order Intake	Sum of awarded contracts during the reporting period with firm volume and price commitments

Consolidated Financial Statements of Landis+Gyr Group AG

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Report of the statutory auditor

to the General Meeting of Landis+Gyr Group AG

Cham

Report of the statutory auditor on the consolidated financial statements

Opinion

We have audited the consolidated financial statements of Landis+Gyr Group AG and its subsidiaries (the "Company"), which comprise the consolidated balance sheets as of March 31, 2024 and 2023, and the related consolidated statements of operations, consolidated statements of comprehensive income, consolidated statements of changes in shareholders' equity and consolidated statements of cash flows for the years then ended, and the related notes, including a summary of significant accounting policies (collectively referred to as the "consolidated financial statements").

In our opinion, the consolidated financial statements (pages 22 to 65) present fairly, in all material respects, the financial position of the Company as of March 31, 2024 and 2023, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America (US GAAP) and comply with Swiss law.

Basis for opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (US GAAS), Swiss law and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and standards are further described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report. We are independent of the Company in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession, as well as the independence and other ethical requirements relating to our audit, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Key audit matters

Key audit matters are those matters that were communicated with those charged with governance and, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Recoverability of goodwill – Europe, Middle East and Africa ("EMEA")

Key audit matter	How our audit addressed the key audit matter
As of 31 March 2024, the carrying value of goodwill assigned to the EMEA reporting unit, was USD 287 million. The Company tests goodwill for impairment annually, or more frequently if events or changes in circumstances indicate a potential impairment. When evaluating goodwill for impairment, the Company uses either a qualitative or quantitative assessment method for each reporting unit. If, based on the qualitative assessment, it is determined to be more likely than not that a reporting unit's fair value is less than its carrying value or if the Company elects not to perform the qualitative assessment for a reporting unit, the Company proceeds to perform a quantitative impairment assessment. The quantitative impairment test involves comparing the fair value of the reporting unit to its carrying value. If the carrying value exceeds its fair value, the Company records an impairment charge equal to the difference. The determination of the fair value of the reporting units involves significant estimation and judgements, including determining key assumptions used in estimating the future cash flows to support the fair value of the reporting units, such as the projections of future business performance and profitability, terminal growth rates and discount rates. Due to the estimation uncertainty and judgement pertaining to the estimate, we view the matter as a key audit matter. Refer to Note 2.14 'Goodwill', Note 13 'Goodwill', and Note 14 'Impairment of intangible assets' in the notes to the consolidated financial statements.	We assessed management's identification of the Company's reporting units and the related assets, liabilities and goodwill assigned to them. We obtained management's fair value calculation and assessed the appropriateness of the model and the consistency of the methodology applied compared with prior years. We tested the mathematical accuracy of the model and agreed inputs to the supporting documentation. We reconciled the FY 2024 - FY 2028 projections with the Board of Directors' approved mid-term plan and discussed with management the key drivers, as well as their intentions and the planned actions to achieve the expected results. We also compared the current year actual results with prior year projections to assess any inaccuracies or bias in assumptions. With the support of PwC internal valuation specialists, we assessed the reasonableness of management's discount and terminal growth rates. We obtained the Company's sensitivity analyses regarding key assumptions to ascertain the effect of changes to those assumptions on the fair value estimates and recalculated these sensitivities. In addition, we performed our own independent sensitivity analyses by changing various key assumptions to assess whether these would alter management's conclusions. Based on the procedures performed, we determined that the approach taken, and the conclusions reached by management with regard to the recoverability of the reporting unit's goodwill were reasonable.

Responsibilities of the Board of Directors for the consolidated financial statements

The Board of Directors is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with US GAAP and the provisions of Swiss law, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Board of Directors is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for one year after the date the consolidated financial statements are available to be issued; to disclose, as applicable, matters related to going concern; and to use the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with US GAAS, Swiss law and SA-CH will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with US GAAS, Swiss law and SA-CH, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.

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- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance of the Company audit. We remain solely responsible for our audit opinion.

We are required to communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

We also provide the Board of Directors or its relevant committee with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them regarding all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safe-guards applied.

From the matters communicated with the Board of Directors or its relevant committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other information

The Board of Directors is responsible for the other information included in the annual report. The other information comprises all information included in the annual report, but does not include the consolidated financial statements, the stand-alone financial statements of Landis+Gyr Group AG, the remuneration report of Landis+Gyr Group AG and our auditor's reports thereon. Our opinion on the consolidated financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the consolidated financial statements or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Report on other legal and regulatory requirements

In accordance with article 728a para. 1 item 3 CO and PS-CH 890, we confirm the existence of an internal control system that has been designed, pursuant to the instructions of the Board of Directors, for the preparation of consolidated financial statements.

We recommend that the consolidated financial statements submitted to you be approved.

PricewaterhouseCoopers AG

Patrick Balkanyi	Rahel Sopi
Licensed Audit expert Auditor in charge	Licensed Audit expert

Zug, May 29, 2024

Consolidated Statements of Operations

USD in thousands, except per share data	FINANCIAL YEAR ENDED MARCH 31, 2024	2023
Net revenue	**1,963,005**	**1,681,386**
Cost of revenue	1,364,192	1,206,169
Gross profit	**598,813**	**475,217**
Operating expenses		
Research and development	179,809	175,741
Sales and marketing	80,759	78,321
General and administrative	158,031	130,883
Amortization of intangible assets	36,065	39,237
Operating income	**144,149**	**51,035**
Other income (expense), net	(21,848)	7,249
Income before income tax expense	**122,301**	**58,284**
Income tax expense	(16,882)	(80,882)
Net income (loss) before noncontrolling interests and equity method investments	**105,419**	**(22,598)**
Net income from equity investments	3,232	229,717
Net income	**108,651**	**207,119**
Net loss attributable to noncontrolling interests, net of tax	(1,326)	(815)
Net income attributable to Landis+Gyr Group AG shareholders	**109,977**	**207,934**
Earnings per share:		
Basic	3.79	7.35
Diluted	3.78	7.32
Weighted-average number of shares used in computing earnings per share:		
Basic	28,870,260	28,843,658
Diluted	28,945,232	28,958,880

The accompanying notes are an integral part of these consolidated financial statements.

Consolidated Statements of Comprehensive Income

USD in thousands	FINANCIAL YEAR ENDED MARCH 31, 2024	2023
Net income	**108,651**	**207,119**
Other comprehensive income (loss):		
Foreign currency translation adjustments, net of income tax expense	(523)	(23,044)
Pension plan benefits liability adjustments, net of income tax expense	(16,659)	6,977
Comprehensive income	**91,469**	**191,052**
Net loss attributable to noncontrolling interests, net of tax	1,326	815
Foreign currency translation adjustments attributable to the noncontrolling interests	82	245
Comprehensive income attributable to Landis+Gyr Group AG shareholders	**92,877**	**192,112**

The accompanying notes are an integral part of these consolidated financial statements.

Consolidated Balance Sheets

USD in thousands, except share data	March 31, 2024	March 31, 2023
ASSETS		
Current assets		
Cash and cash equivalents	127,837	117,370
Accounts receivable, net of allowance for doubtful accounts of USD 6.1 million and USD 7.4 million	337,578	351,379
Inventories, net	237,525	242,340
Prepaid expenses and other current assets	108,641	109,018
Total current assets	**811,581**	**820,107**
Property, plant and equipment, net	121,550	117,215
Intangible assets, net	178,307	216,312
Goodwill	1,051,670	1,048,508
Deferred tax assets	64,888	43,789
Other long-term assets	216,396	178,291
TOTAL ASSETS	**2,444,392**	**2,424,222**
LIABILITIES AND EQUITY		
Current liabilities		
Trade accounts payable	155,171	214,822
Accrued liabilities	41,605	47,638
Warranty provision – current	30,206	30,862
Payroll and benefits payable	81,770	66,076
Short-term debt	4,404	180,661
Operating lease liabilities – current	14,794	13,504
Other current liabilities	96,354	102,037
Total current liabilities	**424,304**	**655,600**
Long-term debt	248,151	–
Warranty provision – non current	12,964	15,404
Pension and other employee liabilities	26,751	24,729
Deferred tax liabilities	33,562	37,465
Tax provision	20,128	23,747
Operating lease liabilities – non current	68,049	82,088
Other long-term liabilities	58,967	55,995
Total liabilities	**892,876**	**895,028**
Redeemable noncontrolling interests	**5,035**	**6,358**
Commitments and contingencies – Note 26		

USD in thousands, except share data	March 31, 2024	March 31, 2023
Shareholders' equity		
Landis+Gyr Group AG Shareholders' equity		
Registered ordinary shares (28,908,944 and 28,908,944 issued shares at March 31, 2024, and March 31, 2023, respectively)	302,756	302,756
Additional paid-in capital	1,029,603	1,100,179
Retained earnings	285,858	176,105
Accumulated other comprehensive loss	(69,518)	(52,418)
Treasury shares, at cost (54,456 and 54,764 shares at March 31, 2024, and March 31, 2023, respectively)	(4,014)	(5,069)
Total Landis+Gyr Group AG shareholders' equity	**1,544,685**	**1,521,553**
Noncontrolling interests	1,796	1,283
Total shareholders' equity	**1,546,481**	**1,522,836**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**2,444,392**	**2,424,222**

The accompanying notes are an integral part of these consolidated financial statements.

Consolidated Statements of Changes in Shareholders' Equity

USD in thousands except for shares	Registered ordinary shares: Shares	Registered ordinary shares: Amounts	Additional paid-in capital	Retained earnings (Accumulated deficit)	Accumulated other comprehensive loss	Treasury shares	Total Landis+Gyr Group AG equity	Noncontrolling interests	Total shareholders' equity
Balance at March 31, 2022	**28,908,944**	**302,756**	**1,156,312**	**(31,829)**	**(36,596)**	**(6,413)**	**1,384,230**	**1,357**	**1,385,587**
Net income (loss)	–	–	–	207,934	–	–	207,934	(815)	207,119
Foreign currency translation adjustments, net of income tax expense	–	–	–	–	(22,799)	–	(22,799)	(245)	(23,044)
Pension plan benefits liability adjustment, net of income tax expense	–	–	–	–	6,977	–	6,977	–	6,977
Dividends paid (CHF 2.15 per share)	–	–	(64,700)	–	–	–	(64,700)	–	(64,700)
Net loss allocated to redeemable noncontrolling interests	–	–	–	–	–	–	–	986	986
Current period mark to redemption value of redeemable noncontrolling interest	–	–	4,169	–	–	–	4,169	–	4,169
Share-based compensation	–	–	5,105	–	–	–	5,105	–	5,105
Purchase of treasury shares	–	–	–	–	–	(409)	(409)	–	(409)
Delivery of shares			(527)			527	–	–	–
Employee stock purchase plan			(180)			1,226	1,046	–	1,046
Balance at March 31, 2023	**28,908,944**	**302,756**	**1,100,179**	**176,105**	**(52,418)**	**(5,069)**	**1,521,553**	**1,283**	**1,522,836**
Net income (loss)	–	–	–	109,977	–	–	109,977	(1,326)	108,651
Foreign currency translation adjustments, net of income tax expense	–	–	–	–	(441)	–	(441)	(82)	(523)
Pension plan benefits liability adjustment, net of income tax expense	–	–	–	–	(16,659)	–	(16,659)	–	(16,659)
Adoption of Accounting Standard Update 2016-13	–	–	–	(224)	–	–	(224)	–	(224)
Dividends paid (CHF 2.20 per share)	–	–	(70,780)	–	–	–	(70,780)	–	(70,780)
Net loss allocated to redeemable noncontrolling interests	–	–	–	–	–	–	–	1,921	1,921
Current period mark to redemption value of redeemable noncontrolling interest	–	–	(638)	–	–	–	(638)	–	(638)
Share-based compensation	–	–	4,509	–	–	–	4,509	–	4,509
Purchase of treasury shares	–	–	–	–	–	(3,509)	(3,509)	–	(3,509)
Delivery of shares	–	–	(3,230)	–	–	3,230	–	–	–
Employee stock purchase plan	–	–	(437)	–	–	1,334	897	–	897
Balance at March 31, 2024	**28,908,944**	**302,756**	**1,029,603**	**285,858**	**(69,518)**	**(4,014)**	**1,544,685**	**1,796**	**1,546,481**

The accompanying notes are an integral part of these consolidated financial statements.

Consolidated Statements of Cash Flows

USD in thousands	FINANCIAL YEAR ENDED MARCH 31, 2024	2023
Cash flow from operating activities		
Net income	108,651	207,119
Adjustments to reconcile net income to net cash provided by (used in) operating activities:		
Depreciation and amortization	72,679	82,182
Net income from equity investments	(3,232)	(229,717)
Share-based compensation	4,509	5,105
Loss (gain) on disposal of property, plant and equipment	(460)	252
Loss (gain) on foreign exchange, net	8,297	(17,245)
Change in allowance for doubtful accounts	(1,321)	1,251
Deferred income tax	(23,687)	(1,706)
Change in operating assets and liabilities, net of effect of businesses acquired and effect of changes in exchange rates:		
Accounts receivable	13,238	(37,347)
Inventories, including advance payments	895	(139,227)
Trade accounts payable	(55,805)	60,033
Other assets and liabilities	(2,566)	23,526
Net cash provided by (used in) operating activities	**121,198**	**(45,774)**
Cash flow from investing activities		
Payments for property, plant and equipment	(30,600)	(28,300)
Payments for intangible assets	(1,030)	(971)
Proceeds from the sale of property, plant and equipment	1,570	214
Business acquisitions, net of cash received	(3,297)	–
Purchase of investments	(72,733)	–
Proceeds from the sale of investments	3,232	237,842
Net cash from settlement of foreign currency derivatives to hedge investing activities	–	(3,005)
Net cash provided by (used in) investing activities	**(102,858)**	**205,780**

USD in thousands	FINANCIAL YEAR ENDED MARCH 31, 2024	2023
Cash flow from financing activities		
Proceeds from third party facility	496,111	264,006
Repayment of borrowings to third party facility	(428,309)	(320,106)
Purchase of treasury shares	(3,509)	(409)
Debt issuance cost	(1,972)	–
Dividends paid	(70,780)	(64,700)
Net cash from settlement of foreign currency derivatives to hedge financing activities	2,211	1,289
Issuance of shares	897	1,046
Net cash used in financing activities	**(5,351)**	**(118,874)**
Net increase in cash and cash equivalents	**12,989**	**41,132**
Cash and cash equivalents at beginning of period, including restricted cash	117,986	85,539
Effects of foreign exchange rate changes on cash and cash equivalents	(2,467)	(8,685)
Cash and cash equivalents at end of period, including restricted cash	**128,508**	**117,986**
Reconciliation of cash, cash equivalents, and restricted cash reported in the Consolidated Balance Sheet		
Cash and cash equivalents	127,837	117,370
Restricted cash included in other long-term assets	671	616
Total cash, cash equivalents, and restricted cash shown in the Consolidated Statement of Cash Flows	**128,508**	**117,986**
Supplemental cash flow information		
Cash paid for income tax	40,049	83,018
Cash paid for interest	16,545	6,722

The accompanying notes are an integral part of these consolidated financial statements.

Notes to the Consolidated Financial Statements

Note 1: Description of Business and Organization

Description of Business
Landis+Gyr Group AG ("Landis+Gyr") and subsidiaries (together, the "Company" or the "Group") form a leading global provider of integrated energy management solutions. The Company is organized in a geographical structure which corresponds to the regional segments of the Americas, EMEA, and Asia Pacific. Landis+Gyr offers a comprehensive portfolio of products, solutions and services, including meters, related devices, communications technologies and software applications that are essential to the measurement and management of energy distribution and consumption.

The Company's registered ordinary shares are listed on the SIX Swiss Exchange (Valor number: 37115349; ISIN: CH0371153492; Ticker symbol: LAND).

Note 2: Summary of Significant Accounting Principles

2.1 Basis of Presentation
The Consolidated Financial Statements are prepared in accordance with generally accepted accounting principles in the Unites States of America ("US GAAP"). All amounts are presented in United States dollars ("USD"), unless otherwise stated.

2.2 Principles of Consolidation
The Consolidated Financial Statements include the accounts of Landis+Gyr Group AG and its wholly owned and majority owned subsidiaries. The Company consolidates companies in which it owns or controls more than fifty percent of the voting shares or has the ability to execute direct or indirect control.

The Company presents noncontrolling interests in less-than-wholly owned subsidiaries within the equity section of its Consolidated Financial Statements. On March 31, 2024, and on March 31, 2023, the Company had two less-than-wholly owned subsidiaries, Landis+Gyr (Pty) Ltd in South Africa, with an ownership interest of 76.7% in both periods, and Etrel d.o.o. ("Etrel") in Slovenia with an ownership interest of 75%. The noncontrolling interest holders of Etrel have the option, which is embedded in the noncontrolling interest, to require the Company to acquire their ownership interests between October 1, 2024, and March 31, 2025 (see Note 25: Redeemable Noncontrolling Interests).

All intercompany balances and transactions have been eliminated.

Affiliates are companies where the Company has the power to exercise a significant influence but does not have control. Significant influence may be obtained when the Company has 20% or more of the voting rights in the investee or has obtained a seat on the Board of Directors or otherwise participates in the policy-making process of the investee. Affiliated companies are accounted for using the equity method.

2.3 Use of Estimates
The preparation of financial statements in accordance with US GAAP requires management to make estimates and assumptions that affect the amounts reported in the Consolidated Financial Statements and accompanying notes. Significant items subject to such estimates include warranty provisions, allowances for doubtful accounts, valuation of inventories, valuation allowances for deferred tax assets, valuation of goodwill and other intangible assets, valuation of defined benefit pension obligations, income tax uncertainties and other contingencies and items recorded at fair value, including assets and liabilities obtained in a business combination. Actual results may differ materially from these estimates.

Global economic impacts beyond the Company's control, such as pandemics and various ongoing conflicts around the world, may create disruption in customer demand and global supply chains, resulting in market volatility, which the Company continues to monitor, and where reasonably possible, to manage and mitigate. A major disruption in the global economy and supply chain could have a material adverse effect on the Company's business, prospects, financial condition, results of operations, and cash flows.

2.4 Revenue Recognition

The majority of the Company's revenues consist of hardware sales but may also include the license of software, software implementation services, cloud services and Software-as-a-Service (SaaS), project management services, installation services, post-sale maintenance support, and extended or noncustomary warranties. The Company accounts for a contract when it has approval and commitment from both parties, the rights of the parties are identified, payment terms are identified, the contract has commercial substance, and the collectability of consideration is probable. In determining whether the definition of a contract has been met, the Company considers whether the arrangement creates enforceable rights and obligations, which involves evaluation of agreement terms that would allow for the customer to terminate the agreement. If the customer has the unilateral right to terminate a wholly unperformed agreement without providing consideration to the Company, the agreement would not be considered to meet the definition of a contract.

Many of the Company's revenue arrangements involve multiple performance obligations consisting of hardware, meter reading system software, installation, and/or project management services.

Separate contracts entered into with the same customer (or related parties of the customer) at or near the same time are accounted for as a single contract where one or more of the following criteria are met:

- The contracts are negotiated as a package with a single commercial objective;
- The amount of consideration to be paid in one contract depends on the price or performance of the other contract; or
- The goods or services promised in the contracts (or some goods or services promised in each of the contracts) are a single performance obligation.

Once the contract has been defined, the Company evaluates whether the promises in the contract should be accounted for as more than one performance obligation. This evaluation requires significant judgment, and the decision to separate the combined or single contract into multiple performance obligations could change the amount of revenue and profit recognized in a given period. For some projects, the customer requires the Company to provide a significant service of integrating, customizing or modifying goods or services in the contract in which case the goods or services would be combined into a single performance obligation. It is common that the Company may promise to provide multiple distinct goods or services within a contract in which case the Company separates the contract into more than one performance obligation. If a contract is separated into more than one performance obligation, the Company allocates the total transaction price to each performance obligation in an amount based on the estimated relative standalone selling prices of the promised goods or services underlying each performance obligation. If applicable, for goods or services where observable standalone sales are available, the observable standalone sales are used to determine the standalone selling price. In the absence of observable standalone sales, the Company estimates the standalone selling price using either the adjusted market assessment approach or the expected cost plus a margin approach. Approaches used to estimate the standalone selling price for a given good or service will maximize the use of observable inputs and consider several factors, including the Company's pricing practices, costs to provide a good or service, the type of good or service and availability of other transactional data, among others. The Company determines the estimated standalone selling prices of goods or services used in the allocation of arrangement consideration on an annual basis or more frequently if there is a significant change in the business or if the Company experiences significant variances in its transaction prices.

Many of the Company's contracts with customers include variable consideration, which can include liquidated damage provisions, rebates and volume and early payment discounts. Some of the contracts with customers contain clauses for liquidated damages related to the timing of delivery or milestone accomplishments, which could become material in the event of failure to meet the contractual deadlines. At the inception of the arrangement and on an ongoing basis, the Company evaluates the probability and magnitude of having to pay liquidated damages. The Company estimates variable consideration using the expected value method, taking into consideration contract terms, historical customer behavior and historical sales. In the case of liquidated damages, the Company also takes into consideration progress toward meeting contractual milestones, including whether milestones have not been achieved, specified rates, if applicable, stated in the contract, and the history of paying liquidated damages to the customer or similar customers. Variable consideration is included in the transaction price if, in management's judgment, it is probable that a significant future reversal of cumulative revenue under the contract will not occur.

In the normal course of business, the Company does not accept product returns unless the item is defective as manufactured. The Company establishes provisions for estimated returns and warranties. In addition, the Company does not typically provide customers with the right to a refund.

Hardware revenues are recognized at a point in time. Transfer of control is typically at the time of shipment, receipt by the customer, or, if applicable, upon receipt of customer acceptance provisions. The Company recognizes revenue prior to receipt of customer acceptance for hardware in cases where the customer acceptance provision is determined to be a formality. Transfer of control would not occur until receipt of customer acceptance in hardware arrangements where such provisions are subjective or where the Company does not have a history of meeting the acceptance criteria.

Perpetual software licenses are considered to be a right to use intellectual property and are recognized at a point in time. Transfer of control is considered to be at the point at which it is available to the customer to download and use or upon receipt of customer acceptance. In certain contracts, software licenses may be sold with professional services including implementation services that involve a significant service of integrating, customizing or modifying the software. In these instances, the software license is combined into a single performance obligation with the implementation services and recognized over time as the implementation services are performed or, if applicable, upon receipt of customer acceptance provisions.

Hardware and software licenses (when not combined with professional services) are typically billed when delivered and revenues are recognized at a point in time. As a result, the timing of revenue recognition and invoicing does not have a significant impact on contract assets and liabilities.

Cloud services and SaaS arrangements where customers have access to some of our software within a cloud-based IT environment that we manage, host, and support are offered to customers on a subscription basis. Revenue for the cloud services and SaaS offerings is generally recognized over time, ratably over the contract term commencing on the date the services are made available to the customer.

Professional services, which include implementation, project management, installation, and consulting services are recognized over time. The Company measures progress toward satisfying these performance obligations using input methods, most commonly based on the costs incurred in relation to the total expected costs to provide the service. The Company expects this method to best depict its performance in transferring control of services promised to the customer or to represent a reasonable proxy for measuring progress. The estimate of expected costs to provide services requires judgment. Cost estimates take into consideration past experience and the specific scope requested by the customer and are updated quarterly. The Company may also offer professional services on a stand-ready basis over a specified period of time, in which case revenue would be recognized ratably over the term. Invoicing of these services is commensurate with performance and occurs on a monthly basis. As such, these services do not have a significant impact on contract assets and contract liabilities. Services, including professional services, are commonly billed on a monthly basis in arrears and typically result in an unbilled receivable, which is not considered a contract asset as the Company's right to consideration is unconditional.

Certain revenue arrangements include extended or noncustomary warranty provisions that cover all or a portion of a customer's replacement or repair costs beyond the standard or customary warranty period. Whether or not the extended warranty is separately priced in the arrangement, such warranties are considered to be a separate good or service, and a portion of the transaction price is allocated to this extended warranty performance obligation. This revenue is recognized, ratably over the extended warranty coverage period.

Hardware and software post-sale maintenance support fees are recognized over time, ratably over the life of the related service contract. Shipping and handling costs and incidental expenses billed to customers are recognized as revenue, with the associated cost charged to cost of revenues. The Company recognizes sales, use, and value added taxes billed to customers on a net basis.

Payment terms with customers can vary by customer, but amounts billed are typically payable within 30 to 90 days, depending on the destination country.

The Company incurs certain incremental costs to obtain contracts with customers, primarily in the form of sales commissions. Where the amortization period is one year or less, the Company has elected to apply the practical expedient and recognize the related commissions as an expense when incurred.

2.5 Accounting for Business and Asset Acquisitions

The Company evaluates each transaction in order to determine if the assets acquired constitute a business. The evaluation consists of consideration of the inputs, processes, and outputs acquired. For assets acquired in transactions that do not meet the definition of a business, the full fair value of the consideration given is allocated to the assets acquired based on their relative fair values, and no goodwill is recognized.

The Company uses the acquisition method of accounting to account for business combinations. The Company allocates the purchase price to the assets acquired and liabilities assumed based on their estimated fair values at the date of acquisition, including intangible assets that can be identified. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities assumed in a business combination are measured initially at their fair values on the acquisition date. Goodwill represents the excess of the aggregate purchase price over the fair value of the net assets acquired. Among other sources of relevant information, the Company uses independent appraisals and actuarial or other valuations to assist in determining the estimated fair values of the assets and liabilities acquired.

2.6 Cash and Cash Equivalents
The Company considers all highly liquid investments purchased with an original maturity or remaining maturity at the date of purchase of three months or less to be cash equivalents.

2.7 Restricted Cash
From time to time, the Company is required to maintain cash balances that are restricted in order to secure certain bank guarantees.

Restricted cash is generally deposited in bank accounts earning market rates; therefore, the carrying value approximates fair value. Such cash is excluded from Cash and cash equivalents in the Consolidated Balance Sheets.

2.8 Derivative Instruments
The Company's activities expose it to the financial risks of changes in foreign exchange rates. The Company uses derivative financial instruments, primarily foreign currency forward contracts, to economically hedge specific substantial foreign currency payments and receipts. Derivatives are not used for trading or speculative purposes.

The Company enters into foreign exchange derivative contracts to economically hedge the risks associated with foreign currency transactions and minimize the impact of changes in foreign currency exchange rates on earnings. Derivative instruments that the Company uses to economically hedge these foreign denominated contracts include foreign exchange forward contracts. Revaluation gains and losses on these foreign currency derivative contracts are recorded within Cost of revenue in the Consolidated Statements of Operations.

All derivative instruments are recorded on the Consolidated Balance Sheet at fair value on the date the derivative contract is entered into and are subsequently re-measured to their fair value at each reporting date. The Company does not apply hedge accounting and, therefore, changes in the fair value of all derivatives are recognized in Cost of revenue during the period. The fair value of derivative instruments is presented on a gross basis, even when the derivative instruments are subject to master netting arrangements. Cash collateral payables and receivables associated with derivative instruments are not added to or netted against the fair value amounts. The Company classifies cash flows from its derivative programs as cash flows from operating activities in the Consolidated Statement of Cash Flows.

The fair values of the Company's derivative instruments are determined using the fair value measurements of significant other observable inputs, as defined by Accounting Standards Codification ("ASC") 820, "Fair Value Measurements and Disclosures". The Company uses observable market inputs based on the type of derivative and the nature of the underlying instrument. When appropriate, the Company adjusts the fair values of derivative instruments for credit risk, which is a risk of loss due to the failure of either the Company or counterparty to meet its contractual obligations, considering the credit risk of all parties, as well as any collateral pledged.

2.9 Concentrations of Credit Risk
Financial instruments which potentially subject the Company to concentrations of credit risk are primarily accounts receivable, cash and cash equivalents and derivative instruments.

The Company performs ongoing credit evaluations of its customers and, in general, does not require collateral from its customers.

The Company maintains cash and cash equivalents with various financial institutions that management believes to be of high credit quality. These financial institutions are located in many different jurisdictions throughout the world. The Company's cash equivalents are primarily comprised of cash deposited in checking and money market accounts. Deposits held with banks may exceed the amount of insurance provided on such deposits. Generally, these deposits may be redeemed upon demand and are maintained with financial institutions with reputable credit and therefore bear minimal credit risk.

The amount subject to credit risk related to derivative instruments is generally limited to the amount, if any, by which a counterparty's obligations exceed the obligations of the Company with that counterparty. To mitigate such risk, the Company pursues, where possible, the use of legally enforceable master netting arrangements and collateral agreements.

2.10 Fair Value Measurement
The Company accounts for certain assets and liabilities at fair value. Fair value is defined as the price that would be received from the sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, emphasizing that fair value is a market-based measurement and not an entity-specific measurement. These valuation techniques include the market approach, income approach and cost approach. The income approach involves converting future cash flows to a single present amount. The measurement is valued based on current market expectations about those future amounts. The market approach uses observable market data for identical or similar assets and liabilities while the cost approach would value the cost that a market participant would incur to develop a comparable asset.

Inputs used to determine the fair value of assets and liabilities are defined by a three-level hierarchy, depending on the nature of those inputs. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). A financial instrument's categorization within the fair value hierarchy is based upon the lowest level of input that is significant to the instrument's fair value measurement. The three levels within the fair value hierarchy are described as follows:

- Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or liability, and inputs that are derived principally from or corroborated by observable market data by correlation or other means.
- Level 3 – Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities. Level 3 assets and liabilities include financial instruments whose value is determined using pricing models, discounted cash flow methodologies, or similar techniques, as well as instruments for which the determination of fair value requires significant management judgment or estimation.

2.11 Accounts Receivable and Allowance for Doubtful Accounts

Trade accounts receivable are initially recorded at the invoiced amount and do not bear interest. The Company maintains an allowance for doubtful accounts for probable losses inherent in its trade accounts receivable portfolio at the balance sheet date. The allowance is maintained at a level which the Company considers to be adequate and is based on ongoing assessments and evaluations of the collectability and historical loss experience of accounts receivable. The allowance is established through the provision for doubtful accounts, which is charged to income. Credit losses are charged, and recoveries are credited to the allowance. Account balances are written off against the allowance after all means of collection have been exhausted and the potential for recovery is considered remote.

The allowance is based on the Company's review of the historical credit loss experience and such factors that, in management's judgment, deserve consideration under existing economic conditions in estimating current expected credit losses. Management considers, among other factors, historical losses, current receivables aging, periodic credit evaluation of its customers' financial condition, and existing industry and national economic data.

From time to time, the Company may sell certain accounts receivable to third-party financial institutions under the factoring arrangements with these financial institutions. Under the terms of these agreements, the Company transfers the receivables in an outright sale, with no recourse and no continued involvement with the assets transferred. The Company records such transfers as sales of accounts receivable when it is considered to have surrendered control of such receivables.

2.12 Inventories

Inventories are stated at the lower of cost (which approximates cost determined on a weighted average basis) or net realizable value. The costs include direct materials, labor, and an appropriate portion of fixed and variable overhead expenses. Net realizable value is the estimated selling price in the normal course of business, minus the cost of completion, disposal and transportation. The Company writes down the value of inventories for estimated excess and obsolete inventories based upon historical trends, technological obsolescence, assumptions about future demand and market conditions.

2.13 Property, Plant & Equipment

Property, plant and equipment are stated at cost less accumulated depreciation and amortization. Depreciation and amortization are recognized on a straight-line basis over the estimated useful life of the related asset, with the exception of leasehold improvements, which are amortized over the shorter of the asset's useful life or the term of the lease, and network equipment which is depreciated over the shorter of the useful life of the asset or the life of the customer contract under which the equipment is deployed. The estimated useful lives are as follows:

ESTIMATED USEFUL LIVES

Item	Years
Land	No depreciation
Buildings	20–40
Network equipment	5–10
Machinery and equipment	5–10
Vehicles and other equipment	3–10
Construction in progress	No depreciation

Repairs and maintenance are expensed as incurred, while major renovations and improvements are capitalized as property, plant and equipment and depreciated over their estimated useful lives. Gains or losses on disposals are included in the Consolidated Statements of Operations at amounts equal to the difference between the net book value of the disposed assets and the proceeds received upon disposal.

2.14 Goodwill

Goodwill is tested for impairment annually in the fourth quarter of each financial year or more often if an event or circumstance indicates that an impairment may have occurred.

When evaluating goodwill for impairment, the Company uses either a qualitative or quantitative assessment method for each reporting unit. The qualitative assessment involves determining, based on an evaluation of qualitative factors, if it is more likely than not that the fair value of a reporting unit is less than its carrying value. If, based on this qualitative assessment, it is determined to be more likely than not that the reporting unit's fair value is less than its carrying value or the Company elects not to perform the qualitative assessment for a reporting unit, the Company proceeds to perform a quantitative impairment assessment.

The Company applies the simplified quantitative impairment test, which compares the fair value of a reporting unit (based on the income approach whereby the fair value is calculated based on the present value of future cash flows) with its carrying value. If the carrying value of the reporting unit exceeds its fair value, the Company records an impairment charge equal to the difference.

2.15 Intangible Assets with Finite Lives

Intangible assets with finite lives, principally customer contracts and relationships, are amortized on a straight-line basis over their estimated useful lives, ranging from three to twenty years, which management has determined is the methodology best reflective of the expected benefits arising from the intangibles. The Company believes that the straight-line method is appropriate as these relationships are generally distributed over a long period of time and historical experience from each acquired entity has indicated a consistent experience with each customer.

Intangible assets with finite lives and property, plant and equipment are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Where such indicators exist, the Company first compares the undiscounted cash flows expected to be generated by the asset (or asset group) to the carrying value of the asset (or asset group). If the carrying value of the long-lived asset exceeds the future undiscounted cash flows to be generated by the asset (or asset group), an impairment is recognized to the extent that the carrying value exceeds its fair value. Fair value is determined through various valuation techniques, including discounted cash flow models, quoted market values and assistance by third-party independent appraisals, as considered necessary.

2.16 Investments

Investments in Affiliated Companies

Each reporting period, the Company reviews all equity method investments to determine whether a significant event or change in circumstances has occurred that may have an adverse effect on the fair value of each investment. When such events or changes occur, the Company evaluates the fair value compared to the carrying amount of the investment. Management's assessment of fair value is based on valuation methodologies using discounted cash flows, EBITDA and revenue multiples, as appropriate.

In the event the fair value of an investment declines below the carrying amount, the Company determines if the decline in fair value is other than temporary. If the Company determines the decline is other than temporary, an impairment charge is recorded. The Company's assessment as to the nature of a decline in fair value is based on, among other things, the length of time for which and the extent to which the market value has been less than its cost basis, the financial condition and near-term prospects of the entity, and the Company's intent and ability to retain the investment for a period of time sufficient to allow for any anticipated recovery in market value.

Other Investments

Other investments include participation in other entities where the Company does not have the power to exercise significant influence or to exercise control. Equity investments with readily determinable fair values are measured at fair value. Other investments without readily determinable fair values are accounted at cost minus impairment, if any, plus or minus changes resulting from observable price changes in orderly transactions for an identical or similar investment of the same issuer. Changes in value are recorded in Other income (expense), net.

2.17 Warranty

The Company offers standard warranties on its metering products and its solution products for periods ranging from one to five years. In some instances, warranty periods can be further extended based on customer specific negotiations. Standard warranty provision represents the Company's estimate of the cost of projected warranty claims and is based on historical and projected warranty trends, specific quality issues identified (if any), supplier information and other business and economic projections. If the Company's quality control processes fail to detect a fault in a product, the Company could experience an increase in warranty claims.

The Company tracks warranty claims to identify potential product specific design or quality issues. If an unusual trend is noted, an additional warranty provision may be recorded when a product failure is probable, and the cost can be reasonably estimated. Management continually evaluates the sufficiency of the warranty provisions and makes adjustments when necessary. The calculation of the warranty provision requires management to make estimates with respect to projected failure rates, as well as material, labor and other costs to be incurred in order to satisfy the Company's warranty commitments. As a result, actual warranty costs incurred in the future could differ significantly from the provision. The long-term warranty balance includes estimated warranty claims beyond one year. Warranty expense is included within Cost of revenue in the Consolidated Statements of Operations.

2.18 Commitments and Contingencies

Liabilities for loss contingencies, including environmental remediation costs, arising from claims, assessments, litigation, fines, penalties and other sources, are recorded when it is probable that a liability has been incurred and the amount of the assessment and/or remediation can be reasonably estimated. Any such provision is generally recognized on an undiscounted basis using the Company's best estimate of the amount of loss incurred or at the lower end of an estimated range when a single best estimate is not determinable. Changes in these factors and related estimates could materially affect the Company's financial position, results of operations, and cash flows.

The Company has asset retirement obligations ("ARO") arising from contractual requirements to remove certain leasehold improvements at the time that the Company vacates leased property. The liability is initially measured on the date of executing the lease agreement at fair value, and subsequently is adjusted for accretion expense and changes in the amount or timing of the estimated cash flows. In determining the fair value of the ARO, the Company has considered, among other factors, the estimated cost to remove the assets based on consultations with, and written estimates from, third-party contractors, the expected settlement dates, ranging from financial year ending March 31, 2025 to 2031, and an effective interest rate, which for the Company is based on the credit-adjusted risk-free rate. The corresponding AROs are capitalized as part of the carrying amount of the related long-lived asset and depreciated over the shorter of the asset's remaining useful life or the lease term. The Company classifies such liabilities in Other long-term liabilities in the Consolidated Balance Sheets.

Legal costs incurred in connection with loss contingencies are expensed as incurred.

Accruals for estimated losses from environmental remediation obligations, excluding AROs, generally are recognized no later than completion of the remediation feasibility study. Such accruals are adjusted as further information develops or circumstances change. Recoveries of environmental remediation costs from third parties, which are probable of realization, are separately recorded as assets, and are not offset against the related environmental liability.

2.19 Employee Benefit Plans

The Company accounts for employee and retirement benefits in accordance with ASC 710, "Compensation".

Employee Benefits

A liability is recognized for benefits accruing to employees in respect of wages and salaries, annual leave, and long service leave when it is probable that settlement will be required, and the liability can be estimated reliably. Liabilities recognized in respect of employee benefits expected to be settled within 12 months are measured at their nominal values using the remuneration rate expected to apply at the time of settlement. Liabilities recognized in respect of employee benefits which are not expected to be settled within 12 months are measured at the present value of the estimated future cash outflows to be made by the Company in respect of services provided by employees up to the reporting date.

Retirement Benefits

The Company contributes, in accordance with legal and statutory requirements, to various statutory defined benefit and defined contribution pension plans. In addition, the Company sponsors various post-retirement benefit plans that provide medical benefits to retired participants.

The Company records annual amounts relating to its defined benefit plans and post-retirement plans based on calculations that incorporate various actuarial and other assumptions including discount rates, mortality table assumptions, assumed rates of return, compensation increases, turnover rates and healthcare cost trend rates. The Company reviews its assumptions on an annual basis and makes modifications to the assumptions based on current rates and trends when it is appropriate to do so. The effect of modifications to those assumptions is recorded in other comprehensive income/(loss). The unrecognized amounts recorded in Accumulated Other Comprehensive Income ("AOCI") are subsequently recognized as expense on a straight-line basis only to the extent that they exceed 10% of the higher of the market-related value or the projected benefit obligation, over the average remaining service period of active participants.

In addition to the defined benefit pension plans and post-retirement benefits plans, the Company also sponsors various employee retirement savings plans in which employees of certain subsidiaries are eligible to participate. Each plan provides for employee contributions as well as matching contributions by the Company. The Company recognizes an expense for matching contributions to defined contribution plans as they are incurred.

2.20 Income Taxes

Income taxes are based on the laws and rates in effect in the countries in which operations are conducted or in which the Company or its subsidiaries are considered resident for income tax purposes.

The Company accounts for income taxes using the asset and liability method. Under this method, deferred income taxes are recorded for temporary differences between the financial reporting basis and tax basis of assets and liabilities in each of the taxing jurisdictions in which the Company operates. These deferred taxes are measured using the tax rates expected to be in effect when the temporary differences reverse. The effect of a change in tax rates on deferred tax assets and liabilities is recognized in income in the period that includes the enactment date.

Deferred tax assets are evaluated each period to determine whether or not it is more likely than not that they will be realized. By determining this, the Company considers all available positive and negative evidence, including scheduled reversals of deferred tax liabilities, projected future taxable income, tax planning strategies and recent financial operations. Valuation allowances are established where it is considered more likely than not that the Company will not realize the benefit of such assets.

Valuation allowances are reviewed each period on a tax jurisdiction by tax jurisdiction basis to analyze whether there is sufficient positive or negative evidence to support a change in judgment about the realizability of the related deferred tax assets.

The Company has elected not to reclassify prior periods' stranded tax. In accordance with its accounting policy, the Company releases income tax effects from accumulated other comprehensive income once the reasons the tax effects were established cease to exist (e.g., when prior service cost and pension gains (losses) are reclassified out of accumulated other comprehensive income and recognized within Net periodic benefit cost).

The Company accounts for uncertain tax positions in accordance with ASC 740, "Income Taxes", which addresses the determination of whether tax benefits claimed or expected to be claimed on a tax return should be recorded in the financial statements. The Company recognizes the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained upon examination by the taxing authorities based solely on the technical merits of the position.

The Company recognizes interest expense and penalties accrued related to unrecognized tax benefits in the provision for income taxes. Accrued interest and penalties are included within the related tax liability caption in the Consolidated Balance Sheets.

2.21 Foreign Currencies

The reporting currency of Landis+Gyr is the U.S. Dollar. The functional currency of most of the Company's subsidiaries is the applicable local currency. The translation from the applicable functional currencies into the Company's reporting currency is performed for the Balance Sheet accounts using exchange rates in effect at the balance sheet date, and for Statement of Operations and Statement of Cash Flows using the average exchange rates prevailing during the year. The resulting translation adjustments are excluded from earnings and are recognized in accumulated other comprehensive income (loss) until the entity is sold, substantially liquidated or evaluated for impairment in anticipation of disposal.

Foreign currency exchange gains and losses, such as those resulting from foreign currency denominated receivables or payables, are included in the determination of earnings with the exception of intercompany loans that are long-term investment in nature with no reasonable expectation of repayment, which are recognized in other comprehensive income.

2.22 Leases

The Company determines if an arrangement is a lease at inception. A lease exists when a contract conveys to the customer the right to control the use of identified property, plant, or equipment for a period of time in exchange for consideration. The definition of a lease embodies two conditions: (1) there is an identified asset in the contract that is land or a depreciable asset (i.e., property, plant, and equipment), and (2) the customer has the right to control the use of the identified asset.

Right-of-use ("ROU") assets represent the Company's right to use an underlying asset for the lease term and lease liabilities represent the Company's obligation to make lease payments arising from the lease. Lease ROU assets and liabilities are recognized at the commencement date based on the present value of lease payments over the lease term. The Company uses the implicit rate when readily determinable. As most of its leases do not provide an implicit rate, in determining the present value of lease payments, the Company uses its incremental borrowing rate based on the remaining lease term, currency of the lease, and the Company's credit rating. The ROU assets also include any lease payments made and exclude lease incentives received and initial direct costs incurred. The lease terms may include options to extend or terminate the lease when it is reasonably certain that the Company will exercise that option.

The Company has lease agreements, which include lease and nonlease components. For each of the existing asset classes, the Company has elected the practical expedient to account for the lease and nonlease components as a single lease component when the nonlease components are fixed.

The Company has elected to utilize the short-term lease exemption for all lease asset classes. All leases with a lease term that is not greater than twelve months are not subject to recognition and measurement of lease ROU assets and liabilities in the Consolidated Balance Sheet.

Operating leases are included in Other long-term assets, Operating lease liabilities – current, and Operating lease liabilities – non current in the Consolidated Balance Sheet. Operating lease costs are recognized on a straight-line basis over the lease term.

Finance leases are included in Property, plant, and equipment, Other current liabilities, and Other long-term liabilities in the Consolidated Balance Sheet. Finance lease ROU assets are generally amortized on a straight-line basis over the lease term with the interest expenses on the lease liability recorded using the interest method.

Lease expenses for variable lease payments, where the timing or amount of the payment is not fixed, are recognized when the obligation is incurred. Variable lease payments generally arise in lease arrangements where executory and other lease-related costs are billed to the Company when incurred by the lessor.

2.23 Research and Development Costs

Research and development costs primarily consists of salaries and payroll taxes, third-party contracting fees, depreciation and amortization of assets used in R&D activities, and other overhead infrastructure costs. Research and development activities primarily consist of the development and design of new meters, network equipment and related software, and are expensed as incurred.

2.24 Advertising

Advertising costs are expensed as incurred. Advertising expenses included in Sales and marketing expenses were USD 3.9 million and USD 4.2 million, respectively, for the financial years ended March 31, 2024, and March 31, 2023.

2.25 Earnings per Share

ASC 260, “Earnings per Share”, requires entities to present both basic and diluted earnings per share. Basic earnings per share is calculated by dividing net income (loss) by the weighted-average number of common shares outstanding during the year.

Diluted earnings per share is calculated by dividing net income (loss) by the weighted-average number of common shares outstanding during the year plus all potentially dilutive common shares outstanding. Potentially dilutive shares that are anti-dilutive are excluded from the diluted earnings per share calculation.

As of March 31, 2024, and March 31, 2023, the Company had 74,972 and 115,222 dilutive shares outstanding, respectively.

2.26 Share-based Compensation

The Company sponsors a share-based long-term incentive plan (“LTIP”) providing the members of the Group Executive Management and other eligible key managers with a possibility to receive shares in the Company, subject to certain conditions. The LTIP consists of two components that are weighted equally: (i) a component with a market condition that is based on the total shareholders’ return (“TSR”) measured over three years relative to a peer group of comparable public companies as determined by the Company’s Board of Directors, summarized under the heading Performance Share Plan PSP-TSR, and (ii) a component with a performance condition that is based on the Company’s fully diluted earnings per share (“EPS”) performance, summarized under the heading Performance Share Plan PSP-EPS. The Board of Directors, at its discretion, may allow the EPS normalization of certain significant and unforeseen one-off events, not indicative of underlying performance.

Share-based compensation expense is recognized and measured based on the guidance codified in ASC 718 “Compensation – Stock Compensation”.

The fair value of performance stock units (“PSUs”) granted under the PSP-TSR is estimated using the Monte Carlo simulation methodology. The Monte Carlo simulation input assumptions are determined based on available internal and external data sources. The risk-free rate is interpolated from country-specific government sovereign debt yields derived from Standard & Poor’s as of the valuation date matching the measurement period. The expected volatility of the share price returns is based on the historic volatility of daily share price returns of the Company, derived from Standard & Poor’s and measured over a historical period matching the performance period of the awards. The dividend yield is based on the expected dividend yield over the expected term of the awards granted.

The fair value of performance stock units granted under the PSP-EPS is determined based on the closing share price of the Company’s share on the day preceding the grant date less the present value of expected dividends.

The Company recognizes stock-based compensation costs considering estimated future forfeiture rates, which are reviewed annually or whenever indicators are present that actual forfeitures may differ materially from previously established estimates.

The total compensation cost for the PSP-EPS is expensed on a straight-line basis over the requisite service period for each separately vesting portion of the award. The total compensation cost for the PSP-TSR is recognized on a straight-line basis over the requisite service period for the entire award (see Note 22: Share-based Compensation).

2.27 Recent Accounting Pronouncements Applicable for Future Periods

In August 2023, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2023-05 – Business Combinations – Joint Venture Formations (Subtopic 805-60): Recognition and Initial Measurement, which provides guidance on the initial recognition of contributions received by a joint venture. The update requires joint ventures to initially measure all contributions received upon their formation at fair value. Before ASU 2023-05, there was no authoritative guidance in US GAAP that addressed how a joint venture should recognize contributions received. As a result, there has been diversity in practice, with some joint ventures accounting for contributions received on a carryover basis and others at fair value. This update is effective prospectively for the Company for annual and interim reporting periods beginning April 1, 2025, with early adoption permitted. The Company intends to apply the revised guidance to any newly formed joint ventures with a formation date on or after April 1, 2025.

In November 2023, the FASB issued ASU 2023-07 – Segment Reporting (Topic 280) – Improvements to Reportable Segment Disclosures, which amends the reportable segment disclosure requirements, primarily through enhanced disclosures about significant segment expenses. ASU 2023-07 is effective for the Company's consolidated financial statements as of March 31, 2025, and interim financial reports for the six-month period ending September 30, 2025, with early adoption permitted. These amendments are to be applied retrospectively to all prior periods presented in the consolidated financial statements. The Company is currently evaluating the impact this standard will have on its consolidated financial statement disclosures.

In December 2023, the FASB issued ASU 2023-09 – Improvements to Income Tax Disclosures, which amends Income Taxes (Topic 740). The FASB issued this update to improve annual basis income tax disclosures related to (1) rate reconciliation, (2) income taxes paid, and (3) other disclosures related to pretax income (or loss) and income tax expense (or benefit) from continuing operations. This amendment is effective for the Company on April 1, 2025, with early adoption permitted. These amendments are to be applied on a prospective basis. Retrospective application is permitted. The Company is currently evaluating the impact this standard will have on its consolidated financial statement disclosures.

Recently Adopted Accounting Pronouncements

In June 2016, the FASB issued ASU 2016-13 – Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments, amending the accounting for the impairment of financial instruments, including trade receivables. The new guidance requires the use of a "current expected credit loss" model for most financial assets. The new model requires immediate recognition of the estimated credit losses expected to occur over the remaining life of financial assets such as trade and other receivables, held-to-maturity debt securities, loans and other instruments. Measurement of expected credit losses is now based on historical experience, current conditions, and reasonable and supportable forecasts. The Company has adopted the new standard as of April 1, 2023, on a modified retrospective basis and has therefore recorded a cumulative-effect adjustment of USD 0.2 million to the opening balance of Retained Earnings on April 1, 2023, relating to an increase in the allowance for credit losses on trade accounts receivable.

In October 2021, the FASB issued ASU 2021-08 – Business Combinations (Topic 805): Accounting for Contract Assets and Contract Liabilities from Contracts with Customers, which provides guidance on the accounting for revenue contracts acquired in a business combination. The update requires revenue contract assets and liabilities acquired in a business combination to be recognized and measured under the revenue standard provided in Topic 606. The practical expedients cover contracts that were modified prior to the acquisition date as well as determining which date an acquirer would have to determine the standalone selling price of each performance obligation in an acquired contract. Under previous guidance, revenue contract assets and liabilities would have been measured at fair value. The Company has adopted this amendment as of the effective date of April 1, 2023, and will apply the practical expedients as needed for any future acquisitions.

Note 3: Shareholder's Equity

At March 31, 2024 and 2023, the capital structure reflected 28,908,944 authorized, registered and issued ordinary shares with restricted transferability. The restricted transferability is related to the fact that the Company can reject a shareholder not disclosing the beneficial owner; see art. 5 of Landis+Gyr's articles of association for further information.

Registered ordinary shares carry one vote per share, as well as the right to dividends.

Conditional Share Capital

The share capital of the Company may be increased by up to CHF 4,500,000 by issuing up to 450,000 fully paid-in registered shares with a nominal value of CHF 10 each, upon the exercise of option rights or in connection with similar rights regarding shares granted to officers and employees at all levels of the Company and its group companies according to respective regulations and resolutions of the Board of Directors. This conditional share capital has been approved and is available for use. As of March 31, 2024, no shares were issued from this conditional share capital.

Furthermore, the share capital of the Company may be increased by up to CHF 28,908,940 by issuing up to 2,890,894 paid-in registered shares with a nominal value of CHF 10 each, through the exercise or mandatory exercise of conversion, exchange, option, warrant or similar rights for the subscription of shares granted to shareholders or third parties alone or in connection with bonds, notes, loans, options, warrants or other securities or contractual obligations of the Company or any of its subsidiaries. As of March 31, 2024, no shares were issued from this conditional share capital.

Capital Band

The Company has a capital band ranging from CHF 260,180,500 (lower limit) to CHF 317,998,380 (upper limit). The Board of Directors shall be authorized within the capital band to increase or reduce the share capital once or several times and in any amounts or to acquire or dispose of shares directly or indirectly, until June 22, 2026, or until an earlier expiry of the capital band. The capital increase or reduction may be effected by issuing up to 2,890,894 fully paid-in registered shares with a nominal value of CHF 10 each and canceling up to 2,890,894 registered shares with a nominal value of CHF 10 each, as applicable, or by increasing or reducing the nominal value of the existing shares within the limits of the capital band.

Until June 22, 2026, or an earlier expiry of the capital band, the total number of newly issued shares which may be issued with the restriction or withdrawal of advance subscription rights or pre-emptive rights (1) from the conditional capital and (2) from the capital band must not exceed 2,890,894 new shares.

Treasury Shares

From time to time, the Company may repurchase shares of its common stock under programs authorized by the Board of Directors. Share repurchases are made in the open market and in accordance with applicable securities laws. Shares repurchased are displayed separately as Treasury shares in the Consolidated Financial Statements.

The changes in Treasury shares during the financial years ended March 31, 2024 and 2023, were as follows:

TREASURY SHARES

	FINANCIAL YEAR ENDED MARCH 31,			
	2024	**2024**	2023	2023
	Number of shares	**Average acquisition price per share (in CHF)**	Number of shares	Average acquisition price per share (in CHF)
Treasury shares – opening balance as of April 1,	54,764	91.98	74,344	84.94
Purchases	45,000	69.03	5,400	71.09
Delivery of shares	(45,308)	95.68	(24,980)	66.53
Treasury shares – closing balance as of March 31,	**54,456**	**69.93**	**54,764**	**91.98**

In the financial year ended March 31, 2024, the Company delivered 45,308 shares out of the treasury stock, of which 26,121 were allotted to employees eligible under the long-term incentive plan ("LTIP"), 12,686 shares were issued under the employee share purchase plan ("ESPP"), and 6,501 shares related to the share-based remuneration of the Company's Board of Directors.

In the financial year ended March 31, 2023, the Company delivered 24,980 shares out of the treasury stock, of which 17,343 shares were issued under the ESPP, and 7,637 shares related to the share-based remuneration of the Company's Board of Directors.

Dividend

At the Annual General Meeting of Shareholders on June 22, 2023, shareholders approved the proposal of the Board of Directors to distribute CHF 2.20 per share to shareholders. The declared dividend amounted to CHF 63.5 million (USD 70.8 million at the exchange rate prevailing on June 22, 2023) and was paid in June 2023.

At the Annual General Meeting of Shareholders on June 24, 2022, shareholders approved the proposal of the Board of Directors to distribute CHF 2.15 per share to shareholders. The declared dividend amounted to CHF 62.0 million (USD 64.7 million at the exchange rate prevailing on June 24, 2022) and was paid in June 2022.

Accumulated Other Comprehensive Loss

The components of accumulated other comprehensive loss ("AOCL") of the Company consist of:

ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS)

	MARCH 31,	
USD in thousands	2024	2023
Foreign currency translation adjustments, net of tax	(64,378)	(63,937)
Pension plan benefits liability adjustments, net of taxes of USD 1,040 and USD (2,020) as of March 31, 2024 and March 31, 2023, respectively	(5,140)	11,519
Accumulated other comprehensive income (loss)	**(69,518)**	**(52,418)**

The following tables present the reclassification adjustments in AOCL by component:

ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS) – FY 2023

USD in thousands	Defined benefit pension items	Foreign currency items	Total
Beginning balance, April 1, 2023	**11,519**	**(63,937)**	**(52,418)**
Other comprehensive loss before reclassifications	(16,352)	(441)	(16,793)
Amounts reclassified from accumulated other comprehensive loss	(307)	–	(307)
Net current-period other comprehensive loss	(16,659)	(441)	(17,100)
Ending balance, March 31, 2024	**(5,140)**	**(64,378)**	**(69,518)**

ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS) – FY 2022

USD in thousands	Defined benefit pension items	Foreign currency items	Total
Beginning balance, April 1, 2022	**4,542**	**(41,138)**	**(36,596)**
Other comprehensive income (loss) before reclassifications	7,292	(22,799)	(15,507)
Amounts reclassified from accumulated other comprehensive loss	(315)	–	(315)
Net current-period other comprehensive income (loss)	6,977	(22,799)	(15,822)
Ending balance, March 31, 2023	**11,519**	**(63,937)**	**(52,418)**

The pension plan benefits liability adjustment, net of taxes, in the AOCL changed by USD (16.7) million and USD 7.0 million in the financial years ended March 31, 2024, and March 31, 2023, respectively. These changes represent the movement of the current year activity including the reclassified amounts from accumulated other comprehensive loss to net income:

AOCL – PENSION PLAN BENEFIT LIABILITY ADJUSTMENT

	FINANCIAL YEAR ENDED MARCH 31,	
USD in thousands	2024	2023
Amortization of actuarial loss	785	697
Amortization of prior service credit	(1,092)	(1,012)
Amounts reclassified from accumulated other comprehensive loss to net income (1)	(307)	(315)
Net actuarial gain (loss)	(19,447)	9,609
Prior service credit	35	(461)
Total before tax	**(19,719)**	**8,833**
Tax benefit	3,060	(1,856)
Total other comprehensive income (loss) from defined benefit pension plans (net of tax) for the financial year ended March 31,	**(16,659)**	**6,977**

1) These accumulated other comprehensive income components are included in the computation of net periodic pension costs (see Note 21: Pension and Post-retirement Benefit Plans for additional details).

Note 4: Earnings per Share

Basic earnings per share is calculated by dividing net income by the weighted-average number of shares outstanding during the period.

Diluted earnings per share is calculated by dividing net income by the weighted-average number of shares outstanding during the period, assuming that all potentially dilutive securities were exercised, if dilutive. Potentially dilutive securities comprise shares granted subject to certain conditions under the Company's share-based payment arrangements (see Note 22: Share-based Compensation).

Treasury shares are not considered outstanding for share count purposes, and they were excluded from the average number of ordinary shares outstanding for the purpose of calculating the basic and diluted earnings per share.

The following table sets forth the computation of basic and diluted earnings per share (EPS):

EARNINGS PER SHARE

USD in thousands, except per share data	FINANCIAL YEAR ENDED MARCH 31, 2024	2023
Basic earnings per share		
Net income attributable to Landis+Gyr Group AG shareholders	109,977	207,934
Accretion of redeemable noncontrolling interest, net of tax	(638)	4,169
Net income attributable to Landis+Gyr Group AG shareholders after accretion of redeemable noncontrolling interest	**109,339**	**212,103**
Weighted-average number of shares used in computing earnings per share	**28,870,260**	**28,843,658**
Basic earnings per share attributable to Landis+Gyr Group AG shareholders	**3.79**	**7.35**
Diluted earnings per share		
Net income attributable to Landis+Gyr Group AG shareholders	109,977	207,934
Accretion of redeemable noncontrolling interest, net of tax	(638)	4,169
Net income (loss) attributable to Landis+Gyr Group AG shareholders after accretion of redeemable noncontrolling interest	**109,339**	**212,103**
Weighted-average number of shares used in computing earnings per share	**28,870,260**	**28,843,658**
Effect of dilutive securities	74,972	115,222
Adjusted weighted-average number of shares outstanding	**28,945,232**	**28,958,880**
Diluted earnings per share attributable to Landis+Gyr Group AG shareholders	**3.78**	**7.32**

There were 332,400 potentially dilutive securities from the Company's share-based long-term incentive plans for the financial year ended March 31, 2024, of which 74,972 were included in the computation of the adjusted weighted-average number of shares outstanding. The remaining 257,428 stock-based awards could be dilutive in future periods.

There were 339,696 potentially dilutive securities from the Company's share-based long-term incentive plans for the financial year ended March 31, 2023, of which 115,222 were included in the computation of the adjusted weighted-average number of shares outstanding.

Note 5: Other Income (Expense), Net

The components of Other income (expense), net were as follows:

OTHER INCOME (EXPENSE), NET

USD in thousands	FINANCIAL YEAR ENDED MARCH 31, 2024	2023
Interest income	1,857	1,347
Interest expense	(19,165)	(10,273)
Income (loss) on foreign exchange, net	(8,297)	17,245
Non-operational pension credit	2,322	3,985
Gain from change in fair value of earn-out liabilities	1,915	1,300
Loss from change in fair value of investments in equity securities	(480)	(6,355)
Other income (expense), net	**(21,848)**	**7,249**

Gain from Change in Fair Value of Earn-out Liabilities

In connection with certain business combinations, the Company recorded contingent consideration liabilities, which are payable subject to the achievement of certain financial targets. During the financial years ended March 31, 2024, and March 31, 2023, the Company recorded gains from the change in value of the earn-out liabilities of USD 1.9 million and USD 1.3 million, respectively, which are included within Other income (expense), net in the Consolidated Statement of Operations.

Gains (Loss) from Change in Fair Value of Investments in Equity Securities

The Company has an equity interest in Allego N.V. ("Allego"), whose shares are listed on the New York Stock Exchange. For the financial years ended March 31, 2024 and 2023, the Company recorded a loss from the change in value of its equity interest in Allego of USD (0.5) million and USD (6.4) million, respectively, which is included within Other income (expense), net in the Consolidated Statement of Operations.

Note 6: Revenue

The following table provides information about contract assets and liabilities with customers:

CONTRACT LIABILITIES

USD in thousands	MARCH 31, 2024	2023
Contract assets	**2,414**	**–**
Advances from customers	6,498	8,058
Deferred revenue	61,033	72,100
Contract liabilities	**67,531**	**80,158**

Contract liabilities primarily relate to advances received on orders from customers as well as amounts invoiced to customers in excess of revenues recognized predominantly on long-term projects. Contract liabilities are reduced as work is performed and as revenues are recognized.

Of the contract liabilities as of March 31, 2023, the Company recognized revenue of USD 72.2 million during the financial year ended March 31, 2024.

Contract liabilities are included within Other current liabilities and Other non-current liabilities in the Consolidated Balance Sheets.

Transaction Price Allocated to Remaining Performance Obligations
Total transaction price allocated to remaining performance obligations represents committed but undelivered products and services for contracts and purchase orders at period end. Twelve-month remaining performance obligations represent the portion of total transaction price allocated to remaining performance obligations that the Company estimates will be recognized as revenue over the next 12 months. Total transaction price allocated to remaining performance obligations is not a complete measure of future revenues as the Company also receives orders where the customer may have legal termination rights but is not likely to exercise such rights.

Total transaction price allocated to remaining performance obligations related to contracts is approximately USD 1,612.2 million for the next 12 months and approximately USD 2,156.8 million for periods longer than 12 months. The total remaining performance obligations are comprised of product and service components. The service component relates primarily to maintenance agreements for which customers pay a full year's maintenance in advance, and revenue is generally recognized over the service period. Total transaction price allocated to remaining performance obligations also includes the Company's extended warranty contracts, for which revenue is recognized over the warranty period, and hardware, which is recognized as units are delivered. The estimate of when remaining performance obligations will be recognized requires significant judgment.

Costs to Obtain a Contract and Costs to Fulfill a Contract with a Customer
Costs to obtain a contract and costs to fulfill a contract are capitalized and amortized using a systematic rational approach to align with the transfer of control of underlying contracts with customers.

As of March 31, 2024 and 2023, the carrying balances of assets recognized from the costs incurred to obtain a contract were USD 3.6 million and USD 3.2 million, respectively. These amounts are included in Other long-term assets in the Consolidated Balance Sheets.

For the financial years ended March 31, 2024 and 2023, the Company recognized USD 1.3 million and USD 1.4 million, respectively, amortization of capitalized costs incurred to obtain a contract. These amounts are included within Sales and marketing expenses in the Consolidated Statements of Operations.

Disaggregation of Revenue
The disaggregation of revenue into categories, which depicts how revenue is affected by economic factors, is disclosed in Note 31: Segment Information.

Note 7: Accounts Receivable, Net

A summary of accounts receivable, net is as follows:

TRADE ACCOUNTS RECEIVABLE

USD in thousands	MARCH 31, 2024	2023
Trade accounts receivable	264,969	305,848
Contract receivable	78,896	53,188
Allowance for doubtful accounts	(6,097)	(7,418)
Total trade accounts receivable, net	**337,768**	**351,618**
Less: current portion of accounts receivable, net	337,578	351,379
Long-term accounts receivable, net	**190**	**239**

The long-term portion of accounts receivable, net, is included in Other long-term assets in the Consolidated Balance Sheets.

The carrying amount of accounts receivable approximates their fair value. Normal credit terms are 30 to 90 days, averaging slightly more than 60 days.

Contract receivable amounts are recorded when revenues are recognized and rights to receive payment become unconditional, upon product shipment/installation or service delivery, and invoicing occurs at a later date. Generally, contract receivable amounts are invoiced within one week after month-end.

A summary of the provision for doubtful accounts activity is as follows:

PROVISION FOR DOUBTFUL ACCOUNTS

USD in thousands	FINANCIAL YEAR ENDED MARCH 31, 2024	2023
Beginning balance	(7,418)	(6,166)
Provisions for doubtful accounts	(2,227)	(2,429)
Deductions, net of recoveries	3,548	1,177
Balance at March 31,	**(6,097)**	**(7,418)**

Note 8: Inventories, Net

Inventories, net consist of the following:

INVENTORIES

USD in thousands	MARCH 31, 2024	2023
Raw material and supplies	174,541	174,435
Work in progress	12,679	14,417
Finished goods	72,838	84,899
Total inventories gross	**260,058**	**273,751**
Inventory reserve	(22,533)	(31,411)
Total inventories, net	**237,525**	**242,340**

Note 9: Prepaid Expenses and Other Current Assets

A summary of the prepaid expenses and other current assets balance is as follows:

PREPAID EXPENSES AND OTHER CURRENT ASSETS

USD in thousands	MARCH 31, 2024	2023
Prepaid expenses and advance payments	48,881	53,304
Sales and other non-income tax receivables	25,902	28,013
Income tax receivables/advances	10,372	6,831
Derivative financial instruments	3,447	3,326
Others	20,039	17,544
Total prepaid expenses and other current assets	**108,641**	**109,018**

Note 10: Property, Plant & Equipment

A summary of the property, plant & equipment balance is as follows:

PROPERTY, PLANT AND EQUIPMENT

	MARCH 31,	
USD in thousands	**2024**	2023
Land	3,000	3,491
Buildings	26,471	25,385
Network equipment (1)	131,344	126,176
Machinery and equipment	161,420	143,237
Vehicles and other equipment	119,271	106,641
Construction in progress	16,054	18,361
Total cost	**457,560**	**423,291**
Less accumulated depreciation	(336,010)	(306,076)
Property, plant and equipment, net	**121,550**	**117,215**

1) Network equipment is comprised of meters and meter reading equipment that is deployed under various customer contracts of Landis+Gyr Technology Inc., a US based subsidiary of Landis+Gyr Group AG.

Total depreciation expense for the financial years ended March 31, 2024 and March 31, 2023, was USD 30.6 million and USD 25.3 million, respectively. The difference between the total change in accumulated depreciation and the depreciation expense of property, plant & equipment represents the effect from the disposal of assets and the change in exchange rates.

Note 11: Acquisitions and Divestments

Acquisition of Thundergrid Limited

On October 4, 2023, the Company acquired all of the issued and outstanding shares and voting interests of Thundergrid Limited ("Thundergrid"). The total consideration transferred, net of cash acquired, was USD 5.8 million. Of the total consideration transferred USD 3.3 million was paid in cash. The remaining USD 2.5 million relates to the fair value of additional contingent consideration to be paid by the Company if specified future events occur or conditions are met, such as the achievement of certain financial targets by October 4, 2026. The fair value of this additional contingent consideration was estimated using the Monte Carlo simulation methodology.

Thundergrid is a Wellington-based EV infrastructure company offering end-to-end charging solutions across New Zealand. Their solutions are deployed to government, corporates, property owners, homeowners and developers to create a smarter, more connected grid. The acquisition of Thundergrid strengthens the Company's position in the EV markets. Consequently, the goodwill acquired represents expected operating synergies and cost savings as well as intangible assets that are not separable such as employee know-how and expertise.

The following table discloses the allocation of the purchase price to the identifiable assets acquired and liabilities assumed as of the date of acquisition:

USD in thousands	**Fair value**	**Useful life**
Total consideration transferred	**5,819**	
Cash	47	
Accounts receivable, net	712	
Inventories, net	367	
Other current assets	51	
Property, plant and equipment, net	53	
Other long-term assets	35	
Trade accounts payable	(287)	
Accrued liabilities	(209)	
Loans payable	(184)	
Other liabilities	(164)	
Fair value of tangible assets acquired and liabilities assumed, net	**421**	
Identified intangible assets – definite life:		
Customer relationships	347	16 years
Trade names and trademarks	1,357	6 years
Restraint of trade	238	3 years
Software development	209	3 years
Trade know-how	585	6 years
Installation partners	17	1 year
Goodwill	3,416	
Recognition of deferred tax liabilities	(771)	
Total net assets acquired	**5,819**	

The value assigned to the identified assets was estimated using the income approach or the replacement cost approach. Under the income approach, the fair value reflects the present value of the projected cash flows that are expected to be generated. Under the cost approach, the fair value reflects the costs that the Company would incur to develop the same technology. The intangible assets are being amortized on a straight-line basis, which management has determined is the methodology most reflective of the expected benefits arising from the intangibles. The residual balance of the purchase price, after the allocations to all identified assets and liabilities based on their fair value, represents goodwill. Goodwill related to this acquisition is not deductible for tax purposes.

While the Company uses its best estimates and assumptions as part of the purchase price allocation process to value assets acquired and liabilities assumed at the acquisition date, the purchase price allocation for acquisitions is preliminary for up to 12 months after the acquisition date and is subject to refinement as more detailed analyses are completed and additional information about the fair values of the acquired assets and liabilities becomes available.

The results of Thundergrid are included in the Company's Consolidated Financial Statements from the date of acquisition, but their impact is not material.

During the financial year ended March 31, 2024, Landis+Gyr paid a total amount of USD 165 thousands in transaction related expenses, primarily consisting of professional services. The Company has expensed such transaction related expenses as incurred and included them within General and administrative expenses in the Consolidated Statements of Operations.

Note 12: Intangible Assets, Net

The gross carrying amount, accumulated amortization, and impairments of the Company's intangible assets, other than goodwill, are as follows:

INTANGIBLE ASSETS

March 31, 2024 (USD in thousands)	Gross asset	Accumulated amortization	Accumulated impairment	Carrying amount	Weighted average useful life (in years)
Finite Lived Intangibles:					
Trade name and trademarks	124,210	(90,608)	–	33,602	4
Order backlog	44,322	(44,322)	–	–	–
Customer contracts & relationships	446,431	(333,844)	–	112,587	5
Developed technologies & others	230,028	(186,744)	(11,166)	32,118	6
Total finite lived intangibles	**844,991**	**(655,518)**	**(11,166)**	**178,307**	

INTANGIBLE ASSETS

March 31, 2023 (USD in thousands)	Gross asset	Accumulated amortization	Accumulated impairment	Carrying amount	Weighted average useful life (in years)
Finite Lived Intangibles:					
Trade name and trademarks	122,933	(82,722)	–	40,211	5
Order backlog	44,311	(44,311)	–	–	–
Customer contracts & relationships	445,462	(306,688)	–	138,774	6
Developed technologies	227,836	(179,343)	(11,166)	37,327	6
Total finite lived intangibles	**840,542**	**(613,064)**	**(11,166)**	**216,312**	

Refer to Note 11: Acquisitions and Divestments for information about the finite lived intangibles acquired in business combinations.

The following table presents the line items within the Consolidated Statement of Operations that include amortization of intangible assets:

AMORTIZATION EXPENSE

USD in thousands	FINANCIAL YEAR ENDED MARCH 31, 2024	2023
Cost of revenue	5,979	17,626
Operating expenses	36,065	39,237
Total	**42,044**	**56,863**

Estimated future annual amortization expense related to identified intangible assets for each of the five years to March 31, 2029, and thereafter is as follows:

FUTURE AMORTIZATION EXPENSE

Financial year ending March 31 (USD in thousands)	Estimated annual amortization
2025	42,085
2026	41,740
2027	40,475
2028	31,489
2029	8,139
Thereafter	14,379
Total identifiable intangibles, net	**178,307**

Note 13: Goodwill

Landis+Gyr has three reporting units with goodwill: Americas, EMEA (Europe, Middle East and Africa) and Asia Pacific, which are also the Company's reportable segments.

The changes in the carrying amount of goodwill for the year ended March 31, 2024 and 2023, are as follows:

GOODWILL

USD in thousands	Americas	EMEA	Asia Pacific	Total
Balance as of March 31, 2022	**737,350**	**287,551**	**23,503**	**1,048,404**
Adjustments during the measurement period	–	774	–	774
Effect of change in exchange rates	–	(670)	–	(670)
Balance as of March 31, 2023	**737,350**	**287,655**	**23,503**	**1,048,508**
Business acquisitions (1)	–	–	3,416	3,416
Effect of change in exchange rates	–	(281)	27	(254)
Balance as of March 31, 2024 (2)	**737,350**	**287,374**	**26,946**	**1,051,670**

1) See Note 11: Acquisitions and Divestments.
2) As of March 31, 2024, and March 31, 2023, the gross goodwill amounted to USD 1,507.7 million and USD 1,504.5 million, respectively. The accumulated impairment charges as of March 31, 2024, and March 31, 2023, amounted to USD 456.0 million, of which USD 396.0 million, USD 30.0 million and USD 30.0 million related to the Americas, EMEA and Asia Pacific segments, respectively.

Note 14: Impairment of Intangible Assets

Finite Lived Intangibles

No impairment charges for finite lived intangibles were recorded in the financial years ended March 31, 2024 and 2023.

Goodwill

In the last quarter of the financial years ended March 31, 2024, and March 31, 2023, the Company performed a quantitative goodwill impairment analysis for all its reporting units that included an assessment of certain qualitative factors, the overall financial performance, macroeconomic and industry conditions, as well as determining the fair value of the reporting units and comparing that fair value to the carrying values. As a result of the assessment performed, no goodwill impairment charges were recorded in the financial years ended March 31, 2024, and March 31, 2023.

Note 15: Other Long-term Assets

The components of Other long-term assets are as follows:

OTHER LONG-TERM ASSETS

	MARCH 31,	
USD in thousands	**2024**	2023
Other investments	75,468	3,205
Overfunded pension plans (1)	23,121	34,293
Operating lease right-of-use assets (2)	74,002	88,698
Washington State Court Deposit (3)	–	20,000
Others	43,805	32,095
Total other long-term assets	**216,396**	**178,291**

1) See Note 21: Pension and Post-retirement Benefit Plans.
2) See Note 24: Leases.
3) See Note 26: Commitments and Contingencies – Legal Proceedings.

Other Investments

On February 26, 2024, the Company entered into a Simple Agreement for Future Equity ("SAFE") with Span.IO, Inc. ("Span"), a company incorporated in San Francisco (California – U.S.A.). Per the terms of the SAFE, the Company made a cash contribution of USD 50.0 million to Span, in exchange for the right to obtain a variable number of preferred shares to be issued by Span in connection with its next round of financing. Span develops and commercializes innovative smart panels that manage and control loads. As of March 31, 2024, the Company did not hold any shares of Span. The carrying amount of the SAFE investment in Span as of March 31, 2024, and March 31 2023, was USD 50.0 million and nil, respectively, which is included within Other long-term assets in the Consolidated Balance Sheets. The Company performed an impairment analysis that included an assessment of certain qualitative indicators. As a result of the assessment performed, no impairment charges were recorded in the financial year ended March 31, 2024.

On February 27, 2024, the Company subscribed 7,233,796 newly issued ordinary shares, representing 5.36% of the total outstanding shares, of Brusa Elektronik AG ("Brusa"), a company incorporated in Buchs (St. Gallen – Switzerland). Upon subscription, the Company made a cash contribution of CHF 20.0 million (or USD 22.7 million at the prevailing currency exchange rate as of that date). Brusa is a development service provider for electronic and mechanical components of the e-powertrain. As of March 31, 2024, and March 31, 2023, the carrying amount of the Company's share in Brusa was USD 22.7 million and nil, respectively. The Company performed an impairment analysis that included an assessment of certain qualitative indicators. As a result of the assessment performed, no impairment charges were recorded in the financial year ended March 31, 2024.

The Company owns a 1.3% equity interest in Sense Labs, Inc. ("Sense") that was acquired on January 16, 2019. Sense develops and provides electronic devices for analyzing electricity usage in households in the USA, as well as related application software. As of March 31, 2024, and March 31, 2023, the carrying amount of the Company's share in Sense was USD 2.0 million and USD 2.0 million, respectively, which is included within Other long-term assets in the Consolidated Balance Sheets. The Company performed an impairment analysis that included an assessment of certain qualitative indicators. As a result of the assessment performed, no impairment charges were recorded in the financial years ended March 31, 2024, and March 31, 2023.

The Company has an equity interest in Allego N.V. ("Allego"), whose shares are listed on the New York Stock Exchange. The market price of Allego's stock as of March 31, 2024 and 2023, was USD 1.45/share, and USD 2.41/share, respectively. As of March 31, 2024, and March 31, 2023, the carrying amount of the Company's equity interest in Allego was USD 0.7 million, and USD 1.2 million, respectively, which is included within Other long-term assets in the Consolidated Balance Sheets.

Note 16: Other Current Liabilities

The components of Other current liabilities are as follows:

OTHER CURRENT LIABILITIES

	MARCH 31,	
USD in thousands	**2024**	2023
Contract liabilities	42,502	53,917
Income tax provision	11,577	4,755
Sales tax payable	20,427	27,061
Others	21,848	16,304
Total other current liabilities	**96,354**	**102,037**

Note 17: Debt

The Company's bank debt is as follows:

BANK DEBT

USD in thousands	March 31, 2024		March 31, 2023	
	Balance	**Weighted average interest rate**	Balance	Weighted average interest rate
Multicurrency revolving credit facility (old)	–	n/a	170,000	5.6%
Other borrowings	4,404	9.1%	10,661	7.2%
Short-term debt	**4,404**		**180,661**	
Multicurrency term loan facility A	249,101	5.9%	–	n/a
Less: unamortized prepaid debt fees – term loan	950		–	
Long-term debt	**248,151**		**–**	

On February 29, 2024, Landis+Gyr AG entered into an agreement (the "Credit Facilities Agreement") for a USD 250 million multicurrency term loan (the "Facility A") and a USD 250 million multicurrency revolving credit facility (the "Facility B") provided by a bank syndicate led by UBS Switzerland AG. Both facilities mature in February 2029. The purpose of the new facilities is to replace the previous revolving credit facilities (see below) and for general corporate purposes.

The Credit Facilities Agreement has a maturity of five years and provides two extensions of the facilities for an additional period of one year each.

The Credit Facilities Agreement contains affirmative and negative covenants customarily found in loan agreements for similar transactions, subject to certain agreed exceptions, for the borrower and the Group, including with respect to, among other actions, maintaining the Group's business operations and assets, carrying out transactions with third parties at market conditions, ranking all obligations at least pari passu with present or future payment obligations, complying with laws and reporting obligations, and preparing financial statements in accordance with US GAAP. The Credit Facilities Agreement restricts, among other actions, the following, subject to certain exceptions: carrying out material changes to the Group's activities or structure, changing its accounting standards, incurring further indebtedness, granting security for indebtedness, granting credit to third parties, and carrying out certain disposals of assets. The Credit Facilities Agreement also contains a financial covenant requiring that the Group's Net Senior Debt (as defined therein) divided by EBITDA is not greater than 3.00x, whereby EBITDA shall always be positive.

The Credit Facilities Agreement contains events of default, which include, among others, payment defaults, breach of other obligations under the agreement, cross-default, insolvency, material adverse change, or a material reservation of the auditors. Indebtedness under the Credit Facilities Agreement may be voluntarily prepaid in whole or in part, subject to notice, minimum amounts, and break costs.

Multicurrency Term Loan Facility – Facility A
Under the multicurrency term loan, the Company may borrow loans in Swiss Francs with consecutive interest periods of one, two, three or six months, or in U.S. Dollars and in Euros, with consecutive interest periods of one, three, six or twelve months.

Borrowings under the Facility A bear interest at a rate based on the term Secured Overnight Financing Rate ("SOFR") in case of borrowings in U.S. Dollars, the Euro Interbank Offered Rate ("EURIBOR") in case of borrowings in Euros, or the Swiss Average Rate Overnight ("SARON") in case of borrowings in Swiss Francs, plus a margin ranging from 1.05% to 2.15% depending on the Net Senior Debt/EBITDA ratio calculated every half year at March 31 and September 30.

As of March 31, 2024, the Company has drawn loans for a total amount of USD 249.1 million which will mature during the following financial year, but the Company has the intention and the ability to refinance them over the Credit Facilities Agreement until February 2029. The unused portion was nil.

During the financial year ended March 31, 2024, in connection with obtaining the Facility A the Company incurred debt issuance costs of USD 1.0 million which were recognized as a reduction of Long-term debt in the Consolidated Balance Sheet. The Company is amortizing the Facility A's debt issuance costs over the facility's term.

Multicurrency Revolving Credit Facility – Facility B
Under the multicurrency revolving credit facility, the Company may borrow loans in Swiss Francs with consecutive interest periods of one, two, three or six months, or in U.S. Dollars and in Euros with consecutive interest periods of one, three, six or twelve months.

Borrowings under the Facility B bear interest at a rate based on the term Secured Overnight Financing Rate ("SOFR") in case of borrowings in U.S. Dollars, the Euro Interbank Offered Rate ("EURIBOR") in case of borrowings in Euros, or the Swiss Average Rate Overnight ("SARON") in case of borrowings in Swiss Francs, plus a margin ranging from 0.75% to 1.85% depending on the Net Senior Debt/EBITDA ratio calculated every half year at March 31 and September 30.

As of March 31, 2024, the Facility B's unused portion was USD 250 million.

During the financial year ended March 31, 2024, in connection with obtaining the Facility B the Company incurred debt issuance costs of USD 1.0 million which were capitalized and recognized within Other long-term assets in the Company's Consolidated Balance Sheet. The Company is amortizing the Facility B's debt issuance costs over the facility's term.

The Company incurs a quarterly commitment fee equal to 35% per annum of the applicable margin of the unused portion of the multicurrency revolving credit facility, as well as a quarterly utilization fee up to 0.3% per annum of all outstanding Facility B loans.

Credit Facilities Replaced during the Financial Year ended March 31, 2024
At March 31, 2023, the Company had two credit facility agreements provided by a bank syndicate led by UBS Switzerland AG available, to be used for general corporate purposes: (a) a USD 240 million revolving credit facility maturing in February 2025 and (b) a CHF 300 million revolving credit facility, with CHF 200 million maturing in May 2023 and the remaining balance maturing in February 2025. All the outstanding loans from these previous lines of credit were fully repaid on February 29, 2024, using the proceeds from the Credit Facilities Agreement.

Note 18: Other Long-term Liabilities

The components of Other long-term liabilities are as follows:

OTHER LONG-TERM LIABILITIES

USD in thousands	MARCH 31, 2024	2023
Contract liabilities	25,029	26,241
Others	33,938	29,754
Total other long-term liabilities	**58,967**	**55,995**

Note 19: Derivative Financial Instruments

The Company is exposed to certain currency risks arising from its global operating, financing and investing activities. The Company uses derivative instruments to reduce and manage the economic impact of these exposures. Forward foreign exchange contracts are the main instrument used to protect the Company against the volatility of future cash flows (caused by changes in exchange rates) arising from transactions denominated in foreign currencies.

The gross notional amounts of outstanding foreign exchange contracts as of March 31, 2024, and March 31, 2023, were USD 150.4 million and USD 266.6 million, respectively.

For the financial year ended March 31, 2024 and 2023, the Company recognized gains from changes in the fair value of forward foreign exchange contracts of USD 0.1 million and USD 3.3 million, respectively. These amounts are included within Cost of revenue in the Consolidated Statements of Operations.

The fair values of the outstanding derivatives, included in the Consolidated Balance Sheet as of March 31, 2024, and March 31, 2023, were as follows:

DERIVATIVE FINANCIAL INSTRUMENTS

		Derivative assets		Derivative liabilities	
March 31, 2024 (USD in thousands)	Notional amount	Prepaid expenses and other current assets	Other long-term assets	Other current liabilities	Other long-term liabilities
Foreign exchange contracts:					
Foreign currency forward contracts in GBP	51,291	237	–	453	–
Foreign currency forward contracts in EUR	40,499	10	–	680	–
Foreign currency forward contracts in JPY	28,216	2,505	–	648	–
Foreign currency forward contracts in CHF	12,528	43	–	332	–
Foreign currency forward contracts in MXN	8,202	520	–	–	–
Foreign currency forward contracts in AUD	6,982	68	–	80	–
Foreign currency forward contracts in SEK	2,721	63	–	29	–
Total derivative financial instruments		**3,447**	**–**	**2,222**	**–**

DERIVATIVE FINANCIAL INSTRUMENTS		Derivative assets		Derivative liabilities	
March 31, 2023 (USD in thousands)	Notional amount	Prepaid expenses and other current assets	Other long-term assets	Other current liabilities	Other long-term liabilities
Foreign exchange contracts:					
Foreign currency forward contracts in EUR	86,684	1,548	–	98	–
Foreign currency forward contracts in GBP	72,207	238	–	1,232	–
Foreign currency forward contracts in CHF	29,960	233	–	283	–
Foreign currency forward contracts in JPY	24,877	184	–	255	–
Foreign currency forward contracts in HKD	15,429	41	–	–	–
Foreign currency forward contracts in SEK	12,406	70	–	201	–
Foreign currency forward contracts in MXN	10,403	749	–	–	–
Foreign currency forward contracts in AUD	8,603	195	–	42	–
Foreign currency forward contracts in CAD	3,121	6	–	40	–
Foreign currency forward contracts in ZAR	2,892	62	–	37	–
Total derivative financial instruments		**3,326**	**–**	**2,188**	**–**

A summary of the effect of netting arrangements on the Company's financial position related to the offsetting of its recognized derivative assets and liabilities under master netting arrangements or similar agreements is as follows:

DERIVATIVE FINANCIAL INSTRUMENTS		Gross amounts not offset in the Consolidated Balance Sheets		
Offsetting of derivative assets	Gross amounts of recognized assets	Derivative financial instruments	Cash collateral received	Net amount
March 31, 2024	3,447	(1,036)	–	2,411
March 31, 2023	3,326	(2,009)	–	1,317

		Gross amounts not offset in the Consolidated Balance Sheets		
Offsetting of derivative liabilities	Gross amounts of recognized liabilities	Derivative financial instruments	Cash collateral pledged	Net amount
March 31, 2024	2,222	(1,036)	–	1,186
March 31, 2023	2,188	(2,009)	–	179

The Company's derivative assets and liabilities subject to netting arrangements include foreign exchange forward contracts with six counterparties on March 31, 2024, and six counterparties on March 31, 2023. No derivative asset or liability balance with any of Landis+Gyr's counterparties was individually significant on March 31, 2024, and March 31, 2023. The Company's derivative contracts with each of these counterparties exist under agreements that provide for the net settlement of all contracts through a single payment in a single currency in the event of default. The Company has no pledges of cash collateral against its obligations, and it has not received pledges of cash collateral from its counterparties under the associated derivative contracts.

Note 20: Fair Value

The Company measures financial assets and liabilities at fair value. Foreign currency exchange contracts are measured at fair value on a recurring basis by means of various valuation techniques and models, and the inputs used are classified based on the hierarchy outlined within the Company's significant accounting policies.

In addition, certain assets are measured at fair value on a nonrecurring basis; that is, the instruments are not measured at fair value on an ongoing basis but are subject to fair value adjustments in certain circumstances (for example, when there is evidence of impairment).

The valuation techniques and models utilized for measuring financial assets and liabilities are reviewed and validated at least annually.

Recurring Fair Value Measurements

At March 31, 2024, for each of the fair value hierarchy levels, the following assets and liabilities were measured at fair value on a recurring basis:

FAIR VALUE MEASUREMENTS March 31, 2024 (USD in thousands)	Total	Level 1	Level 2	Level 3
Assets				
Foreign currency forward contracts	3,447	–	3,447	–
Other long-term assets – Investments in equity securities	725	725	–	–
Total	**4,172**	**725**	**3,447**	**–**
Liabilities				
Foreign currency forward contracts	2,222	–	2,222	–
Other long-term liabilities – Contingent consideration	1,615	–	–	1,615
Total	**3,837**	**–**	**2,222**	**1,615**

At March 31, 2023, for each of the fair value hierarchy levels, the following assets and liabilities were measured at fair value on a recurring basis:

FAIR VALUE MEASUREMENTS **March 31, 2023 (USD in thousands)**	**Total**	**Level 1**	**Level 2**	**Level 3**
Assets				
Foreign currency forward contracts	3,326	–	3,326	–
Other long-term assets – Investments in equity securities	1,205	1,205	–	–
Total	**4,531**	**1,205**	**3,326**	**–**
Liabilities				
Foreign currency forward contracts	2,188	–	2,188	–
Other long-term liabilities – Contingent consideration	1,000	–	–	1,000
Total	**3,188**	**–**	**2,188**	**1,000**

Investments in Equity Securities
The Company's equity interest in Allego is traded on a public stock exchange for which quoted prices are readily and regularly available and is therefore categorized as Level 1.

Foreign Currency Forward Contracts
The fair value of the foreign currency forward exchange contracts has been determined using price quotes for similar instruments, appropriately adjusted, or present value techniques, based on available market data or option pricing, under the assumption that the unit of account is an individual derivative transaction, and that derivative could be sold or transferred on a standalone basis. The foreign currency forward exchange contracts are classified as Level 2. The key inputs used in valuing derivatives include foreign exchange spot and forward rates, all of which are available in an observable market. The fair value does not reflect subsequent changes in the economy, interest and tax rates and other variables that may affect the determination of fair value.

Contingent Consideration Liabilities
In connection with certain business combinations, the Company recorded contingent consideration liabilities, which are payable subject to the achievement of certain financial targets. The fair value of these contingent consideration liabilities was estimated with Monte Carlo simulation models using Level 3 inputs, including EBITDA volatility and other market variables to assess the probability of achieving the targets, and any subsequent changes in fair value are recorded in the Consolidated Statements of Operations until settlement.

Fair Value of Other Financial Instruments
The fair value of the Company's financial instruments approximates carrying value due to their short maturities.

Refer to Note 25: Redeemable Noncontrolling Interests for a discussion of certain temporary equity instruments issued by the Company.

Note 21: Pension and Post-retirement Benefit Plans

A large portion of the Company's employees are covered by defined benefit plans which are funded by the Company, the employees, and in certain countries, by state authorities. The Company has pension plans in various countries with the majority of the Company's pension liabilities deriving from Germany, the US and Switzerland. Such plans can be set up as state or company-controlled institutions, as contracts with private insurance companies, as independent trusts or pension funds. The benefits provided by such entities vary by country based on the legal and economic environment and are primarily based on employees' years of service and average compensation, covering the risks of old age, death and disability in accordance with legal requirements and the pension legislation in the respective countries.

Net periodic pension cost and the pension obligation of the Company's defined benefit plans are calculated based on actuarial valuations. Such valuations consider, inter alia, the years of service rendered by employees and assumptions about future salary increases. The latest actuarial valuations were performed for the defined benefit plans as of March 31, 2024, and using that as the measurement date.

The underlying actuarial assumptions are based on the actual local economic circumstances of the countries where the defined benefit plans are situated. The Company contributes to the employee benefit plans in accordance with applicable laws and requirements and the pension plan assets are invested in accordance with applicable regulations.

The following tables summarize the movement of the benefit obligation, plan assets, funded status and amounts recognized in the Consolidated Balance Sheets for the defined benefit pension plans for the periods indicated in the tables below:

BENEFIT OBLIGATION

USD in thousands	FINANCIAL YEAR ENDED MARCH 31, 2024	2023
Change in benefit obligation:		
Benefit obligation at April 1,	236,345	261,462
Service cost	3,465	3,809
Interest cost	6,185	3,703
Employee contributions	2,859	2,714
Benefits paid by employer	(1,043)	(920)
Benefits paid through pension assets	(14,192)	(14,251)
Actuarial losses (gains)	18,227	(20,517)
Curtailments	(1,260)	–
Termination benefits	505	–
Liabilities extinguished on settlements	(5,500)	(308)
Plan amendments	(54)	461
Effect of changes in exchange rates	1,835	192
Benefit obligation at March 31,	**247,372**	**236,345**

PLAN ASSETS

USD in thousands	FINANCIAL YEAR ENDED MARCH 31, 2024	2023
Change in plan assets:		
Fair value of plan assets at April 1,	249,854	259,584
Actual return on plan assets	8,625	(3,763)
Employer contributions	5,677	4,132
Employee contributions	2,859	2,714
Benefits paid through pension assets	(14,192)	(14,251)
Assets distributed on settlement	(7,835)	(308)
Effect of changes in exchange rates	2,961	1,746
Fair value of plan assets at March 31,	**247,949**	**249,854**
Funded status at March 31,	**577**	**13,509**
Accumulated benefit obligation	**242,553**	**231,714**

As of March 31, 2024, and March 31, 2023, the net plan assets for the overfunded plans were equal to USD 23.1 million and USD 34.3 million, respectively. These amounts are included within Other long-term assets in the Consolidated Balance Sheets.

As of March 31, 2024, and March 31, 2023, the net benefit obligations for the Company's underfunded plans were equal to USD 22.5 million and USD 20.8 million, respectively. These amounts are included within Pension and other employee liabilities in the Consolidated Balance Sheets.

The projected benefit obligation ("PBO"), accumulated benefit obligation ("ABO") and fair value of plan assets, for pension plans with a PBO in excess of fair value of plan assets or ABO in excess of fair value of plan assets, was as follows:

	PBO exceeds fair value of plan assets		ABO exceeds fair value of plan assets	
March 31, (USD in thousands)	2024	2023	2024	2023
PBO	39,521	34,944	39,521	34,944
ABO	37,300	32,633	37,300	32,633
Fair value of plan assets	16,973	14,161	16,973	14,161

Net periodic pension benefit costs for the Company's defined benefit plans include the following components:

NET PERIODIC PENSION BENEFIT COST

USD in thousands	FINANCIAL YEAR ENDED MARCH 31, 2024	2023
Service cost	3,465	3,809
Operational pension cost	**3,465**	**3,809**
Interest cost	6,223	3,716
Termination benefits	505	–
Expected return on plan assets	(10,035)	(7,343)
Amortization of prior service costs	(1,092)	(1,012)
Amortization of actuarial loss (gain)	823	634
Settlements and curtailments	1,254	20
Non-operational credit (1)	**(2,322)**	**(3,985)**
Net periodic benefit cost (credit)	**1,143**	**(176)**

1) Non-operational credit is included within Other income (expense), net in the Consolidated Statements of Operations.

Changes in plan assets and benefit obligations recognized in AOCL (pre-tax) are as follows:

CHANGES IN PLAN ASSETS AND BENEFIT OBLIGATIONS RECOGNIZED IN AOCL

	FINANCIAL YEAR ENDED MARCH 31,	
USD in thousands	**2024**	2023
Net actuarial gain (loss)	19,447	(9,609)
Amortization of actuarial loss	(785)	(697)
Prior service cost	(35)	461
Amortization of prior service credit	1,092	1,012
Total change recognized in AOCL	**19,719**	**(8,833)**

The following represents the amounts included in accumulated other comprehensive loss related to the Company's defined benefit pension plans:

AMOUNTS RECOGNIZED IN AOCL FROM DEFINED BENEFIT PENSION PLANS

	MARCH 31,	
USD in thousands	**2024**	2023
Actuarial (gain) loss	7,822	(10,840)
Prior service cost	(1,872)	(2,929)
Deferred tax liability (assets)	(1,040)	2,020
Effect of changes in exchange rates	230	230
Total	**5,140**	**(11,519)**

The weighted average assumptions used in accounting for the defined benefit pension plans are as follows:

WEIGHTED AVERAGE ASSUMPTIONS

	March 31, 2024	March 31, 2023
Weighted average assumptions to determine benefit obligations:		
Discount rate (1)	2.07%	2.67%
Expected rate of increase in future compensation (2)	1.63%	1.62%
Expected rate of increase in future pension benefits (3)	0.12%	0.10%
Weighted average assumptions to determine net periodic pension costs:		
Discount rate (1)	2.67%	2.67%
Expected long-term rate of return on plan assets (4)	4.02%	2.96%

1) The Company determined a discount rate for each individual defined benefit pension plan based on high-quality corporate bonds with currency and duration matching the associated liabilities. Where there is no deep market for such bonds, government bonds with an appropriate spread are used.
2) The Company determined the expected rate of increase in future compensation levels based on expected inflation rates and merit-based increases.
3) The Company determined the expected rate of increase in future pension benefits based on expected inflation in the plans' national markets, if such increase is included in the plan benefits.
4) The expected rate of return on plan assets was determined on the basis of the weighted average expected return on plan assets. The Company's assessment of the expected returns is based on historical return trends for equities, real estate and other assets and analysts' predictions of the market for debt instruments. The assets do not include any financial instruments issued by the Company.

Holding all other assumptions constant, a 0.5-percentage point decrease in the discount rate would have increased the PBO related to the defined benefit pension plans by USD 14.7 million while a 0.5-percentage point increase in the discount rate would have decreased the PBO related to the defined benefit pension plans by USD 13.2 million.

Holding all other assumptions constant, a decrease or increase of 0.5 percentage points in the discount rate would have decreased the interest cost in the financial year ended March 31, 2024, by USD 1.0 million or increased the interest cost by USD 0.9 million, respectively.

The actual asset allocation for the defined benefit pension plan assets is as follows:

ACTUAL ASSET ALLOCATION

	March 31, 2024	March 31, 2023
Equity instruments	36%	32%
Debt instruments	36%	38%
Property	21%	21%
Other	7%	9%

The Company's pension plan assets for each individual plan are invested in accordance with statutory regulations, pension plan rules and decisions of the pension fund trustees. The Company's actual invested positions in various securities change over time based on short and longer-term investment opportunities. Strategic pension plan asset allocations are determined by the objective to achieve an investment return, which together with the contributions paid, is sufficient to maintain reasonable control over the various funding risks of the plans. Based upon current market and economic environments, the actual asset allocation may periodically be permitted to deviate from policy targets. The plan's assets are divided according to asset class. For the financial year ending March 31, 2025, the targeted allocations are equities (33%), debt securities (41%), real estate (20%) and others (6%).

Annual benefit payments, including amounts to be paid from the Company's assets for unfunded plans, and reflecting expected future service, as appropriate, are expected to be as follows:

FUTURE BENEFIT PAYMENTS

Financial year ending March 31, (USD in thousands)	
2025	17,407
2026	15,660
2027	15,914
2028	16,338
2029	16,504
2030–2034	72,800

The following tables present, for each of the fair-value hierarchy levels, the Company's defined benefit pension plan assets that are measured at fair value on a recurring basis as of March 31, 2024, and March 31, 2023:

PENSION PLAN ASSETS

Fair value measurements March 31, 2024 (USD in thousands)	Total	Level 1	Level 2	Level 3
Equity instruments	89,078	83,649	5,429	–
Debt instruments	90,298	71,483	18,815	–
Real estate	52,282	–	51,866	416
Other	16,291	9,258	7,033	–
Total	**247,949**	**164,390**	**83,143**	**416**

PENSION PLAN ASSETS

Fair value measurements March 31, 2023 (USD in thousands)	Total	Level 1	Level 2	Level 3
Equity instruments	79,305	73,218	6,087	–
Debt instruments	95,120	75,676	19,444	–
Real estate	51,707	–	51,357	350
Other	23,722	10,490	13,232	–
Total	**249,854**	**159,384**	**90,120**	**350**

The classification of fair value measurements within the hierarchy is based upon the lowest level of input that is significant to the measurement. Valuation methodologies used for assets and liabilities measured at fair value are as follows:

Debt and Equity Instruments

Debt and equity instruments classified as Level 1 are valued at the closing price reported on the active market where the individual securities are traded. Equity instruments classified as Level 2 consist of investments in traded institutional funds, which are not actively traded, valued at the repurchase price as calculated by the fund manager on a daily basis and alternative investments valued at their net asset value which is based on the fair value of the underlying assets that are traded in active markets and have quoted market prices.

Real Estate
Real estate investments classified as Level 2 are valued at the repurchase price as calculated by the fund manager on a daily basis. Real estate investments classified as Level 3 are valued using a discounted cash-flow approach; the discount rates are based on the age of the real estate and stand at 4.5%.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Company believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following table sets forth a summary of changes in the fair value of the Level 3 assets:

CHANGES IN FAIR VALUE – LEVEL 3

	FINANCIAL YEAR ENDED MARCH 31,	
USD in thousands	**2024**	2023
Balance at April 1,	350	51,453
Actual return on plan assets	62	(23)
Sales	–	(49,341)
Effect of changes in exchange rates	4	(1,739)
Balance at March 31,	**416**	**350**

In addition to its defined benefit plans, the Company also provides post-retirement health care benefit plans to some of its employees. As of March 31, 2024, and March 31, 2023, the post-retirement benefit plans had an obligation of USD 0.1 million and USD 0.2 million, respectively.

For the health care benefit post-retirement plan, the medical trend rate is assumed to increase to 6.5% for the financial year ending March 31, 2025, and gradually decrease to 4.0% thereafter.

Furthermore, the Company sponsors various defined contribution plans in which employees of certain subsidiaries are eligible to participate. Total expenses related to such plans for the financial years ended March 31, 2024, and March 31, 2023, were USD 9.2 million and USD 9.3 million, respectively.

Note 22: Share-based Compensation

Long-term Incentive Plan
The Company sponsors a share-based long-term incentive plan (“LTIP”) providing the members of the Group Executive Management and other eligible key managers with the possibility to receive shares in the Company, subject to certain conditions.

Each new award under the LTIP is a contingent entitlement (Performance Stock Unit or “PSU”) to receive shares in the Company, provided certain results are achieved during the three-year period. The LTIP consists of two components that are weighted equally: (i) a component with a market condition that is based on the total shareholders’ return (“TSR”), summarized under the heading PSP-TSR, and (ii) a component with a performance condition that is based on the Company’s fully diluted earnings per share (“EPS”) performance, summarized under the heading PSP-EPS. The Board of Directors, at its discretion, may allow the EPS normalization of certain significant one-off events.

The following table summarizes the number of outstanding nonvested share equivalents allocated to each component of the LTIP as of March 31, 2024, and March 31, 2023:

MAXIMUM OUTSTANDING NONVESTED SHARE EQUIVALENTS UNDER THE LTIP

	March 31, 2024	**March 31, 2023**
Maximum share equivalents under the PSP-TSR	166,200	169,848
Maximum share equivalents under the PSP-EPS	166,200	169,848
Total maximum outstanding nonvested share equivalents under the LTIP	**332,400**	**339,696**
Exercisable	–	–

The number of share equivalents represents the maximum number of shares that can potentially vest and be distributed to employees if the Company were to achieve the highest vesting scenario for each component.

Total compensation costs recognized in the Consolidated Statement of Operations with respect to the LTIP for the financial years ended March 31, 2024 and 2023, were USD 3.9 million and USD 4.5 million, respectively.

Performance Stock Plan with a Market Condition (PSP-TSR Plan)
The Company annually allocates PSUs of its publicly traded shares to eligible employees who are employed with the Company at the grant date. These awards are subject to a TSR market condition, which compares the Company's TSR measured over three years relative to the performance of the SPI Industrials or a peer group of comparable publicly traded companies. The relative TSR condition is calculated considering not only the variations of the closing price over the three-year period but also the dividends distributed in the same period, assuming that those dividends are reinvested at the time of distribution in the shares of the Company.

PSUs granted under the PSP-TSR component will cliff-vest and be converted into the Company's shares in a range of 0% to 200% following the 3-year measurement period. The PSP-TSR awards multiple shall be capped at 100% if Landis+Gyr's absolute TSR attributable to the relevant three-year measurement period is negative, regardless of the Company's performance relative to the peer group.

The following tables summarize the activities under the PSP-TSR component for the financial year ended March 31, 2024 and 2023:

TSR COMPONENT

	FINANCIAL YEAR ENDED MARCH 31, 2024		
	Number of awards	Maximum number of shares conditionally granted	Weighted-average grant-date fair value per share (Swiss francs)
Nonvested at April 1, 2023	84,924	169,848	55.03
Granted	26,557	53,114	88.64
Vested	(22,629)	(45,258)	43.90
Forfeited	(5,752)	(11,504)	64.03
Nonvested at March 31, 2024	**83,100**	**166,200**	**68.18**
Exercisable at March 31, 2024	–	–	–

TSR COMPONENT

	FINANCIAL YEAR ENDED MARCH 31, 2023		
	Number of awards	Maximum number of shares conditionally granted	Weighted-average grant-date fair value per share (Swiss francs)
Nonvested at April 1, 2022	74,868	149,738	55.11
Granted	39,115	78,230	52.80
Vested	–	–	–
Forfeited	(29,059)	(58,120)	52.23
Nonvested at March 31, 2023	**84,924**	**169,848**	**55.03**
Exercisable at March 31, 2023	–	–	–

The Company recorded share-based compensation expense for the PSP-TSR Plan of USD 1.8 million and USD 1.5 million, respectively, for the financial years ended March 31, 2024 and 2023, which is included within General and administrative expense in the Consolidated Statements of Operations. As of March 31, 2024, total unrecognized compensation costs related to nonvested PSP-TSR awards amounted to USD 2.2 million. These costs are expected to be recognized over a weighted-average period of 1.8 years.

Equity-settled awards are recorded in the "Additional paid-in capital" component of shareholders' equity, with compensation cost recorded in General and administrative expenses over the vesting period, which is from the grant date to the end of the vesting period, including adjustments for actual forfeitures. The PSP-TSR awards are subject to a market condition, which based on the guidance in ASC 718 is reflected in the grant-date fair value. Compensation cost is recognized for the PSP-TSR awards, provided that the requisite service is rendered, regardless of when, if ever, the market condition is satisfied. In case of an outperformance of the PSP-TSR award compared to the targets, there will be no adjustment as long as the employee performs the requisite service period.

The weighted-average exercise price of PSP-TSR awards is zero. The following assumptions have been applied in the valuation model:

TSR COMPONENT

	FINANCIAL YEAR ENDED MARCH 31,	
	2024	2023
Expected term	3 years	3 years
Risk free rate	0.965%	0.990%
Expected dividend yield	3.2%	3.5%

Performance Stock Plan with an Earnings per Share Condition (PSP-EPS Plan)
The Company annually allocates PSUs of its publicly traded shares to eligible employees who are employed with the Company at the grant date. These awards are subject to a predefined cumulative diluted earnings per share performance condition, which has to be met over a measurement period of three years. The EPS condition is set based on an outside-in view, taking into account growth expectations, risk profile, investment levels and profitability levels.

PSUs granted under the PSP-EPS Plan will cliff-vest and be converted into the Company's shares in a range of 0% to 200% following the 3-year performance period, if the performance conditions are met. None of the PSP-EPS awards will vest if a minimum cumulative target on fully diluted EPS has not been achieved over the performance period.

With respect to the award cycle started on April 1, 2020, the Board of Directors has approved the EPS normalization of certain significant and unforeseen one-off events such as the impact from the global supply chain challenges and the goodwill impairment in FY 2020 as such events are not indicative of the underlying performance.

The following tables summarize the activities under the PSP-EPS Plan for the financial years ended March 31, 2024 and 2023:

EPS COMPONENT

	FINANCIAL YEAR ENDED MARCH 31, 2024		
	Number of awards	Maximum number of shares conditionally granted	Weighted-average grant-date fair value per share (Swiss francs)
Nonvested at April 1, 2023	84,924	169,848	51.15
Granted	26,557	53,114	69.14
Vested	(22,629)	(45,258)	53.97
Forfeited	(5,752)	(11,504)	53.01
Nonvested at March 31, 2024	**83,100**	**166,200**	**56.01**
Exercisable at March 31, 2024	–	–	–

EPS COMPONENT

	FINANCIAL YEAR ENDED MARCH 31, 2023		
	Number of awards	Maximum number of shares conditionally granted	Weighted-average grant-date fair value per share (Swiss francs)
Nonvested at April 1, 2022	74,868	149,738	55.92
Granted	39,115	78,230	45.37
Vested	–	–	–
Forfeited	(29,059)	(58,120)	55.65
Nonvested at March 31, 2023	**84,924**	**169,848**	**51.15**
Exercisable at March 31, 2023	–	–	–

The Company recorded stock-based compensation expense for the PSP-EPS Plan of USD 2.1 million and USD 3.0 million, respectively, for the financial years ended March 31, 2024 and 2023, which is included within General and administrative expense in the Consolidated Statements of Operations. As of March 31, 2024, total unrecognized compensation costs related to nonvested PSP-EPS awards were USD 1.9 million. These costs are expected to be recognized over a weighted-average period of 1.7 years.

Equity-settled awards are recorded in the "Additional paid-in capital" component of shareholders' equity, with compensation cost recorded in General and administrative expenses over the vesting period, which is from the grant date to the end of the vesting period, including adjustments for actual forfeitures. The PSP-EPS awards are subject to a performance condition, which based on the guidance in ASC 718 is not reflected in the grant-date fair value. The actual number of PSUs that will vest can range from 0% to 200% of the grant, depending upon actual Company performance below or above the target level. The Company estimates performance in relation to the established target when determining the projected number of PSUs that will vest and calculating the compensation cost related to these awards. If it is not probable that the performance target for the EPS component will be achieved, then compensation expense recorded to date will be reversed.

The weighted-average exercise price of PSP-EPS awards is zero. The fair value of performance stock units granted under the PSP-EPS Plan is determined based on the closing price of the Company's shares at the day preceding the grant date less the present value of expected dividends.

Other Share-based Compensation
The remuneration of the members of the Company's Board of Directors is paid 65% in cash and 35% in Landis+Gyr's shares, which are blocked for sale for a period of three years. In the financial years ended March 31, 2024 and 2023, the Company allotted 6,501 and 7,637 shares, respectively, out of the treasury stock, and recorded USD 0.5 million and USD 0.5 million, respectively, of expense which is included within General and administrative expense in the Consolidated Statements of Operations.

On October 31, 2022, the Company launched an Employee Stock Purchase Plan ("ESPP"). The ESPP provides an opportunity for eligible employees to purchase Landis+Gyr's stock at preferential conditions. The Company's Board of Directors in its sole discretion determines if and when an offering shall be made, as well as the detailed parameters of such offering. By participating in the ESPP, an eligible employee may purchase Landis+Gyr's shares at a 15% discount from the SIX Swiss Exchange closing price at the date identified in each offering.

In connection with the ESPP, during the financial year ended March 31, 2024, the Company issued 12,686 shares, out of treasury stock and recognized USD 0.2 million expense which is included within General and administrative expense in the Consolidated Statements of Operations. The proceeds from the issuance of shares under the ESPP were USD 0.9 million, which is included within Cash flow from financing activities in the Consolidated Cash Flow Statements.

In connection with the ESPP, during the financial year ended March 31, 2023, the Company issued 17,343 shares, out of treasury stock and recognized USD 0.2 million expense which is included within General and administrative expense in the Consolidated Statements of Operations. The proceeds from the issuance of shares under the ESPP were USD 1.0 million, which is included within Cash flow from financing activities in the Consolidated Cash Flow Statements.

Note 23: Income Taxes

The Organization for Economic Cooperation and Development ("OECD") guidance under the Base Erosion and Profit Shifting ("BEPS") initiative aims to minimize perceived tax abuses and modernize global tax policy, including the implementation of a global minimum effective tax rate of 15%. In December 2022, the Council of the European Union adopted OECD Pillar 2 for implementation by European Union member states by December 31, 2023. Switzerland has enacted its Pillar 2 legislation as of December 2023. Pillar Two legislation has been enacted or substantively enacted in certain jurisdictions where the Group operates. The legislation will be effective for the Group's financial year beginning April 1, 2024. The Group is in scope of the enacted or substantively enacted legislation and has performed an assessment of the Group's potential exposure to Pillar Two income taxes. The assessment of the potential exposure to Pillar Two income taxes is based on the most recent tax filings, country-by-country reporting and financial statements for the constituent entities in the Group. Based on the assessment, the Pillar Two effective tax rates in most of the jurisdictions in which the Group operates are above 15%. However, there are a limited number of jurisdictions where the transitional safe harbor relief does not apply, and the Pillar Two effective tax rate is close to 15%. Depending on the geographical spread of the Group EBT, the Group expects a limited exposure to Pillar Two income taxes in those jurisdictions.

The components of profit (loss) before income tax expense, are as follows:

INCOME BEFORE INCOME TAX EXPENSE

	FINANCIAL YEAR ENDED MARCH 31,	
USD in thousands	**2024**	2023
Domestic (1)	(5,616)	13,574
Foreign	127,917	44,710
L+G Group	**122,301**	**58,284**

1) Domestic jurisdiction represents Switzerland, the country where the Company is incorporated.

Income tax benefit (expense) by location of the taxing jurisdiction consisted of the following:

INCOME TAX EXPENSE

USD in thousands	FINANCIAL YEAR ENDED MARCH 31, 2024	2023
Current income taxes:		
Domestic (1)	(1,131)	(1,216)
Foreign	(39,438)	(81,372)
Total current taxes	(40,569)	(82,588)
Deferred taxes:		
Domestic (1)	1,229	(1,866)
Foreign	22,458	3,572
Total deferred taxes	23,687	1,706
Total income taxes	**(16,882)**	**(80,882)**

1) Domestic jurisdiction represents Switzerland, the country where the Company is incorporated.

The Company is a global corporation, generating income in several jurisdictions. Although the company is headquartered in Switzerland, taxable income generated outside of Switzerland is subject to the locally enacted tax rates and not the Swiss statutory rate.

The weighted average tax rate for the Company is derived by dividing the aggregated subsidiaries' tax charge by the group's income before income tax expense. The subsidiaries' tax charge is calculated by aggregating the income/loss before income tax expense in each subsidiary, multiplied by the locally enacted tax rate.

The reconciliation of the tax expense at the company's weighted average tax rate to the provision for income taxes is shown in the table below.

INCOME TAX EXPENSE RECONCILIATION

USD in thousands	FINANCIAL YEAR ENDED MARCH 31, 2024	2023
Income before income tax expense	**122,301**	**58,284**
Weighted average global tax rate	**23.45%**	**21.50%**
Items taxed at weighted average rate	(28,685)	(12,531)
Items taxed at rates other than the Company's weighted average rate	(6,383)	(5,592)
Tax on the divestment of Spark	–	(69,055)
Other permanent adjustments	7,135	5,144
Provision for uncertain tax positions	3,597	2,192
Tax credits	1,755	1,591
Withholding taxes	(1,312)	(1,177)
Change in valuation allowance	9,639	(3,517)
Adjustments to prior year	(2,757)	(128)
Effects of changes in tax rate, net	129	2,191
Income tax expense	**(16,882)**	**(80,882)**

The mix of income and loss before income tax expense by jurisdiction impacts the weighted average tax rate and the corresponding tax charge disclosed in "items taxed at the weighted average rate". Losses in certain jurisdictions can have substantial impacts on the weighted average rate.

"Tax on the divestment of Spark" relates to the divestment in the prior year.

"Other permanent adjustments" increased relative to prior year primarily due to higher operating expenses.

"Change in valuation allowance" is a benefit in the current year compared to an expense in the prior year. "Change in valuation allowance" is mainly driven by the release of the valuation allowance in India. In India improved business activity indicates that it is more likely than not that the tax losses will be utilized and therefore the existing valuation allowance has been released.

"Adjustments to prior year" includes true ups to prior year provisions. For this year this mainly related to the Americas reporting unit.

Deferred Taxes

The significant components of the deferred tax assets and liabilities are as follows:

DEFERRED TAX ASSETS AND LIABILITIES

	MARCH 31,	
USD in thousands	**2024**	2023
Deferred tax assets:		
Net operating loss carryforwards	66,905	68,721
Inventories	5,081	7,698
Prepaid expenses and other	557	562
Accrued liabilities	8,010	8,503
Intangible assets	5,819	7,231
Operating leases	15,425	19,053
Pension and other employee related liabilities	21,804	16,049
Other	24,442	31,658
Total gross deferred tax assets	**148,043**	**159,475**
Deferred tax liabilities:		
Accrued liabilities	–	(1)
Property, plant, and equipment	(5,268)	(4,434)
Intangible assets	(16,228)	(29,123)
Operating leases	(13,426)	(17,524)
Other	(26,484)	(30,705)
Total gross deferred tax liabilities	**(61,406)**	**(81,787)**
Net deferred tax assets before valuation allowance	**86,637**	**77,688**
Valuation allowance	(55,311)	(71,364)
Net deferred tax assets (liabilities)	**31,326**	**6,324**
Included in:		
Deferred tax assets – non-current	64,888	43,789
Deferred tax liabilities – non-current	(33,562)	(37,465)
Net deferred tax assets (liabilities)	**31,326**	**6,324**

As of March 31, 2024, and March 31, 2023, the Company had total tax losses carried forward amounting to USD 175.7 million and USD 166.6 million, respectively.

The expiration of the tax losses carried forward as of March 31, 2024 is as follows:

TAX LOSSES CARRIED FORWARD

Financial year ending March 31 (USD in thousands)	
2025	2,578
2026	–
2027	7,961
2028	9,284
2029	11,507
Thereafter	65,696
Never expire	78,680
Total	**175,706**

Due to “change in ownership” provisions in certain jurisdictions, the use of a portion of the Company’s tax losses may be limited in future periods.

The Company believes that it is more likely than not that the benefit from certain net operating loss carryforwards and other deferred tax assets will not be realized due to insufficient profit projections.

The Company considered all available evidence, both positive and negative, including historical levels of income, expectations and risks associated with estimates of future taxable income and ongoing prudent and feasible tax planning strategies in assessing the need for a valuation allowance.

The valuation allowances are mainly provided against net deferred tax assets in the United States, the United Kingdom, France, Switzerland, and Brazil. In the event that certain deferred tax assets become realizable, the reversal of the valuation allowance would result in a reduction in income tax expense, as in the prior year.

Deferred taxes on undistributed earnings of foreign subsidiaries as of March 31, 2024, and March 31, 2023, are USD 12.6 million and USD 10.9 million, respectively.

The Company does not provide deferred taxes on temporary differences related to its foreign subsidiaries that are considered permanent in duration. Determination of the amount of deferred taxes on these temporary differences is not practical.

Provisions for Uncertain Tax Positions

ASC 740 clarifies the accounting for uncertainty in income taxes recognized in an enterprise's financial statements. This interpretation prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return.

A reconciliation of the beginning and ending balances of the total amounts of gross unrecognized tax benefits is as follows:

GROSS UNRECOGNIZED TAX BENEFITS

	FINANCIAL YEAR ENDED MARCH 31,	
USD in thousands	**2024**	2023
Balance as of April 1,	22,834	26,068
Gross increases to positions in prior years	330	859
Gross increases to current period tax positions	3,799	2,862
Audit settlements	(414)	(370)
Expiry of statute of limitations	(7,647)	(5,651)
Gross decreases to prior year positions	(101)	(839)
Effect on change in exchange rates	24	(95)
Balance as of March 31,	**18,825**	**22,834**

In the financial years ended March 31, 2024 and 2023, the net interest and penalties benefit related to unrecognized tax were USD 0.6 million and USD 1.4 million, respectively. As of March 31, 2024, and March 31, 2023, accrued interest and penalties were USD 4.2 million and USD 4.8 million, respectively.

The Company does not expect any material changes in unrecognized tax benefits within the next 12 months.

The Company is subject to taxation in various states and foreign jurisdictions. As of March 31, 2024, the Company could be subject to income tax examination by the tax authorities in the following major tax jurisdictions:

STATUTE OF LIMITATIONS

Tax jurisdiction	**Open tax years**
Australia	April 1, 2016 – March 31, 2024
Switzerland	April 1, 2022 – March 31, 2024
U.S. Federal	April 1, 2020 – March 31, 2024
Germany	April 1, 2017 – March 31, 2024
Greece	April 1, 2018 – March 31, 2024
United Kingdom	April 1, 2021 – March 31, 2024
Brazil	January 1, 2019 – March 31, 2024

Note 24: Leases

The Company is party to several noncancelable operating leases, primarily for office space and company vehicles, that expire over the next 11 years. These leases might include renewal options and do not contain material residual value guarantees.

The components of lease expense are as follows:

OPERATING & FINANCE LEASE COST

	FINANCIAL YEAR ENDED MARCH 31,	
USD in thousands	**2024**	**2023**
Finance lease cost – Right-of-use assets amortization	2,371	1,208
Finance lease cost – Interest on lease liabilities	308	89
Operating lease cost	17,535	16,843
Variable lease cost	932	958
Short-term lease cost	6,644	6,768
Total lease cost	**27,790**	**25,866**

Supplemental cash flow information related to leases is as follows:

OPERATING & FINANCE LEASES

	FINANCIAL YEAR ENDED MARCH 31,	
USD in thousands	**2024**	**2023**
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows from operating leases	15,774	16,236
Financing cash flows from finance leases	1,551	166
Right-of-use assets obtained in exchange for lease liabilities:		
Operating leases	5,656	11,547
Finance leases	5,872	2,692

Supplemental balance sheet information related to leases is as follows:

OPERATING & FINANCE LEASES

USD in thousands, unless otherwise stated	MARCH 31, 2024	2023
Operating leases		
Right-of-use assets, net	74,002	88,698
Lease liabilities	82,843	95,592
Finance leases		
Property, plant and equipment, net	7,825	4,364
Lease liabilities	6,860	2,646
Weighted-average remaining lease term (years)		
Operating leases	7.2	8.5
Finance leases	2.8	2.3
Weighted-average discount rate (percentage)		
Operating leases	3.6%	2.4%
Finance leases	3.8%	4.3%

Remaining maturities of lease liabilities as of March 31, 2024, are as follows:

FUTURE LEASE PAYMENTS

Financial year ending March 31 (USD in thousands)	Finance leases	Operating leases
March 31, 2025	2,558	17,447
March 31, 2026	2,201	14,651
March 31, 2027	1,613	12,506
March 31, 2028	614	9,973
March 31, 2029	217	9,078
Thereafter	–	30,240
Total lease payments	**7,203**	**93,895**
Less: Imputed interest	(343)	(11,052)
Total lease liabilities	**6,860**	**82,843**

Note 25: Redeemable Noncontrolling Interests

On July 29, 2021, the Company completed the acquisition of 75 percent of the issued and outstanding shares of Etrel. The resulting 25 percent noncontrolling interest was recorded at fair value as of the acquisition date. The noncontrolling interest holders have the option, which is embedded in the noncontrolling interest, to require the Company to acquire their ownership interests between October 1, 2024, and March 31, 2025. The combination of a noncontrolling interest and a redemption feature, outside of the control of the Company, resulted in a redeemable noncontrolling interest, which is presented after liabilities and before stockholders' equity on the Consolidated Balance Sheets.

This noncontrolling interest is redeemable at the redemption value that is determined based on a specified, financial results driven formula. The noncontrolling interest becomes redeemable after passage of time and has to be revalued to redemption amount at each balance sheet date. The Company adjusts the balance of the redeemable noncontrolling interests at the greater of (1) the initial carrying amount, increased or decreased for each noncontrolling interest's share of net income or loss and its share of other comprehensive income or loss and dividends ("carrying amount") or (2) the theoretical redemption value assuming the noncontrolling interest was redeemable at the reporting date. As of March 31, 2024, the redeemable noncontrolling interest of Etrel is recorded at the redemption value.

According to the authoritative accounting guidance for redeemable noncontrolling interests, adjustments to the redemption value of the noncontrolling interest, if any, are recorded against the "Additional paid-in capital" component of Shareholders' equity. For the financial years ended March 31, 2024, and March 31, 2023, the adjustments to the Redeemable noncontrolling interests' balance were USD 0.6 million and USD (4.2) million.

Note 26: Commitments & Contingencies

Guarantees

The following table provides quantitative data regarding the Company's third-party guarantees. The maximum potential payments represent a "worst-case scenario", and do not reflect management's expected outcomes.

GUARANTEES Maximum potential payments (USD in million)	March 31, 2024
Performance guarantees obtained from third parties	165.0
Financial guarantees issued in connection with financing activities	376.7
Financial guarantees issued in connection with lease agreements	5.4
Total	**547.1**

The Company is often required to obtain bank guarantees, bid bonds or performance bonds in support of its obligations for customer tenders and contracts. These guarantees or bonds typically provide a guarantee to the customer for future performance, which usually covers the delivery phase of a contract and may, on occasion, cover the warranty phase. As of March 31, 2024, the Company had total outstanding performance bonds and bank and insurance guarantees of USD 165.0 million. In the event any such bank or insurance guarantee or performance bond is called, the Company would be obligated to reimburse the issuer of the guarantee or bond; however, the Company has no reason to expect that any outstanding guarantee or bond will be called.

In addition, the Company has entered into guarantees that provide financial assurances to certain third parties related to the outstanding lines of credit or to leasing arrangements, predominantly for office leases. The total amount was USD 382.1 million as of March 31, 2024.

Furthermore, the Company is party to various guarantees, whereby the Company has assured the performance of its wholly owned subsidiaries' products or services according to the terms of specific contracts. Such guarantees may include guarantees that a project will be completed within a specified time. If the subsidiary were to fail to fulfil its obligations under the contract, then the Company could be held responsible for the other party's damages resulting from such failure. Because the Company's liability under the guarantees typically matches the subsidiaries' liability under the primary contracts, such guarantees generally do not limit the guarantor's total potential liability where the liability results, for example, from personal injury or death or from intellectual property infringement. Therefore, it is not possible to specify the maximum potential amount of future payments that could be made under these or similar agreements. However, the Company has no reason to believe that any of the outstanding parent guarantees will ever be exercised, and the Company has not had to make payments against any such parent guarantees in the past.

Legal Proceedings

The Company is subject to various legal proceedings and claims, the outcomes of which are subject to significant uncertainty. The Company's policy is to assess the likelihood of any adverse judgments or outcomes related to legal matters, as well as ranges of probable losses. A determination of the amount of the liability required, if any, for these contingencies is made after an analysis of each known issue. A liability is recognized and charged to operating expense when the Company determines that a loss is probable, and the amount can be reasonably estimated.

The State of Washington Department of Revenue ("Department") had conducted an audit of business occupation tax, sales tax and other taxes in the Company for the period between January 1, 2010, through March 31, 2016. The Company had received a non-income tax assessment from the Department for approximately USD 20.0 million, including penalties and interest. The Company strongly disagreed with this assessment and believed it to be contradictory to applicable statutes and court rulings in similar cases. The Company paid the assessment in November 2020 and filed an appeal in Washington State Court to obtain a refund. The payment was included in Other long-term assets on the Consolidated Balance Sheet as of March 31, 2023. After both the Company and the Department filed a motion for summary judgment, the Washington State Superior Court judge ruled in favor of the Department in a hearing held on March 18, 2022. The Company and its outside legal counsel believed the lower court's decision was flawed and filed an appeal to the Washington State Appellate Court. On March 28, 2023, the Washington State Appellate Court reversed the Washington State Superior Court's decision, ruling in the Company's favor that the Company's services were indeed non-taxable data processing services. The Department did not seek a further appeal to the Washington State Supreme Court, and the Washington State Appellate Court's verdict became final on May 31, 2023. The Department refunded USD 20.4 million during September 2023. However, the Department disputed USD 289 thousand following a challenge of calculation of revenue figures, which is ongoing.

In August 2015, Energisa SA and a number of related plaintiffs filed two related lawsuits in Brazil, alleging that the Company's electric meters were excessively vulnerable to fraud. The initial petitions requested the Company to provide new firmware to the plaintiffs and to reimburse their cost of installation in meters supplied with this firmware. A technical expert report has been completed and the cases have been consolidated. After hearing the case on November 22, 2022, and submissions of final briefs by both parties, the court issued a judgment on the case on April 24, 2024, where it dismissed Energisa's claim in its entirety. The verdict is not yet final, as Energisa can file a motion of clarification and/or an appeal.

On October 5, 2015, the Romanian Competition Council ("RCC") launched an ex officio investigation against the Company together with several of its competitors on the alleged infringement of certain provisions of Romanian competition law in connection with auctions on the market of electricity meters and connected equipment. In response the Company immediately engaged external experts to conduct an extensive internal forensic investigation that did not reveal any violation of competition law. Additionally, the Company provided the RCC evidence demonstrating that it had not engaged in any of the alleged anti-competitive conduct. The Company is not materially active in the Romanian metering market nor was it materially active during the period under investigation. On January 4, 2018, the Plenum of the RCC issued its preliminary decision against the Company and five other companies and imposed a fine of RON 27.4 million (or USD 5.95 million, converted at the exchange rate as of March 31, 2024). In May 2018, the Company filed an appeal against the decision on the basis that it is significantly flawed and incorrect in fact and law. The referral request to the ECJ was dismissed by the Court on April 26, 2022. On August 8, 2022, the Court released an oral verdict, dismissing the Company's appeal and its subsidiary request to reduce the fine. The Court is yet to issue its written judgment, including the arguments for its decision. The Company will initiate the additional appeal process as soon as the written judgment is received. Although the Company cannot predict the ultimate outcome of this case, it believes that it is probable that the fine will be reduced.

In July 2020, the Company received a claim from the utility company Areti in respect of damages allegedly sustained as a consequence of a limited product recall. The recall was initiated by the Company as a consequence of a component failure that could, under very particular circumstances, lead to a potential safety concern. The amount claimed by Areti, comprising third-party product purchase costs, reputational damages etc., was EUR 4.1 million (or USD 4.5 million, converted at the exchange rate as of the settlement date, January 17, 2024). The Company joined the component manufacturer to the then tripartite litigation. After the court heard the parties' witnesses on October 25, 2022, and January 24, 2023, the parties entered into settlement discussions. On January 17, 2024, the parties agreed to settle the lawsuit fully and finally for payment of EUR 500 thousand (or USD 545 thousand at the settlement date, January 17, 2024) by the Company and EUR 400 thousand by the Company's component manufacturer to Areti.

In addition to the cases listed above, Landis+Gyr and its subsidiaries are parties to various employment-related and administrative proceedings in jurisdictions where the Company operates. None of the proceedings are individually material to Landis+Gyr, and the Company believes that it has made adequate provision such that the ultimate disposition of the proceedings will not materially affect its business or financial condition.

In the normal course of business, the Company is party to various legal claims, actions, and complaints. It is not possible to predict with certainty whether or not the Company will ultimately be successful in any of these legal matters, or if not, what the impact might be. However, the Company's management does not expect that the results of any of these legal proceedings will have a material adverse effect on the Company's results of operations, financial position or cash flows.

Due to the nature of the Company's business, it may be subject to claims alleging infringement of intellectual property rights belonging to third parties in connection with some of the Company's products and technologies. In this context, the Company may also be exposed to allegations of patent infringement relating to communication or other technologies from time to time, for example, where the Company purchases components or technology from vendors, which may incorporate technology belonging to third parties. In these instances, the Company relies on the contractual indemnification from such vendors against the infringement of such third-party intellectual property rights. However, where such contractual rights prove unenforceable or not collectible, the Company may need to bear the full responsibility for damages, fees, and costs resulting from such allegations of infringement. It could also be necessary for the Company to enter into direct licenses from third parties with regard to technologies incorporated into products supplied to the Company from such vendors. As of the date of these Consolidated Financial Statements, there is no active or ongoing litigation related to such allegations of infringement and associated indemnification from vendors.

Indemnification

The Company generally provides an indemnification related to the infringement of any patent, copyright, trademark, or other intellectual property right on software or equipment within its customer contracts. This indemnification typically covers damages and related costs, including attorney's fees with respect to an indemnified claim, provided that (a) the customer promptly notifies the Company in writing of the claim and (b) the Company controls the defense and all related settlement negotiations. The Company may also provide an indemnification to its customers for third party claims resulting from damages caused by the negligence or willful misconduct of its employees/agents under certain contracts. These indemnification obligations typically do not have liability caps. It is not possible to predict the maximum potential amount of future payments under these or similar agreements.

Warranty
A summary of the warranty provision account activity is as follows:

WARRANTY PROVISION

USD in thousands	FINANCIAL YEAR ENDED MARCH 31, 2024	2023
Beginning balance, April 1,	46,266	48,325
New product warranties	11,258	11,233
Other changes/adjustments to warranties	(3,300)	(1,791)
Claims activity	(11,302)	(10,278)
Effect of changes in exchange rates	248	(1,223)
Ending balance, March 31,	**43,170**	**46,266**
Less: current portion of warranty	(30,206)	(30,862)
Long-term warranty	12,964	15,404

The Company calculates its provision for product warranties based on historical claims experience, projected failures and specific review of certain contracts.

New product warranties recorded during the financial year ended March 31, 2024, and the financial year ended March 31, 2023, primarily consist of additions in line with the ordinary course of business.

Note 27: Restructuring Charges

The Company continually reviews its business, manages costs and aligns resources with market demand. As a result, the Company has taken several actions to reduce fixed costs, eliminate redundancies, strengthen operational focus, and better position itself to respond to market pressures or unfavorable economic conditions.

During the financial year ended March 31, 2024, the Company continued its restructuring effort, aimed at reducing costs and improving operating performance. In connection with these restructuring plans, the Company recognized costs related to termination benefits for employee positions that were eliminated. The total initiatives in the financial year ended March 31, 2024, represent approximately USD 12.6 million in primarily severance related costs in connection with a global restructuring initiative completed during the financial year ended March 31, 2024 ("Project Horizon"). Some of the severance payments were completed during the financial year ended March 31, 2024, and the remaining payments are expected to be completed during the financial year ending March 31, 2025.

A summary of the Company's restructuring activity, including costs incurred during the financial years ended March 31, 2024, and March 31, 2023, is as follows:

RESTRUCTURING ACTIVITY

USD in thousands	FINANCIAL YEAR ENDED MARCH 31, 2024	2023
Beginning balance, April 1,	6,707	1,553
Restructuring charges	12,559	11,760
Settlements	(15,397)	(6,445)
Effect of changes in exchange rates	(9)	(161)
Balance as of March 31,	**3,860**	**6,707**

The outstanding balance as of March 31, 2024, and March 31, 2023, respectively, is included under Accrued liabilities and Other long-term liabilities in the Consolidated Balance Sheets.

A summary of the Consolidated Statement of Operations line items where restructuring activity charges have been recognized is as follows:

RESTRUCTURING COST

USD in thousands	FINANCIAL YEAR ENDED MARCH 31, 2024	2023
Cost of revenue	4,498	7,323
Research and development	2,693	110
Sales and marketing	1,495	526
General and administrative	3,873	3,801
Total	**12,559**	**11,760**

The following table outlines the cumulative and current costs incurred to date per operating segment:

RESTRUCTURING BY SEGMENT

USD in thousands	Cumulative costs incurred up to March 31, 2024	Total costs incurred in the financial year ended March 31, 2024
Americas	6,428	5,859
EMEA	8,867	5,228
Asia Pacific	10,637	164
Corporate	1,308	1,308
Restructuring charges	**27,240**	**12,559**

The cumulative costs incurred up to March 31, 2024 represent the Company's ongoing restructuring efforts under various programs over the last three financial years.

Note 28: Asset Retirement Obligations

AROs exist in Germany, Switzerland, the UK, Australia and New Zealand. The following table presents the activity for the AROs, excluding environmental remediation liabilities:

ASSET RETIREMENT OBLIGATION

	FINANCIAL YEAR ENDED MARCH 31,	
USD in thousands	**2024**	2023
Beginning balance, April 1	3,017	3,498
Additional obligations incurred	96	55
Obligations settled in current period	(10)	(670)
Changes in estimates, including timing	(389)	221
Accretion expense	39	31
Effect of changes in exchange rates	(17)	(118)
Obligation balances, March 31,	**2,736**	**3,017**

Note 29: Related Party Transactions

The Company conducts business with certain companies where members of the Company's Board of Directors or Executive Committee act, or in recent years have acted, as directors or senior executives. The Company's Board of Directors has determined that the Company's business relationships with those companies do not constitute material business relationships. This determination was made in accordance with the Company's related party transaction policy which was prepared based on the Swiss Code of Best Practice.

Note 30: Concentrations

The Company generates the majority of its revenue in the United States and Europe, with the balance in Asia Pacific, Middle East, Africa, South America, and Canada. None of the Company's customers exceeded 10% of the consolidated revenue for the financial years ended March 31, 2024 and 2023. The majority of the revenue is derived from the sale of energy meters.

Approximately 36% of the Company's workforce is subject to collective bargaining agreements expiring between 2024 and 2037. Approximately 20% of the Company's workforce is subject to collective bargaining agreements expiring within one year.

Note 31: Segment Information

As noted in Note 13: Goodwill, the Company is organized into the following operating segments:

Americas

The Americas generates the majority of its revenue in the United States, with the balance produced in Canada, Central America, South America, Japan and certain other markets which adopt US standards. The Americas reportable segment designs, manufactures, markets, and sells products for the Company's three growth platforms: Smart Metering, Grid Edge Intelligence and Smart Infrastructure technology. Product examples are Landis+Gyr's Gridstream® Connect platform, advanced metering infrastructure solutions, Revelo® meters, smart electricity meters, commercial/industrial and grid meters, communication modules for water and gas meters, street light controllers, distribution automation, system deployment services, managed network services, and other advanced metering infrastructure offerings including software (head end system ("HES"), meter data management ("MDM"), analytics), installation, implementation, consulting, maintenance support, and related services.

EMEA

The EMEA segment produces the majority of its revenue in Europe with the balance generated in the Middle East, South Africa and certain other markets which adopt European standards. The EMEA reportable segment designs, manufactures, markets, and sells products for the Company's three growth platforms: Smart Metering, Grid Edge Intelligence and Smart Infrastructure technology. Product examples are advanced metering infrastructure solutions, smart electricity meters, prepayment electricity meters, commercial/industrial and grid meters, smart gas meters and prepayment solutions, heat meters and solutions, load control devices, system deployment services, managed network services, and advanced metering infrastructure offerings including software (HES, MDM, analytics), installation, implementation, consulting, maintenance support, and related services. With the recent acquisitions, the Company is expanding its offering with EV charging hardware and smart charging software, including demand response and flexibility management as well as cybersecurity solutions.

Asia Pacific

The Asia Pacific segment generates the majority of its revenue in Australia, China, Hong Kong and Singapore, while the balance is generated in other markets in Asia. The Asia Pacific reportable segment designs, manufactures, markets, and sells products for the Company's three growth platforms: Smart Metering, Grid Edge Intelligence and Smart Infrastructure technology. Product examples are advanced metering infrastructure solutions, non-smart and smart electricity meters, prepayment electricity meters, commercial/industrial and grid meters, gas meters, heat and water meters and solutions, load control devices, system deployment services, and advanced metering infrastructure offerings including software (HES, MDM, analytics), installation, implementation, consulting, maintenance support, and related services.

The Chief Operating Decision Maker ("CODM") is the Company's Chief Executive Officer. The CODM allocates resources to and assesses the performance of each operating segment using the information outlined in the table below. Each operating segment offers products for different applications and markets and provides separate financial information that is evaluated regularly by the CODM. Decisions by the CODM on how to allocate resources and assess performance are based on a reported measure of segment profitability.

The Company has two primary measures for evaluating segment performance: net revenue to third parties (excluding any inter-company sales) and the adjusted earnings before interest, taxes, depreciation and amortization ("Adjusted EBITDA"). Management defines Adjusted EBITDA as operating income (loss) excluding (i) depreciation and amortization, (ii) impairment of intangible assets, (iii) restructuring charges, (iv) warranty normalization adjustments and (v) change in unrealized gains and losses on derivatives where the underlying hedged transactions have not yet been realized.

The CODM primarily reviews the results of each segment on a basis that is before the elimination of profits made on inventory sales between segments. Segment results below are presented before these eliminations, with a total deduction for intersegment profits to arrive at the Company's consolidated Adjusted EBITDA.

SEGMENT INFORMATION

	FINANCIAL YEAR ENDED MARCH 31,	
USD in thousands	**2024**	2023
Net revenues		
Americas	1,141,367	891,513
thereof to external customers	1,131,317	887,950
thereof to other segments	10,050	3,563
EMEA	726,016	663,216
thereof to external customers	668,088	602,270
thereof to other segments	57,928	60,946
Asia Pacific	165,279	194,320
thereof to external customers	163,600	191,166
thereof to other segments	1,679	3,154
Elimination	(69,657)	(67,663)
Total Company	**1,963,005**	**1,681,386**
Adjusted EBITDA		
Americas	185,419	118,972
EMEA	17,474	(14,081)
Asia Pacific	18,007	13,272
Corporate unallocated	3,006	21,739
Total Company	**223,906**	**139,902**
Restructuring charges (1)	(12,559)	(11,760)
Warranty normalization adjustments (2)	4,588	5,093
Timing difference on FX derivatives (3)	893	(18)
Depreciation	(30,635)	(25,319)
Amortization of intangible assets	(42,044)	(56,863)
Other income (expense), net	(21,848)	7,249
Income before income tax expense	**122,301**	**58,284**

1) Restructuring charges are summarized in Note 27: Restructuring Charges including the line items in the Consolidated Statements of Operations that include the restructuring charges.
2) Warranty normalization adjustments represents warranty expense that diverges from the three-year average of actual warranty costs incurred (in cash or the value of other compensation paid out to customers) in respect of warranty claims.
3) Timing difference on FX derivatives represents unrealized gains and losses on derivatives where the underlying hedged transactions have not yet been realized.

The following table presents segment depreciation and amortization and capital expenditures for the financial years ended March 31, 2024 and 2023:

SEGMENT INFORMATION

	DEPRECIATION AND AMORTIZATION		CAPITAL EXPENDITURE	
	FINANCIAL YEAR ENDED MARCH 31,		FINANCIAL YEAR ENDED MARCH 31,	
USD in thousands	2024	2023	2024	2023
Americas	42,373	41,205	10,036	10,478
EMEA	19,492	28,657	17,810	15,346
Asia Pacific	2,506	4,203	3,317	3,249
Corporate	8,308	8,117	467	198
Total	**72,679**	**82,182**	**31,630**	**29,271**

The Company does not monitor total assets by operating segment and such information is not reviewed by the CODM.

The following tables represent the continuing operations' revenue for the financial years ended March 31, 2024 and 2023:

SEGMENT REVENUE

Financial year ended March 31, 2024 (USD in thousands)	Total	Americas	EMEA	Asia Pacific
Total revenue	**1,963,005**	**1,131,317**	**668,088**	**163,600**
thereof United States	946,485	945,367	1,118	–
thereof United Kingdom	129,633	–	129,633	–
thereof Switzerland	78,984	–	78,984	–
thereof Australia	72,205	–	755	71,450

SEGMENT REVENUE

Financial year ended March 31, 2023 (USD in thousands)	Total	Americas	EMEA	Asia Pacific
Total revenue	**1,681,386**	**887,950**	**602,270**	**191,166**
thereof United States	735,953	734,368	1,564	21
thereof United Kingdom	160,489	–	160,489	–
thereof Switzerland	63,877	–	63,877	–
thereof Australia	81,399	–	735	80,664

The following tables represent the property, plant and equipment, net as of March 31, 2024 and 2023:

SEGMENT PP&E

March 31, 2024 (USD in thousands)	Total	Americas	EMEA	Asia Pacific
Property, plant and equipment	**121,550**	**46,198**	**66,593**	**8,759**
thereof United States	28,204	28,204	–	–
thereof United Kingdom	6,703	–	6,703	–
thereof Switzerland	8,224	–	8,224	–
thereof Australia	3,035	–	–	3,035

SEGMENT PP&E

March 31, 2023 (USD in thousands)	Total	Americas	EMEA	Asia Pacific
Property, plant and equipment	**117,215**	**48,127**	**61,337**	**7,751**
thereof United States	32,026	32,026	–	–
thereof United Kingdom	6,407	–	6,407	–
thereof Switzerland	9,001	–	9,001	–
thereof Australia	2,762	–	–	2,762

Sales to external customers are based on the location of the customer (destination). Disclosure of long-lived assets is based on the location of the asset.

Note 32: Subsequent Events

The Company evaluated subsequent events and transactions that occurred after the balance sheet date through May 29, 2024, which is the date that the Consolidated Financial Statements were available to be issued.

On April 8, 2024, the Company completed the acquisition of the remaining outstanding common shares and voting rights of Etrel for USD 5.1 million cash consideration. The transaction was accounted for as an equity transaction with a redeemable noncontrolling interest and accordingly, no gain or loss was recognized in the Company's earnings. The carrying amount of the redeemable noncontrolling interest was adjusted to reflect the change in its ownership interest in Etrel. The difference between the fair value of the consideration paid and the amount by which the noncontrolling interest was adjusted was not significant and was recognized within the Additional paid-in capital component of shareholders' equity.

Besides the aforementioned equity transaction, no significant events occurred subsequent to the balance sheet date but prior to May 29, 2024, that would have a material impact on the Consolidated Financial Statements.

Statutory Financial Statements of Landis+Gyr Group AG

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Report of the statutory auditor

to the General Meeting of Landis+Gyr Group AG

Cham

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Landis+Gyr Group AG (the Company), which comprise the balance sheet as at 31 March 2024, and the income statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements (pages 69 to 74) comply with Swiss law and the Company's articles of incorporation.

Basis for opinion

We conducted our audit in accordance with Swiss law and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and standards are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of our report. We are independent of the Company in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our audit approach

Materiality

The scope of our audit was influenced by our application of materiality. Our audit opinion aims to provide reasonable assurance that the financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall materiality for the financial statements as a whole as set out in the table below. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate, on the financial statements as a whole.

Overall materiality	CHF 11'930'000
Benchmark applied	Total assets
Rationale for the materiality benchmark applied	We chose total assets as the benchmark because, in our view, it is the most relevant measure for the activities of Landis+Gyr Group AG as a holding company.

We agreed with the Audit, Finance and Risk Committee that we would report to them misstatements above CHF 600'000 identified during our audit as well as any misstatements below that amount which, in our view, warranted reporting for qualitative reasons.

Audit scope

We designed our audit by determining materiality and assessing the risks of material misstatement in the financial statements. In particular, we considered where subjective judgements were made; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the financial statements as a whole, taking into account the structure of the Company, the accounting processes and controls, and the industry in which the Company operates.

Key audit matters

We have determined that there are no key audit matters to communicate in our report.

Other information

The Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements, the consolidated financial statements, the remuneration report and our auditor's reports thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Board of Directors' responsibilities for the financial statements

The Board of Directors is responsible for the preparation of financial statements in accordance with the provisions of Swiss law and the Company's articles of incorporation, and for such internal control as the Board of Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law and SA-CH will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Swiss law and SA-CH, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

We communicate with the Board of Directors or its relevant committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors or its relevant committee with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them regarding all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Board of Directors or its relevant committee, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

In accordance with article 728a para. 1 item 3 CO and PS-CH 890, we confirm the existence of an internal control system that has been designed, pursuant to the instructions of the Board of Directors, for the preparation of the financial statements.

We further confirm that the proposed appropriation of the accumulated deficit and the statutory capital reserves comply with Swiss law and the Company's articles of incorporation. We recommend that the financial statements submitted to you be approved.

PricewaterhouseCoopers AG

P. Balkany R. Sopi

Patrick Balkanyi	Rahel Sopi
Licensed audit expert Auditor in charge	Licensed audit expert

Zug, 29 May 2024

pwc

Balance Sheet

CHF in thousands	Notes	March 31, 2024	March 31, 2023
ASSETS			
Current assets			
Cash and cash equivalents		4	3
Total current assets		**4**	**3**
NON-CURRENT ASSETS			
Long-term loan receivable from subsidiary		296,241	288,585
Investment	5	897,205	897,205
Total non-current assets		**1,193,446**	**1,185,790**
TOTAL ASSETS		**1,193,450**	**1,185,793**

CHF in thousands	Notes	March 31, 2024	March 31, 2023
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities			
Trade accounts payable to subsidiary		12,342	10,825
Accrued liabilities		16	16
Total current liabilities		**12,358**	**10,841**
Non-current liabilities			
Long-term loan payable to subsidiary		443,142	354,654
Provision for unrealized FX gain		42,831	43,800
Total non current liabilities		**485,973**	**398,454**
Total liabilities		**498,331**	**409,295**
SHAREHOLDERS' EQUITY			
Share capital	6	289,089	289,089
Statutory capital reserves	7	620,235	682,489
Reserve for treasury shares held by subsidiary			
– against statutory capital reserves	8	3,808	5,037
Statutory retained earnings		2,953	2,953
Accumulated deficit		(220,966)	(203,070)
Accumulated deficit brought forward		(203,070)	(188,804)
Loss for the year		(17,896)	(14,266)
Total shareholders’ equity		**695,119**	**776,498**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**1,193,450**	**1,185,793**

See notes to the statutory financial statements.

Income Statement

CHF in thousands	Notes	FINANCIAL YEAR ENDED MARCH 31, 2024	2023
Operating expenses		(12,082)	(11,330)
OPERATING LOSS		**(12,082)**	**(11,330)**
Financial income		12,415	7,190
Financial expense		(18,199)	(10,167)
LOSS BEFORE TAXES		**(17,866)**	**(14,307)**
Direct taxes benefit (expense)		(30)	41
LOSS FOR THE YEAR		**(17,896)**	**(14,266)**

See notes to the statutory financial statements.

Notes to the Statutory Financial Statements

Note 1: General

Landis+Gyr Group AG, Cham, Switzerland (the Company) is the parent company of the Landis+Gyr group of companies, which is a leading global provider of energy management solutions.

The Company's registered ordinary shares are listed on the SIX Swiss Exchange.

Note 2: Applicable Accounting Law

These standalone financial statements have been prepared in accordance with articles 957–963b of the Swiss Code of Obligations (CO).

Note 3: Summary of Significant Accounting Principles

3.1 Conversion of Foreign Currencies

The Company's functional currency is the US Dollar, translated into Swiss Francs for statutory financial reporting purposes. Transactions during the year denominated in foreign currencies are translated and recorded in US Dollars at actual exchange rates prevailing on the dates of the transactions. Profits and losses on exchange are recognized in the income statement, with the exception of unrealized gains, which are deferred until they are realized.

With the exception of investments and equity which are translated at historical rates, all other assets and liabilities are translated into Swiss Francs using the year-end closing rate, whereas income and expenses are translated using the average exchange rate. Foreign currency exchange losses arising from translation are shown as currency translation differences under financial expense. Foreign currency exchange gains arising from translation are deferred on the balance sheet. A foreign exchange translation gain of CHF 42.8 million (prior year: CHF 43.8 million) has been deferred on the balance sheet.

The current year foreign exchange rate realized gain is CHF 1.2 million. In the prior year, a foreign exchange gain of CHF 0.1 million was realized. These realized exchange rate gains and losses are not taxable as the taxable currency is equivalent to the functional currency which is the US Dollar.

3.2 Investment
The investment in subsidiary is carried at cost less adjustments for impairment, if any. The investment is reviewed annually for impairment and adjusted to the recoverable amount in instances where the carrying value is determined to be in excess of the recoverable amount.

3.3 Long-term Loan Receivable
Financial assets are valued at acquisition cost less adjustments for foreign currency losses and any other impairment of value.

Note 4: Number of Employees

The Company did not have any employees in the financial years ended March 31, 2024 and 2023.

Note 5: Investments

As at the balance sheet date, the Company holds the following direct investment:

COMPANY	NOMINAL CAPITAL	OWNERSHIP & VOTING RIGHTS MARCH 31,	
		2024	2023
Landis+Gyr AG, Alte Steinhauserstrasse 18, Cham	CHF 29,700,000	100%	100%

At March 31, 2024 and 2023, the Company performed an impairment analysis. No impairment charge was recorded in the financial years ended March 31, 2024 and 2023.

As at the balance sheet date, the Company holds the following substantial indirect investments:

COMPANY	NOMINAL CAPITAL	OWNERSHIP & VOTING RIGHTS MARCH 31,	
		2024	2023
Landis+Gyr Investments LLC, Lafayette USA	USD 100	100%	100%
Landis+Gyr Ltd, UK	GBP 43,600,000	100%	100%
Luna Elektrik Elektronik Sanayi ve Ticaret A.Ş., Izmr Turkey	TRY 250,000	100%	100%
Etrel d.o.o, Slovenia	EUR 7,500	75%	75%
Landis+Gyr Holdings Pty Ltd, Australia	AUD 45,587,028	100%	100%

Note 6: Share Capital

On March 31, 2024, the share capital represented 28,908,944 (prior year: 28,908,944) authorized, registered and issued ordinary shares with restricted transferability with a nominal value of CHF 10 each. The restricted transferability is related to the fact that the Company can reject a shareholder not disclosing the beneficial owner. Registered ordinary shares carry one vote per share, as well as the right to dividend.

Conditional Share Capital
The share capital of the Company may be increased by up to CHF 4,500,000 by issuing up to 450,000 fully paid-up registered shares with a nominal value of CHF 10 each, upon the exercise of option rights or in connection with similar rights regarding shares granted to officers and employees at all levels of the Company and its group companies according to respective regulations and resolutions of the Board of Directors. This conditional share capital has been approved and is available for use. As of March 31, 2024, no shares were issued from this conditional share capital.

Furthermore, the share capital of the Company may be increased by up to CHF 28,908,940 by the issuance of up to 2,890,894 fully paid up registered shares with a nominal value of CHF 10 each, upon the exercise or mandatory exercise of conversion, exchange, option, warrant or similar rights for the subscription of shares granted to shareholders or third parties alone or in connection with bonds, notes, loans, options, warrants or other securities or contractual obligations of the Company or any of its subsidiaries. As of March 31, 2024, no shares were issued from this conditional share capital.

Capital Band

The Company has a capital band ranging from CHF 260,180,500 (lower limit) to CHF 317,998,380 (upper limit). The Board of Directors shall be authorized within the capital band to increase or reduce the share capital once or several times and in any amounts or to acquire or dispose of shares directly or indirectly, until June 22, 2026, or until an earlier expiry of the capital band. The capital increase or reduction may be effected by issuing up to 2,890,894 fully paid-in registered shares with a nominal value of CHF 10 each and canceling up to 2,890,894 registered shares with a nominal value of CHF 10 each, as applicable, or by increasing or reducing the nominal value of the existing shares within the limits of the capital band.

Until June 22, 2026, or an earlier expiry of the capital band, the total number of newly issued shares which may be issued with the restriction or withdrawal of advance subscription rights or pre-emptive rights (1) from the conditional capital and (2) from the capital band must not exceed 2,890,894 new shares.

Note 7: Statutory Capital Reserves

MOVEMENT IN STATUTORY CAPITAL RESERVES

	FINANCIAL YEAR ENDED MARCH 31,	
CHF in thousands	**2024**	2023
Statutory capital reserves as of April 1,	682,489	743,210
Dividend payment of CHF 2.20 (prior year: CHF 2.15) per share	(63,483)	(61,999)
Transfer to reserve for treasury shares held by subsidiary – against statutory capital reserves	1,229	1,278
Statutory capital reserves carried forward	**620,235**	**682,489**

The statutory capital reserves from additional paid-in capital resulted from a contribution in kind of shares in Landis+Gyr AG, Cham and a loan from Landis+Gyr AG, Cham. The balance per March 31, 2023, has been approved by the tax authorities.

The transfer to the reserve for treasury shares held by subsidiary is outlined in Note 8: Treasury Shares and Reserve for Treasury Shares Held by Subsidiary.

Note 8: Treasury Shares and Reserve for Treasury Shares Held by Subsidiary

During the financial years ended March 31, 2024, and March 31, 2023, 6,501 and 7,637 treasury shares, respectively, were purchased and delivered as compensation-in-kind to the members of the Board of Directors.

The movement in the number of Treasury shares during the year was as follows:

	FINANCIAL YEAR ENDED MARCH 31,			
	2024	**2024**	2023	2023
	Number of shares	**Average acquisition price per share (in CHF)**	Number of shares	Average acquisition price per share (in CHF)
Treasury shares – opening balance as of April 1,	–	–	–	–
Purchase of shares	6,501	90.47	7,637	69.00
Delivery of shares	(6,501)	90.47	(7,637)	69.00
Treasury shares – closing balance as of March 31,	**–**	**–**	**–**	**–**

In addition, a subsidiary company, Landis+Gyr AG, also purchased shares in the Company, and as of March 31, 2024, held 54,456 shares (prior year: 54,764 shares) at an average acquisition price of CHF 69.93 per share (prior year: CHF 91.98) which are reserved for the employee and Board compensation plans.

During the year, the subsidiary purchased 45,000 additional shares and the number of shares transferred to the Company for distribution to Board members was 6,501 (average purchase price of CHF 90.47).

The value of the movement of shares held by Landis+Gyr AG, amounting to CHF 1.23 million (Prior Year: CHF 1.28 million), during the year has been credited to the Statutory capital reserves and debited to the Reserve for treasury shares held by subsidiary. Refer to Note 7: Statutory Capital Reserves.

Note 9: Contingent Liabilities

Landis+Gyr Group AG forms part of the Swiss VAT group of Landis+Gyr and is therefore a liable party for any tax liabilities. The VAT group consists of Landis+Gyr AG, Landis+Gyr Group AG and Caligyr AG.

Note 10: Third Party Guarantees

The Company has entered into guarantees that provide financial assurances to certain third parties related to the outstanding lines of credit. The total amount was CHF 288 million and CHF 245 million as of March 31, 2024 and 2023, respectively. The exchange rates used to convert the maximum liability amounts into CHF are USD 0.90 (Prior Year: 0.91) and EUR 0.97 (Prior Year: 0.99).

The Company is party to various guarantees, whereby the Company has assured the performance of its wholly owned subsidiaries' products or services according to the terms of specific contracts. Such guarantees may include guarantees that a project will be completed within a specified time. If the subsidiary were to fail to fulfil its obligations under the contract, then the Company could be held responsible for the other party's damages resulting from such failure. Because the Company's liability under the guarantees typically matches the subsidiaries' liability under the primary contracts, such guarantees generally do not limit the guarantor's total potential liability where the liability results, for example, from personal injury or death or from intellectual property infringement. Therefore, it is not possible to specify the maximum potential amount of future payments that could be made under these or similar agreements. However, the Company has no reason to believe that any of the outstanding parent guarantees will ever be exercised, and the Company has not had to make payments against any such parent guarantees in the past.

Note 11: Shareholdings of Board and Group Executive Management

At March 31, 2024 and 2023, the members of the Board held the following number of shares in the Company:

NAME	FUNCTION	NUMBER OF SHARES HELD AS OF MARCH 31, 2024	2023
Andreas Umbach	Chair of the Board of Directors	77,536	75,751
Eric Elzvik	Lead Independent Director	11,054	9,636
Andreas Spreiter	Independent Member	10,970	10,236
Christina Stercken	Independent Member	4,894	4,160
Peter Mainz	Independent Member	4,139	3,405
Søren Thorup Sørensen [(a)]	Not independent; representative of a major shareholder	n/a	–
Laureen Tolson	Independent Member	1,950	1,289
Peter Bason [(b)]	Not independent; representative of a major shareholder	–	n/a
Audrey Zibelman [(c)]	Independent Member	435	n/a

(a) Representative of KIRKBI Invest A/S, a major shareholder, holding 2,222,633 shares which amounts to 7.69% of outstanding share capital. Did not stand for re-election at the 2023 AGM.
(b) Representative of KIRKBI Invest A/S, a major shareholder, holding 2,222,633 shares which amounts to 7.69% of outstanding share capital. Newly elected at the 2023 AGM.
(c) Newly elected at the 2023 AGM.

At March 31, 2024 and 2023, respectively, the members of the Group Executive Management held the following number of shares in the Company and the conditional rights to receive Landis+Gyr Group AG shares under the long-term incentive plan ("LTIP"):

		FINANCIAL YEAR ENDED MARCH 31, 2024	
NAME	FUNCTION	NUMBER OF SHARES HELD	NONVESTED SHARE EQUIVALENTS UNDER THE LTIP
Werner Lieberherr	Chief Executive Officer	8,689	28,002
Elodie Carr-Cingari	Chief Financial Officer	1,162	11,710
Bodo Zeug	Head of EMEA	1,101	8,524
Sean Cromie	Head of Americas	1,649	8,396

		FINANCIAL YEAR ENDED MARCH 31, 2023	
NAME	FUNCTION	NUMBER OF SHARES HELD	NONVESTED SHARE EQUIVALENTS UNDER THE LTIP
Werner Lieberherr	Chief Executive Officer	3,300	29,253
Elodie Cingari	Chief Financial Officer	1,000	8,318
Bodo Zeug	Head of EMEA	–	7,966
Sean Cromie	Head of Americas	–	8,486

Note 12: Significant Shareholders

At March 31, 2024 and 2023, respectively, the significant shareholders in the Company, holding more than 3% of the total shares, were:

	MARCH 31, 2024	
Name (Beneficial owner/legal shareholder)	**Number of Shares**	**Holding %**
Rudolf Maag	3,000,000	10.38%
Kjeld Kirk Kristiansen, Thomas Kirk Kristiansen, Sofie Kirk Kristiansen, Agnete Kirk Thinggaard / KIRKBI Invest A/S	2,222,633	7.69%
Global Alpha Capital Management Ltd.	882,783	3.05%

	MARCH 31, 2023	
Name (Beneficial owner/legal shareholder)	**Number of Shares**	**Holding %**
Kjeld Kirk Kristiansen, Thomas Kirk Kristiansen, Sofie Kirk Kristiansen, Agnete Kirk Thinggaard / KIRKBI Invest A/S	4,445,265	15.38%
Rudolf Maag	3,000,000	10.38%
PGGM Vermögensbeheer B.V.	890,700	3.08%

To the best of the Company's knowledge no other shareholders held 3% or more of Landis+Gyr Group AG's total share capital and voting rights on March 31, 2024, and March 31, 2023.

Proposed Appropriation of the Accumulated Deficit and Statutory Capital Reserves

PROPOSED APPROPRIATION OF THE ACCUMULATED DEFICIT

	FINANCIAL YEAR ENDED MARCH 31,	
CHF in thousands	**2024**	2023
Balance carried forward from previous year	(203,070)	(188,804)
Loss for the year	(17,896)	(14,266)
Accumulated deficit	**(220,966)**	**(203,070)**

The Board of Directors proposes to the Annual General Meeting to carry forward the accumulated deficit.

PROPOSED APPROPRIATION OF STATUTORY CAPITAL RESERVES

	FINANCIAL YEAR ENDED MARCH 31,	
CHF in thousands	**2024**	2023
Statutory capital reserves as of March 31, (a)	620,235	682,489
Proposed dividend payment of CHF 2.25 per share on max. 28,908,944 shares out of statutory capital reserves (b)	(65,045)	(63,599)
Statutory capital reserves carried forward (c)	**555,190**	**618,890**

(a) Refer to Note 7: Statutory Capital Reserves for the movements in statutory capital reserves during the year.
(b) Treasury shares held by Landis+Gyr AG at the record date will not receive dividends. Accordingly, the total amount distributed will be lower.
(c) Amount depends on the total distribution.

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Sustainability Report 2023

Landis+Gyr

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Message from the CEO

Dear Stakeholders,

As we reflect on Landis+Gyr's sustainability journey in the past year, I am filled with pride for our achievements and unwavering commitment to our sustainability goals. At the heart of our sustainability strategy lies a commitment to pioneering solutions that not only address environmental challenges and advance decarbonization but also empower communities and drive positive societal change. Through continuous innovation and collaboration, we aim to set new standards for responsible business practices, leading the way toward a more sustainable future for all.

Our dedication to sustainability is evident in the strides we have made, particularly in reducing carbon emissions and advancing sustainable practices across our operations and products. A highlight of FY 2023 was the validation of our Science-Based Targets (SBTs). We are proud to report a 48% decrease in Scope 1+2 emissions over the past year, firmly placing us on track to achieve our target. Meanwhile, our sourcing of renewable electricity has reached an all-time high of 79%, prompting us to set an internal target to achieve 100% by FY 2025 – five years ahead of our SBTi commitment. Scope 3 emissions, on the other hand, have increased in absolute terms compared to the 2021 baseline. Yet, a 9% decrease of Scope 3 emissions per 100 USD of turnover signals a positive trend and motivates us to intensify our internal efforts and collaboration with our value chain partners to reduce these emissions. We remain fully committed to achieving our Science Based Targets.

In our quest for sustainability, we recognize the pivotal role our products and solutions play in reducing energy consumption and associated carbon emissions, thereby supporting the decarbonization of the grid. In FY 2023, our installed smart metering base enabled the avoidance of 8.9 million tons of CO_2, while the percentage of products shipped that met our Eco-Portfolio criteria increased to 84% (up from 78% in FY 2022). Moreover, our acquisitions, including Etrel and Thundergrid, further underscore our commitment to advancing decarbonization efforts, particularly in facilitating the world's transition to electric vehicles.

Beyond our efforts to reduce emissions, we have achieved significant milestones to help us mitigate our climate impact. Most notably, we conducted our first analysis in alignment with the 'Task Force for Climate-related Financial Disclosures' (TCFD) framework to enhance transparency and disclosure regarding climate-related risks and opportunities, thereby fostering greater investor confidence and informed decision-making.

In line with the newly introduced provisions of the Swiss Code of Obligations (Art. 964), we are reinforcing ethical practices within our business processes, ensuring a due diligence-based approach.

We are deeply committed to cultivating a safer, more engaging, and more inclusive work environment for our employees. To this end, we provide training to empower our employees to recognize and report hazardous work conditions, while also investing in learning and development initiatives to nurture their professional growth. As evidence of these efforts, this year we have achieved a 20% reduction in Lost-Time Incident Frequency Rate, and our employees now average over 23 hours of learning per year.

In addition, our customers' ambitious decarbonization targets inspire us every day to continue to innovate leading technology. It fills us with immense pride that we are able to play a vital role in enabling the energy transition and the decarbonization of the grid. Our innovative solutions empower customers and end consumers to reduce emissions and manage resources better every day. Together, we partner to deliver a more sustainable tomorrow.

Our hard work and dedication have not gone unnoticed, as evidenced by the recognition we have received by esteemed institutions and rating agencies. We are honored to have received the highest score for sustainability reporting from the University of Zurich, in their annual evaluation of Swiss companies' annual reports. Additionally, our positive evaluations by ESG rating agencies affirm we are on the right trajectory and inspire us to continue making progress in our sustainability endeavors.

As we look ahead, we remain steadfast in our commitment to sustainability and innovation. With the support of our stakeholders, we are confident in our ability to drive positive sustainable impact and shape a brighter future for generations to come.

Thank you for your continued partnership and support.

Sincerely,

Werner Lieberherr

Werner Lieberherr
Chief Executive Officer

Introduction

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About Landis+Gyr

A Global Industry Leader

Landis+Gyr is a leading global provider of integrated energy management solutions. We measure and analyze energy utilization to generate empowering analytics for smart grid and infrastructure management, enabling utilities and consumers to reduce energy consumption. Our innovative and proven portfolio of software, services and intelligent sensor technology is a key driver to decarbonize the grid. Having avoided around 8.9 million tons of CO_2 in FY 2023, Landis+Gyr manages energy better – since 1896. With sales of USD 2.0 billion in FY 2023, Landis+Gyr employs around 6,900 talented people across five continents.

Our Mission

At Landis+Gyr, we create a greener tomorrow through leading smart metering, grid edge intelligence, and smart infrastructure technology.

As partners, we empower customers and consumers to utilize resources in a more informed and sustainable way.

Together, we manage energy better.

Our Values

Customer Intimacy
We are a trusted partner and deliver on our commitments.

Uncompromising Performance
We strive to deliver high quality on time every time.

Innovative Technology
We passionately innovate true differentiators for our customers.

Entrepreneurial Spirit
We empower teams to drive results with a can-do attitude.

Sustainable Impact
We manage energy better for a more sustainable world.

At a Glance

At Landis+Gyr, sustainability is deeply rooted in our heritage, shaping our mindset and guiding our actions towards a greener tomorrow. With a rich legacy spanning over 125 years, we understand the lasting impact of our decisions on the planet and future generations.

In this year's report, we showcase our efforts to integrate sustainability across our operations, highlighting key achievements, initiatives, and milestones. Recognizing the significance of managing and disclosing financial and non-financial impacts holistically, we are on a journey towards more integrated reporting. To facilitate this, we deliberately maintain a lean 'Environmental, Social, and Governance' (ESG) team, aiming to cultivate ESG expertise within each function and business. Our ultimate goal is to weave sustainability deeply into the fabric of the entire organization.

Among the highlights of FY 2023 is the validation of our SBTs. We are pleased to report a 48% reduction in our greenhouse gas (GHG) emissions for Scopes 1 and 2, putting us well on track to meet our targets. While reducing the emissions from our operations remains crucial, we are also actively addressing emissions throughout our value chain. Despite an absolute increase in Scope 3 emissions in FY 2023 compared to FY 2021, we achieved a 9% decrease relative to every 100 USD of turnover over the same period, indicating a positive trend. Additionally, our products contributed to significant carbon savings globally, amounting to 8.9 million tons of CO_2 in 2023 alone. Our investments in EV-charging and the upcoming integration of hydrogen measurement solutions into our gas metering portfolio further underscore our commitment to supporting sustainable energy solutions and meeting evolving customer needs.

Positive outcomes were also achieved in water and electricity consumption, with water withdrawals decreasing by 24% and electricity consumption declining by 8%, driven by enhanced efficiency measures and the closure of a manufacturing site in Kolkata. Our renewable electricity consumption reached a record high level of 79%. However, we encountered challenges in waste management, as the total amount of waste generated in our operations increased by 3%. Additionally, there was a slight uptick in the percentage of waste sent to landfill this year, deviating from our ambitious target of 1% by FY 2025. While the increase in total waste generation was influenced by one-off factors such as refurbishment work and office relocation, it is the proportion of waste sent to landfill that demands close attention. We are assessing the situation to define appropriate corrective measures. Similarly, regarding 'Community Engagement', we have chosen to reassess certain global coordination activities to better align with our business priorities within the next ESG strategic cycle.

Other notable achievements include the completion of our first Scope 3 accounting report, aiding us in measuring and managing these emissions more efficiently. Moreover, we conducted our first analysis based on the 'Task Force on Climate-related Financial Disclosures' (TCFD) framework ahead of Swiss legal requirements, demonstrating our commitment to transparently disclosing climate-related risks and opportunities. We also established two dedicated committees focused on Human Rights and Supply Chain due diligence, reinforcing our dedication to ethical practices across our operations and supply chain.

Looking ahead, we will continue to monitor the regulatory landscape and prepare to meet new requirements, including those stemming from the EU Corporate Sustainability Reporting Directive (CSRD) / European Sustainability Reporting Standards (ESRS). We acknowledge the challenges and opportunities that lie ahead, and we embrace them with unwavering optimism and genuine dedication to continuously improve, collaborate, and drive positive change for the benefit of all stakeholders.

Direct CO_2 emissions avoided

8.9 million tons

through Landis+Gyr's installed Smart Metering Base in 2023[1]

Direct CO_2 emissions from Landis+Gyr operations

0.3 kg CO_2 per USD 100 turnover[2]

Change of Landis+Gyr indicators in FY 2023 compared to FY 2022

Water withdrawal **–24%**

Electricity consumption **–8%**

Waste generated **+3%**

CO_2e emissions[2] **–48%**

1 Calculated with the new model bult in collaboration with The Carbon Trust. In FY 2022, carbon emissions avoided amounted to 8.4 million tons (using the new model)

2 CO_2e emissions include Scope 1+2. In FY 2022, CO_2 per USD 100 turnover amounted to 0.7 kg.

WE SUPPORT UN GLOBAL COMPACT

Joined in January 2020

GRI

Reporting according to GRI since 2020

SCIENCE BASED TARGETS — DRIVING AMBITIOUS CORPORATE CLIMATE ACTION — BUSINESS AMBITION FOR 1.5°C

Targets validated by SBTi in 2023

MSCI ESG RATINGS — CCC B BB BBB A AA AAA — AA

AA-rated since 2018

Corporate ESG Performance — RATED BY ISS ESG — Prime

Prime status (top decile) since 2022

GOLD 2023 ecovadis Sustainability Rating

In 2023, top 5% of sustainable companies

Rated — MORNINGSTAR | SUSTAINALYTICS

ESG Risk Rating of 7.4 (Negligible Risk) in 2023

inrate

Company grade of "B+" since 2022"

Customers

Landis+Gyr serves electricity, gas, and water utilities as well as other companies in the energy generation, distribution, and management sectors. Our diverse clientele encompasses public, private, and non-profit organizations of different sizes, ranging from investor-owned utilities to municipalities and cooperatives. In the EV space, we support a diverse ecosystem of customers, including Charging Point Operators. We specialize in providing tailored solutions to meet the unique needs of our customers across different scales.

Landis+Gyr supports its customers in their journey to a smarter, cleaner, and more reliable grid and efficient use of resources. With a market presence in over 100 countries and an operational footprint in approximately 30 countries, we have established ourselves as a global leader in the industry.

To date, Landis+Gyr has served over 3,500 customers worldwide, delivering a comprehensive range of products, solutions, software, and services, with offerings spanning across Smart Metering (electricity, gas, water/heat), Grid Edge Intelligence (monitor, detect, manage) and Smart Infrastructure (EV charging and its management, analytics platform).

Product Groups

Hardware:
Intelligent endpoints (Electricity, Gas, and Heat and Cooling Meters (Pre- and Post-Pay)), Communication, Modules (wired and wireless), Data Loggers and Data Concentrators (including Volume Correctors), Handheld Terminals, Load Management Receivers (one-way and two-way), Street Light Controllers, Line Sensors and Thermostats, Gas Quality Analyzer Controller, Distributed, Automation Devices and Systems, Meter Test Equipment, EV-Chargers.

Software:
Smart Metering Management, Analytics, Field Operation Manager, Network Monitor, Substation Platform, SCADA Center Enterprise Information, System, SAP Utility Adapter, Grid Management and Consumer Engagement App Platform, Applications (Field Operation Manager, Operational Data Panel, Grid Flex Control), Cybersecurity solution, EV Charging Solutions, and Flexibility Management.

Services:
IoT Connectivity as a Service (cooperation with Vodafone), Software as a Service, Metering as a Service, Infrastructure as a Service (Solution Consulting, Cloud Service, Deployment and Project Delivery Services, Managed Services, Operational Support Services, Smart Grid Services, Support Service) and Training.

Landis+Gyr does not sell any products or services which are banned. A significant portion of our products requires regulatory approval to be installed in the marketplace. For further details on Landis+Gyr's products, please visit our website.

Revelo® – an industry game changer

The E360 – a smart residential meter for the IoT world

Sustainability at Landis+Gyr

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Strategy

Picturing the Future: Our Vision for Sustainability

At Landis+Gyr, we strive to forge a greener tomorrow, where environmental stewardship, social justice, good governance, and economic prosperity become the norm. At the heart of our sustainability strategy lies a commitment to pioneering solutions that not only mitigate environmental impact and contribute to decarbonization but also empower entire communities and drive positive societal change. Through relentless innovation and collaboration, we aim to set new standards for responsible business practices, leading the way toward a more sustainable and equitable future for generations to come.

Enabling Sustainability: Our Innovative Products and Solutions

Since its foundation in 1896, Landis+Gyr has witnessed a world of transformation, yet our core purpose has remained unchanged: to manage energy better. This mission resonates even more profoundly today as the world transitions from fossil fuels to sustainable energy sources.

Our innovative product portfolio is at the forefront of empowering people and organizations to conserve resources and drive the decarbonization of the grid, fostering a sustainable and equitable future:

- Our Smart Electricity Metering solutions are revolutionizing energy management. They enable utilities and end-users to gain deeper insights and control over their energy usage, leading to substantial financial savings, optimized energy resource utilization, and significantly reduced emissions.
- Our Smart Water Metering solutions are key in conserving vital water resources. By detecting and addressing leaks, they ensure the sustainability and affordability of this precious resource, while supporting reliable utility services.
- Grid Edge Intelligence services are transforming how utilities modernize and decarbonize the grid. These services enhance energy efficiency, facilitate the integration of renewable energy sources, and manage the complexities of decentralized generation. They are pivotal in balancing peak demands, maintaining grid reliability, and seamlessly integrating new loads such as electric vehicles and energy storage systems.
- Our Smart Infrastructure solutions are laying the groundwork for the smart cities of tomorrow. From advancing EV charging infrastructure to enabling safe digital transformations, we are paving the way for a more connected, efficient, and sustainable future.

Upholding Sustainable Business Practices: Our Commitments

As a company, we take pride in our products and solutions and the positive impact they have both on people and the planet. We firmly believe that how this positive impact is achieved is just as important as the impact itself. For this reason, Landis+Gyr has established the following fundamental commitments along four critical dimensions to guide the company and its employees toward a sustainable business approach:

Products & Solutions	**We develop and deliver innovative products and solutions that enable a more efficient and flexible use of resources and contribute to decarbonize the grid.**
Climate & Environment	**We protect the climate and the environment, and make our best efforts to avoid or minimize negative environmental impacts through our operations, value chain and products. We use resources efficiently and responsibly.**
People & Well-being	**We care for our employees' health and well-being and promote diversity, inclusion and equal opportunity in the workplace. We are partners to the local communities where we operate and are active players in supporting their development.**
Business Ecosystem	**We conduct our business with integrity, adhering to the highest ethical standards of honesty, fairness, and respect for everyone's rights. We strive to cultivate trust and respect within our business ecosystem.**

Public Commitments and Pledges

The following public commitments and pledges lie at the core of Landis+Gyr's sustainability agenda:

United Nations Global Compact (UNGC)
Landis+Gyr joined the UNGC in 2020. The company aligns its policies and operations to the ten universal principles related to human rights, labor, environment, and anti-corruption. Furthermore, Landis+Gyr continues to demonstrate its enduring commitment to driving progress in support of the UN Sustainable Development Goals.

United Nations Sustainable Development Goals (UN SDGs)
Landis+Gyr actively contributes to the achievement of the UN SDGs. Our range of products and solutions play a significant role in delivering SDG 7 (Affordable and Clean Energy) and SDG 13 (Climate Change) by enabling efficient resource management and facilitating the integration of renewable energy sources into the grids. Additionally, our efforts support SDG 6 (Clean Water and Sanitation), albeit to a lesser extent.

Moreover, our pre-payment solutions empower customers to manage their energy consumption according to their specific needs and financial capabilities, thereby contributing to SDG 1 (No Poverty). While we also engage in initiatives that support other SDGs, our impact is limited to smaller groups, such as the company's own employees (SDG 3, 4, 5 and 8), and the business ecosystems within which we operate (SDG 9, 12 and 16).

As a leader delivering innovative energy management solutions, Landis+Gyr allocates a significant portion of its annual turnover to research and development initiatives. Many of our innovations often contribute to the advancement of the UN SDGs.

Science Based Targets Initiative (SBTi):
Landis+Gyr joined the SBTi in 2022 and subsequently had its targets validated in 2023. The SBTi stands as the world's leading corporate initiative catalyzing climate action within the private sector. It supports companies in setting and disclosing emission reduction and net-zero targets in alignment with the latest science on climate change. Our adherence to the SBTi reflects our deep commitment to decarbonization and positions us as a proactive participant in the global movement toward a sustainable future. For more details on our SBTi journey, please refer to the 'Energy Efficiency & Climate Protection' section.

In addition, the company is committed to complying with the following frameworks and international standards:
- the Universal Declaration of Human Rights;
- the Declaration on the Fundamental Principles and Rights at Work of the International Labour Organization (ILO);
- the Global Reporting Initiative (GRI); and
- the Task Force on Climate-related Financial Disclosures (TCFD)

Targets

Relying on our materiality assessment, Landis+Gyr has identified ten material topics and categorized them under four dimensions. The illustration below shows how these topics and dimensions relate to the UN SDGs.

Products & Solutions

– Product Social Impact

– Resource Efficiency, including:

- Waste

Climate & Environment

– Energy Efficiency & Climate Protection, including:

- GHG emissions
- Water

People & Well-being

– Occupational Health & Safety

– Fair Labor Practices

– Employee Engagement

– Community Engagement

Business Ecosystem

– Business Integrity and Fair Taxes

– Strategic Responsible Sourcing

– Security & Data Privacy

As per our last materiality assessment performed in FY 2021. The next materiality assessment is to be performed in the course of FY 2024.

The company has defined long-term ambitions, targets, KPIs and actions to drive progress in all four dimensions:

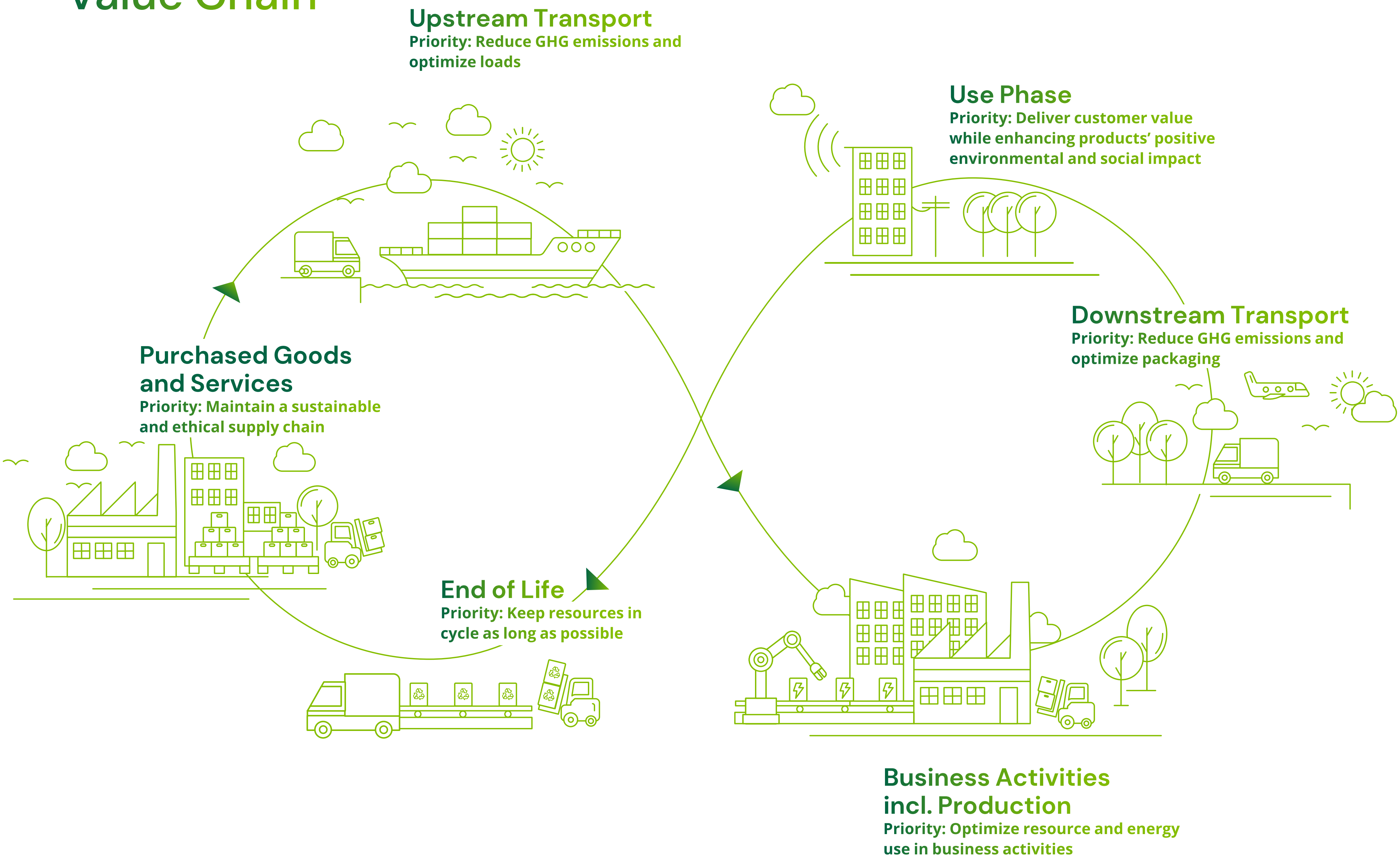
Dimensions	Ambitions	KPIs	FY 2021	FY 2022[a)]	FY 2023[b)]	Target 2025[d)]
Environment	– Attain carbon neutrality in Landis+Gyr's operations (Scope 1+2) by 2030 – Achieve SBTi targets – Minimize the impact of our operations	1. Share of renewable electricity	64%	59%	**79%**	100%
		2. CO_2e per 100 USD turnover	0.7 kg	0.7 kg	**0.3 kg**	0.45 kg
		3. Water per employee	13.4 m^3	12.4 m^3	**10.6 m^3**	12 m^3
		4. Waste to landfill	7.0 %	6.2 %	**6.3 %**	1%
Social	– Nourish a global safety culture – Be recognized as an employer of choice – Nurture and sustain a culture of diversity, equity, and inclusion – Be recognized as an industry leader in responsible sourcing	5. Lost Time Incident Frequency Rate	0.74	1.42	**1.14**	0.60
		6. Average hours of employee learning	16.5 h	16.8 h	**23.7 h**	N/A[e)]
		7. Share of suppliers who adhere to our 'Supplier Code of Conduct' (SCoC)	85%	88%	**89.5%**	90%
		8. Share of suppliers assessed for ESG risks	n/a	Process definition	**Process defined**	100%
		9. Share of audited 'at-risk' suppliers	n/a	Process definition	**Process defined**[c)]	100%
		10. Share of female employees in senior roles	n/a	17.2%	**17.4%**	20%
Governance	– Maintain an undisputed reputation as a trusted and reliable partner with the highest integrity standards	11. Share of employees trained on business ethics	100%	98.3%	**93.7%**	100%
		12. Annual year-over-year increase in the combined level of security compliance with pertinent frameworks	n/a	+ 15%	**+10%**	+5% per year
Portfolio Impact	– Deliver solutions that empower customers and consumers to achieve their financial and environmental targets	13. Share of products in Eco-Portfolio	74%	78%	**84%**	90%

Description of KPIs

1. Proportion of electricity sourced from renewable energy, expressed as a percentage of total electricity consumed
2. CO_2e emissions (Scope 1+2) produced per 100 USD of revenue generated by the company
3. Water consumption per company employee (in m^3)
4. Proportion of waste generated that is sent to landfill sites for disposal, expressed as a percentage of total waste produced
5. Number of work-related incidents resulting in lost time per million hours worked
6. Average of hours of learning completed per employee
7. Percentage of direct material suppliers (based on spend) who have signed Landis+Gyr's 'Supplier Code of Conduct' (SCoC) or equivalent
8. Percentage of direct material suppliers (based on number of suppliers) who have been assessed to determine their ESG risk profile
9. Percentage of suppliers flagged as 'at-risk' who were audited
10. Percentage of female employees holding leadership positions within the organization's hierarchy
11. Percentage of employees who have undergone training on business ethics
12. Combined result of annual security assessments performed following different frameworks (e.g., BSIMM)
13. Percentage of products shipped that satisfied Landis+Gyr's Eco-Portfolio criteria (for a detailed description of 'Eco-Portfolio,' see section 'Resource Efficiency')

a) FY 2022 metrics 6, 7 and 12 do not include Luna and Etrel.
b) For discussion on metrics and FY 2023 performance, see 'Performance/Statistics' section'.
c) 86.2% of spend with direct material suppliers underwent an ESG audit as of the end of FY 2023.
d) All FY 2025 targets include Luna and Etrel.
e) FY 2025 target to be defined as part of the new 3-year ESG cycle.

Value Chain


Upstream Transport
Priority: Reduce GHG emissions and optimize loads
Use Phase
Priority: Deliver customer value while enhancing products' positive environmental and social impact
Downstream Transport
Priority: Reduce GHG emissions and optimize packaging
Purchased Goods and Services
Priority: Maintain a sustainable and ethical supply chain
End of Life
Priority: Keep resources in cycle as long as possible
Business Activities incl. Production
Priority: Optimize resource and energy use in business activities

Landis+Gyr's impact on the economy, environment, and people along its value chain.

	Design	Raw material	Components and Semi-finished products	Production
	Landis+Gyr's influence High **Landis+Gyr's impact** High	**Landis+Gyr's influence** Low **Landis+Gyr's impact** Low	**Landis+Gyr's influence** Medium **Landis+Gyr's impact** Medium	**Landis+Gyr's influence** High **Landis+Gyr's impact** Low
Impact	During product design, critical decisions are made regarding the use of materials and the potential for reuse and recycling. Therefore, product design has a great impact on the environment, but also on the users and the company's financial performance. During the design stage, Landis+Gyr considers the entire lifecycle (incl. end-of-life aspects) and applies circular economy principles. Specific design guidelines are in place and our engineers undergo training to ensure adherence to these principles.	Landis+Gyr utilizes a variety of raw materials in its product manufacturing processes. The use of critical raw materials (e.g., gold) is limited. Wherever possible Landis+Gyr prioritizes the use of recycled materials over virgin resources. Landis+Gyr monitors, in collaboration with its suppliers, the use of materials that could potentially originate from conflict zones.	Our suppliers provide crucial components and semi-finished products for our offerings. We maintain close collaboration with them to ensure adherence to our environmental and social requirements. 89.5% of our suppliers have signed our 'Supplier Code of Conduct' and 'Green Procurement Requirements' (or equivalent). In addition, we conduct risk-based assessments and supplier audits to evaluate ESG risks within our supply chain and implement necessary measures accordingly.	Our manufacturing processes require the use of water, chemicals and raw materials, which leads to the generation of waste. However, our operations predominantly comprise light industrial processes, thereby minimizing adverse environmental impacts. We actively mitigate these impacts by providing ongoing employee training, and implementing initiatives aimed at promoting efficient and responsible resource utilization, reducing waste and water withdrawals, and limiting the use of harmful chemicals. Our occupational health and safety measures ensure a safe and secure working environment for all our employees.
Relevant facts and KPIs	– 9% turnover spent on R&D – 84.3% of products part of our Eco-Portfolio	– 153 'Conflict Mineral Reporting Templates' (CMRT) collected from suppliers – 48 ESG audits performed – All new suppliers are evaluated for their social (e.g., child labor) and environmental impact	– Tons of materials used: 25,174 – 89.5% of suppliers* have confirmed adherence to Landis+Gyr's 'Supplier Code of Conduct' and 'Green Procurement Requirements'. – % out of total GHG emissions related to 'Purchased Goods and Services' (Scope 3, Cat. 1): 28%	– Lost Time Injury Frequency Rate (LTIFR) 1.14 – Global compliance with RoHS and REACH – Global ISO 14001 certification – % of Scope 1+2 GHG emissions out of total GHG emissions: <1%

	Transport (& packaging) up- and downstream	Installation	Use phase	End of use
	Landis+Gyr's influence Medium **Landis+Gyr's impact** Medium	**Landis+Gyr's influence** Medium **Landis+Gyr's impact** Medium	**Landis+Gyr's influence** High **Landis+Gyr's impact** Medium	**Landis+Gyr's influence** Medium **Landis+Gyr's impact** Medium
Impact	The transportation of components, semi-finished and final products by our transportation partners generates GHG emissions. Landis+Gyr's influence over transport is limited unless the company directly covers freight costs. However, when we have control over freight decisions, we actively mitigate our impact by optimizing container loads and considering the environmental effects of various transportation methods. Packaging plays a crucial role in protecting our products during transit. To minimize waste and foster resource efficiency, we use recycled, returnable, reusable, and recyclable packaging materials from renewable sources whenever possible. Additionally, we work closely with our partners to reduce packaging materials and promote adopting circular practices.	Landis+Gyr's devices are installed by our customers or dedicated service partners. We offer installation training and provide manuals to both customers and partners, ensuring the safe handling of the devices.	Our metering infrastructure and smart grid technologies empower our customers globally to optimize their operations, safeguard their assets, and reduce operating costs while improving efficiency and conserving resources. A significant portion of our product portfolio enables utilities and energy consumers to reduce their CO_2 emissions. However, our products require electricity to operate, resulting in the indirect generation of CO_2 emissions for the company.	Landis+Gyr's products are thoughtfully designed with end-of-life recyclability and reusability as core considerations. Committed to responsible product end-of-life management, we strive for all products to be part of a take-back scheme. Additionally, we are exploring circular economy principles to reintroduce components into our value chain, thereby enhancing resource efficiency and sustainability.
Relevant facts and KPIs	– % out of total GHG emissions related to transportation: 1.6% – As result of package/ transport optimization initiatives, not only were we able to reduce the number of containers transported but we also reduced the need for new pallets.	– % out of total GHG emissions related to product installation: <1% – Products shipped: ~20 million units – >150 employees of our customers trained in EMEA alone	– % out of total GHG emissions related to 'Use of Sold Products' (Scope 3, Cat. 11): 69%	– % out of total GHG emissions related to 'End-of-life Treatment of Sold Products' (Scope 3, Cat. 12): <1%

Governance

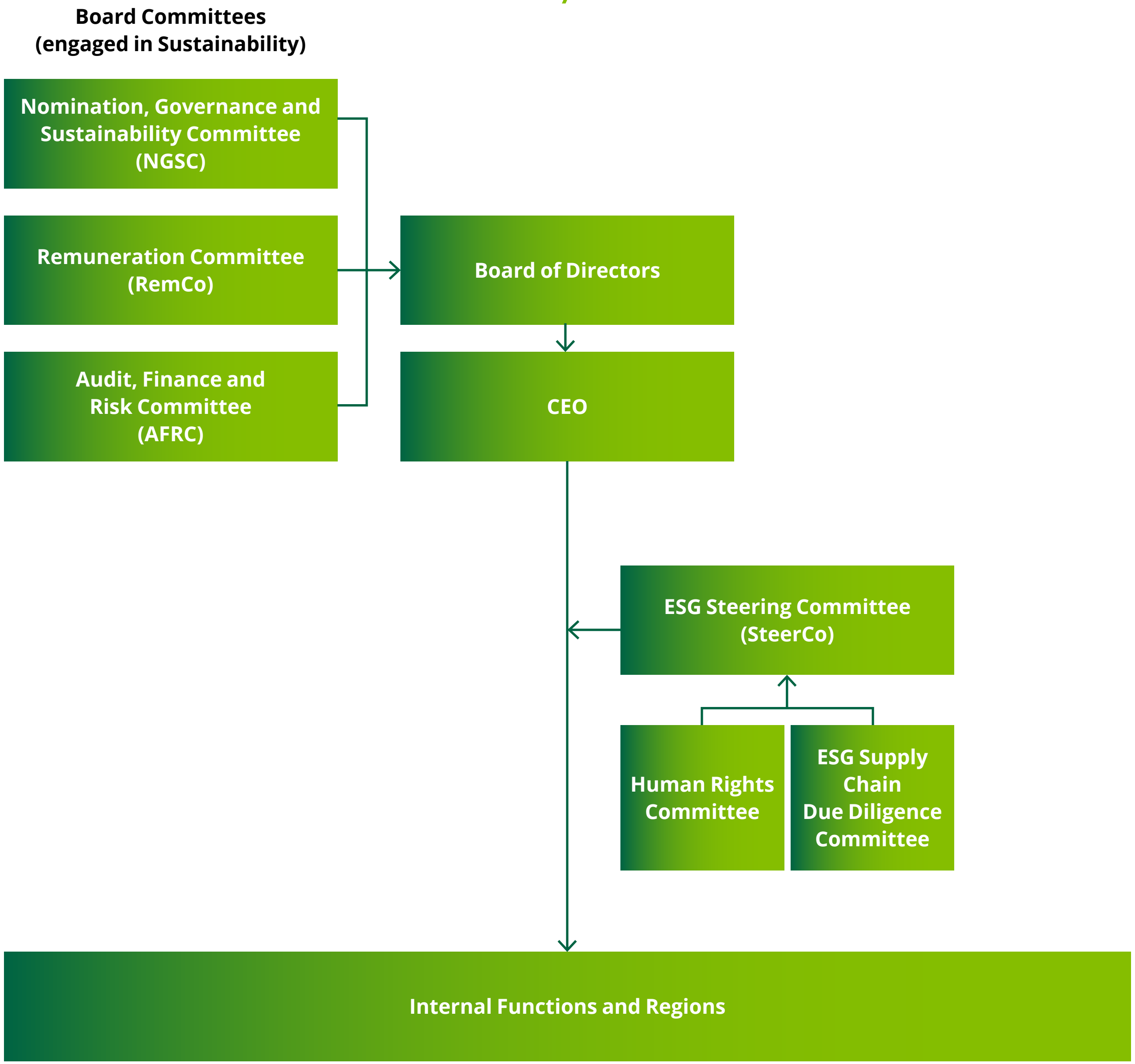
Organization and Responsibilities

The Board of Directors (BoD) at Landis+Gyr plays a pivotal role in integrating sustainability into our core strategy and corporate philosophy. The BoD has established three committees: the Nomination, Governance and Sustainability Committee (NGSC); the Audit, Finance and Risk Committee (AFRC); and the Remuneration Committee (RemCo). The NGSC is responsible for sustainability matters (including environmental, social and governance ("ESG") matters), practices and procedures of the company and the Group including review of the Sustainability Report, setting of and monitoring compliance with the company's ESG targets and sustainability goals. ESG discussions are a staple in every NGSC meeting. The AFRC is tasked with reviewing risks, including those related to ESG, and ensuring the effectiveness of our risk management and business continuity systems. The RemCo is instrumental in aligning ESG targets with employee incentive programs, embedding sustainability into the fabric of our organizational culture.

The Board of Directors further determines the sustainability strategy of the company and the Group, promotes a culture that encourages entrepreneurship and that is characterized by integrity, long-term thinking and responsibility. In June 2023, the BoD received training on various ESG-related topics such as regulations, reporting, and emerging trends. To ensure continued proficiency in these areas, the BoD has opted to conduct refresher training in FY 2024. More information regarding the involvement of the BoD and its committees in ESG matters can be found in Landis+Gyr's 'Corporate Governance Report'.

At the company level, the ESG Steering Committee (ESG SteerCo) is charged with overseeing and advising on the definition and implementation of our 3-year ESG roadmap. Members of this committee report directly to the Group's CEO, emphasizing the strategic importance of ESG within our leadership structure. Additionally, a global ESG function has been established to coordinate and

Sustainability Governance



monitor the implementation of our ESG roadmaps and to drive the execution of strategic ESG initiatives. Our global ESG function is deliberately kept lean to foster a culture where ESG mindset, ownership and responsibility is distributed and embedded throughout the organization. In addition, dedicated committees are established to address critical issues such as Human Rights and ESG Supply Chain Due Diligence. Leveraging insights and expertise from various functions, these groups ensure that topics are managed to meet stakeholder expectations, company commitments and legal/regulatory requirements.

Core Policies and Documents

Code of Business Ethics and Conduct, Grievance Mechanism and Remediation

The ethical compass for all principles, integrity standards and norms of behavior at Landis+Gyr is the 'Code of Business Ethics and Conduct'. Applicable to all directors, officers and employees, this code also extends to third-party partners acting on behalf of the company, such as agents and distributors. Our policy commitments concerning suppliers are outlined in a separate 'Supplier Code of Conduct'. Both documents undergo regular review and are updated as needed to ensure their continued relevance and effectiveness.

The 'Code of Business Ethics and Conduct' is generally provided to employees and partners prior to establishing a contractual relationship, as applicable. Compliance with the outlined principles constitutes a contractual obligation for both employees and third-party partners. Both the 'Code of Business Ethics and Conduct' and the 'Supplier Code of Conduct' are publicly accessible on our website, providing transparency and clarity on the principles guiding our internal and external operations. Both codes are supplemented by additional policies.

Any significant amendments to the 'Code of Business Ethics and Conduct' require approval from our Board of Directors. The Legal and Compliance team oversees adherence to the Code, with regular audits conducted by the Group Internal Audit Team. Regular training sessions ensure employees' understanding of the Code and their compliance with it.

Landis+Gyr empowers every employee to report any suspected violations of laws, regulations, or our internal policies. This can be accomplished through direct communication with supervisors, Compliance Officers, or anonymously via our Speak-Up tool or Ombudsperson. These reporting channels are accessible to all stakeholders in multiple languages via our website and telephone. We are committed to addressing any substantiated grievances with appropriate remediation actions, which may include disciplinary measures, procedural adjustments, or policy revisions, ensuring a culture of integrity and accountability.

ESG Directive

The 'ESG Directive' outlines Landis+Gyr's deep-rooted commitment to sustainability, covering a large spectrum of areas. This includes our dedication to environmental stewardship, upholding fundamental human and labor rights within our operations and across our value chain, and fostering a healthy, safe, and inclusive workplace. These commitments align with the principles in our 'Code of Business Ethics and Conduct'. The Directive undergoes a comprehensive review and update every three years, incorporating insights from various ESG topic experts within our organization as well as taking into consideration feedback from stakeholders.

Materiality Assessment

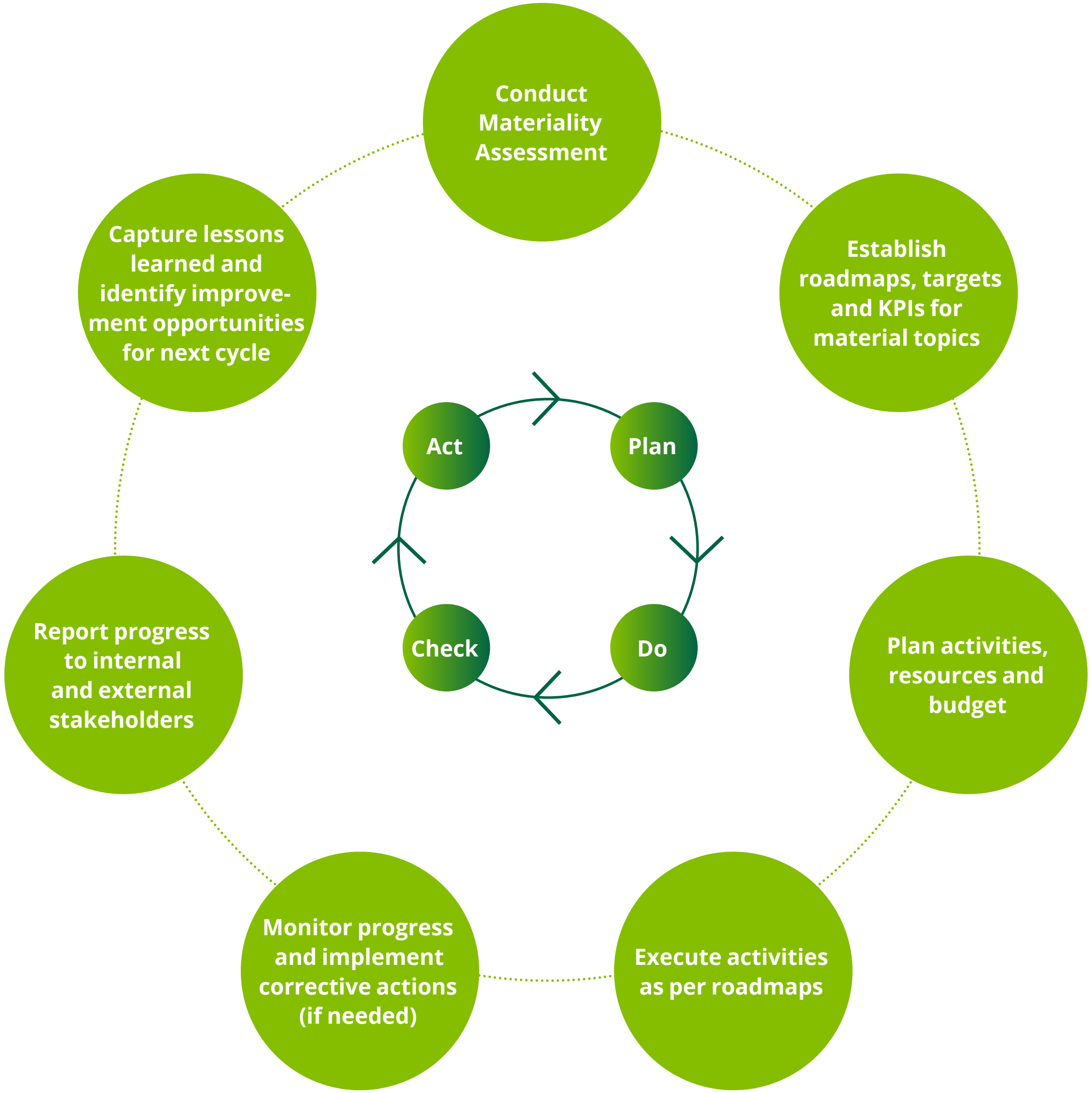
Our materiality assessment plays a critical role in identifying key ESG focus areas based on their relevance and impact to the company and its stakeholders. This assessment, refreshed every three years, guides our strategic focus on sustainability. For more detailed insights, the section 'Stakeholder Engagement & Materiality Assessment' offers an in-depth view.

ESG Roadmaps

The findings from our materiality assessment are transformed into specific ESG roadmaps. These roadmaps outline targeted actions, responsible individuals, deadlines, and Key Performance Indicators (KPIs) for a three-year period. Our ESG function collaborates with various internal departments to drive and monitor the implementation of the activities included in the roadmaps. Progress is reviewed quarterly, reported to the ESG Steering Committee, the Landis+Gyr Board of Directors, and its committees. After each update of our materiality assessment, we revise our ESG roadmaps accordingly.

ESG Management Process

Landis+Gyr's ESG management process is depicted in the illustration below.



ESG Risk Management

At Landis+Gyr, we prioritize robust risk management to safeguard our operations and ensure sustainable business practices. We employ a holistic approach, integrating both bottom-up and top-down methodologies to assess macro trends and specific factors impacting our business. For further insights into our group risk management process and findings, please refer to our 'Corporate Governance Report'.

ESG Risk Management Governance

Group risk management falls under the purview of the Corporate Strategy Office function. Close collaboration between the ESG and Strategy functions is maintained to identify, assess, mitigate, and monitor ESG risks comprehensively. We report proactively to our company's Management and Board of Directors on signficant risks and corresponding mitigation measures.

ESG Risks Identification and Assessment

Our ESG risk identification and assessment process operates as a funnel, starting with focused analyses designed to pinpoint and evaluate a range of ESG risks. By assessing the likelihood and potential impact of these risks, we prioritize those that would have significant impact on both our business and stakeholders. In line with our sustainability commitment and to fulfil our due diligence obligations, we conduct detailed risk assessments in the areas of human rights and supply chain. Additionally, we perform a dedicated climate risk assessment in line with the recommendations of the TCFD framework. For further information, see section 'Task Force on Climate-related Financial Disclosures (TCFD) Report'.

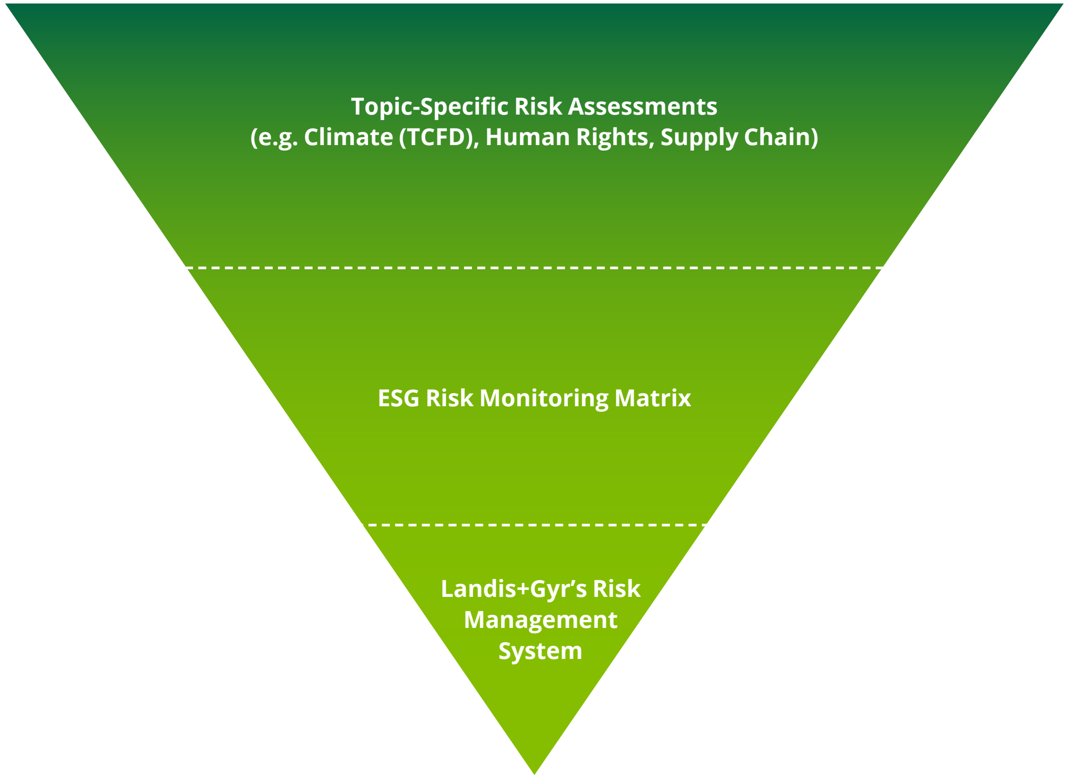
Upon completion of our detailed risk assessments, the resulting insights are condensed and transferred into an ESG risk monitoring matrix. This matrix provides us with a holistic view of the key ESG risks identified across various areas, facilitating effective communication and proactive management of these risks.

Finally, the risks identified in this monitoring matrix as having the highest impact are selected for integration into the company's risk management system. This integration ensures that ESG risks are systematically addressed and included in the annual Group Risk Management evaluation process.

ESG Risk Management and Monitoring

Management is responsible for the definition, implementation, monitoring and reporting of risk mitigation measures. A risk owner at the senior management level is assigned to each material risk identified and tasked with executing appropriate mitigation measures. This individual or team ensures the establishment of relevant controls, policies or procedures to manage and reduce exposure to these risks effectively. The Strategy function supports the ongoing monitoring to ensure the effectiveness of risk mitigation measures and verify they remain relevant and adequate. Updates on significant risks and the corresponding mitigation measures are regularly provided to the company's Management and Board of Directors.

Landis+Gyr's ESG Risk Identification and Assessment Process



Landis+Gyr ESG Risk Monitoring Matrix

		Stakeholders							Landis+Gyr		
		Employees	Customers & Users	Suppliers (incl. workers)	Contractors	Communities	Authorities & Regulators	Investors	Company (Landis+Gyr)	Own Manufacturing	Own Products
Environmental	Physical risks	Medium		Medium					Low	Medium	Medium
	Energy cost			Medium					Medium	Medium	
	GHG emissions		Low			Low			Medium	Medium	Medium
	Resource efficiency		Low			Low			Medium	Medium	Medium
	Sustainable commodity sourcing			Low		Low			Low	Low	
	Biodiversity					Low					
	Water					Low			Low	Low	
	Waste/ Recycling		Low			Low			Low	Low	Low
	Supply chain disruption		Medium	Medium					Medium	High	
Social	Labor conditions	Low		Low	Low	Low			Low		
	Freedom of association	Low				Low			Low		
	Non-Discrimination	Low				Low			Low		
	Child labor/ Forced labor			Low		Low			Low		
	Health & Safety	Low			Low	Low			Low	Low	
	Human rights at large	Low		Medium	Low	Low			Low	Low	
	Product safety		Low		Low						Low
	Employer attractiveness	Low				Low			Medium		
Governance	Compliance with laws, regulations and standards	Medium	Medium	Low	Low	Low	Low	Low	Medium	Low	Low
	Ethics and integrity	Medium	Low	Low	Low	Low			Medium	Low	Low
	Fair market competition		Low				Low		Low		
	Compliance with global company standards and practices	Low	Medium	Low					Medium	Medium	Medium
	Business continuity plans		Low			Low		Medium	Medium	Low	
	Governance/control in our supply chain			Medium					Medium		
	Controls, mitigation, remediation mechanism	Low	Low		Low	Low			Low		
	Security (incl. data security)		Medium					Low	Medium	Medium	Medium
	Data privacy	Medium	Medium					Low	Medium		

■ Very high ■ High ■ Medium ■ Low

Stakeholder Engagement & Materiality Assessment

Stakeholder Engagement & Materiality Assessment

Stakeholder Engagement

The company engages with a wide range of stakeholders, including customers and product users, suppliers, employees, government entities, NGOs, local communities, shareholders/investors, business partners, and a diverse group of internal subject matter experts. The insights gained from these interactions are critical in shaping our sustainability goals and ensuring our strategies align with stakeholders' expectations regarding the company's sustainability performance. Integral to this process is the involvement of the Board and its committees, as they provide guidance and oversight for the selection of topics and validation of the stakeholder group.

In anticipation of the 2024 update of our materiality assessment, Landis+Gyr is revisiting the list of relevant stakeholders with whom we intend to engage for our analysis. This step is crucial to develop a comprehensive sustainability strategy that reflects the perspectives of the diverse group of stakeholders relevant to our business. In doing so, we aim to enhance transparency, accountability, and trust within our stakeholder community.

Materiality Assessment

In the summer of 2024, the company will conduct its third materiality assessment, embracing a comprehensive approach based on the concept of double materiality. This assessment will serve as the foundation for developing our 3-year ESG roadmaps, spanning the period from FY 2025 to FY 2027. As done with our previous assessment, we will compile a list of potential material topics, drawing from relevant sector-specific considerations, discussions with internal and external specialists and stakeholders, and analysis of risks and opportunities. Furthermore, we plan to evaluate the potential topics along three dimensions: 'Relevance' (how important the topic is), 'Impact' (how significant the topic's consequences are) and 'Trend' (how the topic is evolving), to determine the final list of material topics.

In preparation for this assessment, we are actively engaging with both internal and external stakeholders, incorporating their perspectives along with the latest research and frameworks. Regular discussions and reviews involving our CEO, leadership team, Board of Directors, and external specialists will ensure a dynamic and inclusive approach aligned with global sustainability trends and best practices.

Dedicated Annual Exchange Days with Landis+Gyr's Customers

3 DAYS

70+ HOURS OF CONTENT

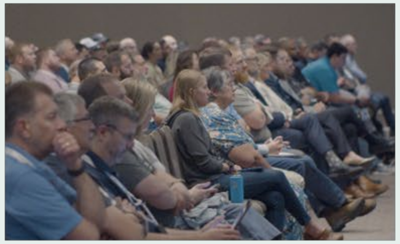
126 UTILITIES

496 ATTENDEES

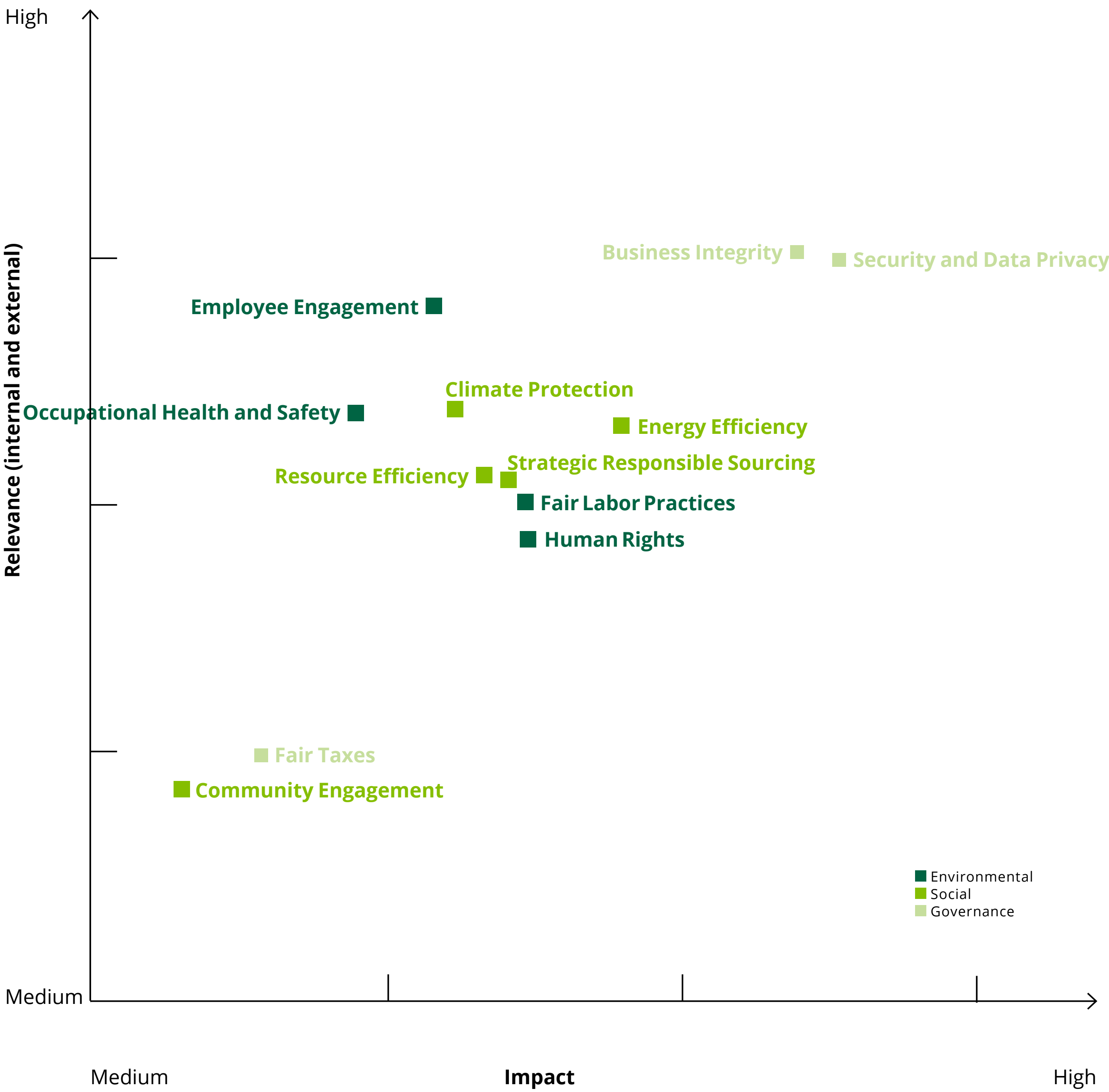
111 LANDIS+GYR EMPLOYEES

63 BREAKOUT SESSIONS

4 GENERAL SESSIONS



Material Topics (ESG Cycle FY 2022 – 2024)



To facilitate the management of the topics identified in our materiality matrix (see illustration on the left), the company decided the following:

- 'Energy Efficiency' and 'Climate Protection' to be merged into one topic and managed jointly.
- 'Fair Taxes' to be merged with 'Business Integrity' given most stakeholders considered the former to be part of the latter.
- Various aspects of 'Human Rights' to be merged under 'Business Integrity', 'Fair Labor Practices' and 'Strategic Responsible Sourcing'.

Compared to the materiality assessment in FY 2018, 'Product Social Impact' has been introduced as a new focus area, reflecting the heightened interest in Landis+Gyr's products among users. Additionally, 'Fair Taxes' has been explicitly incorporated alongside 'Business Integrity'. This move aims to underscore the company's commitment to this issue, particularly given its headquarters in the low-tax Swiss canton of Zug, and to highlight compliance with relevant tax laws and regulations across all applicable jurisdictions. Moreover, the scope of 'Security' has been broadened from its previous narrow interpretation focusing only IT/data.

Final List of Material Topics:

1) Product Social Impact
2) Resource Efficiency
3) Energy Efficiency and Climate Protection
4) Employee Engagement
5) Fair Labor Practices
6) Occupational Health and Safety
7) Community Engagement
8) Strategic Responsible Sourcing
9) Security and Data Privacy
10) Business Integrity and Fair Taxes

For more details about the materiality assessment process, the stakeholders involved, and their interests, see Landis+Gyr's Sustainability Report FY 2021 (P. 9 ff).

Material Topics

Products & Solutions	27
Climate & Environment	36
People & Wellbeing	44
Business Ecosystem	60

Products & Solutions

We develop and deliver innovative products and solutions that enable a more efficient and flexible use of resources and contribute to decarbonize of the grid.

Product Social Impact

'Product Social Impact' concerns the actual or potential impacts that Landis+Gyr's products and solutions have on the environment, people, and the economy. This area encompasses the interactions of our products with each of these dimensions, and their potential to alleviate or exacerbate social, environmental, and economic challenges.

Company's Stand

Landis+Gyr acknowledges the critical role that businesses play in addressing global social and environmental challenges. We are committed to delivering cutting-edge products and solutions to tackle pressing social and environmental issues, such as enhancing energy affordability, preserving scarce resources, and fostering transparency in business transactions. We continuously explore innovative ways to ensure that our products not only meet the needs of our customers but also contribute positively to the prosperity of both people and the planet.

Company's Impact

Economic Impacts

Our products and solutions benefit our economy in multiple ways. Smart meters eliminate estimation errors in billing. They facilitate fair economic transactions between utilities and end-consumers, enhance transparency, and offer valuable insights empowering users to align their energy consumption to their actual needs, budget and environmental targets.

Social Impacts

Our smart meters offer numerous social benefits. For instance, our pay-as-you-go solutions enable consumers to manage their consumption within their financial budget. Additionally, access to real-time energy usage data fosters awareness and encourages conservation efforts. However, the data handling and processing performed by smart meters raises concerns about IT security and personal data privacy. We prioritize data security and respect for the privacy rights of our customers and stakeholders, mitigating risks for unauthorized data access, disclosure or misuse and preventing detrimental impacts to society.

Environmental Impacts

Our product portfolio generates significant environmental benefits. With a diverse portfolio including smart meters, EV charging infrastructure, and grid edge solutions, we enable efficient and flexible energy management, thus advancing decarbonization efforts. Moreover, our water metering solutions play a critical role in conserving water in arid regions and sustaining ecosystem health. Similarly, our streetlight management solutions reduce light pollution, benefiting nocturnal wildlife. Nevertheless, our products require resources for manufacturing and consume energy during their operations, resulting in rising pressure on natural resources and environmental degradation, including climate change. We implement various measures to mitigate our environmental impact throughout our operations and the lifecycle of our products.

Health and Safety Impacts

Our products adhere to stringent health standards, effectively addressing concerns surrounding smart meter technologies, such as radio frequency waves. We also prioritize the safe handling and installation of our products to prevent potential risks for installers.

Policies, Organization, Key Processes & Actions, Metrics

Policies

Landis+Gyr has developed a comprehensive framework to guide and manage the impact of our products on both people and the planet. A selection of such papers is presented below:
- ESG Directive: This directive articulates the company's commitment to sustainable practices and its dedication to supporting Goal 7 of the SDGs (ensuring access to affordable, reliable, sustainable, and modern energy) and Goal 12 (ensuring sustainable consumption and production patterns) by delivering innovative and high-quality solutions.
- Product Environmental (Sustainability) Policy: This policy establishes the environmental requirements our products must adhere to throughout the various stages of the product life cycle. These requirements often surpass existing standards and regulations, reflecting our dedication to sustainability.
- Guideline on Hazards, Risks & Controls – Electricity Meters: This document lists known hazards and risks faced by electricity meters, which are not covered by existing safety standards. It includes recommended controls designed to effectively mitigate these hazards and associated risks, ensuring the safety and reliability of our products.

This topic is primarily managed by our Product Management and R&D teams.

Key Processes & Actions

To actively manage the impacts of its products, Landis+Gyr has implemented comprehensive processes throughout the product lifecycle, including development, manufacturing & production, installation, operations, and end-of-life treatment.

During the product conception and development phases, we focus on enhancing security, safety, and installer health. The end-of-life handling of our products is also considered at this early stage.

In the production phase, every product is manufactured per our Occupational Health & Safety requirements to ensure strict adherence to safety measures. Our company systematically assesses and mitigates work-related risks while monitoring performance through leading and lagging indicators. Our product packaging has been designed not only to ensure the safety of our products but also to protect the safety of those involved in their handling.

Landis+Gyr's products operate autonomously and primarily interact with other devices, minimizing the need for direct human interaction. Where physical interaction is required, individuals handling the product are given proper instruction and training. Our informational leaflets and guidelines address health and safety aspects for those handling Landis+Gyr's products.

Landis+Gyr's products exceed regulation and industry standards such as IEC, CENELEC, ETSI, and RED*. Internally, we uphold standards that are either more stringent than industry norms or cover aspects not currently regulated. Our devices undergo rigorous internal and external testing, with many requiring certifications from state bodies prior to installation in the field.

We ensure that all Landis+Gyr products comply with environmental directives and regulations such as 'Registration, Evaluation, Authorisation and Restriction of Chemicals' (REACH) and 'Restriction of Hazardous Substances' (RoHS), as well as other regulations, including 'Toxic Substances Control Act' (TSCA) and the Stockholm Convention on 'Persistent Organic Pollutants' (POP), where applicable. For the end-of-life treatment of our products, we comply with the Waste from Electrical and Electronic Equipment' (WEEE) Directive, where applicable. In regions where this directive does not apply, we strive to establish local take-back schemes to ensure that Landis+Gyr's products or parts are re-used or recycled, wherever possible. The company also provides 'Product Environmental Profiles,' including end-of-life instructions.

In case of issues, Landis+Gyr collaborates with customers to promptly mitigate and remediate any incidents. The company has established well-defined processes and escalation protocols to deal with such situations.

*IEC: International Electrotechnical Commission, CENELEC: European Committee for Electrotechnical Standardization, ETSI: European Telecommunications Standards Institute, RED: Radio Equipment Directive.

Resource Efficiency

'Resource Efficiency' refers to the management of resources throughout the entire lifecycle of the company's products. The topic also encompasses the management of hazardous materials and waste in our operations. Other aspects concerning the environmental impact of the company's operations, such as GHG emissions and water consumption, are addressed under the section 'Climate & Environment'.

Company's Stand

Landis+Gyr acknowledges the finite nature of our planet's resources and the alarming pace at which current consumption rates are depleting them. In light of this pressing reality, we recognize the urgent need to shift away from a linear 'take-make-use-waste' model and embrace the principles of a circular economy. Therefore, we are committed to optimizing the use of resources in both our operations and products. By maximizing the value extracted from each resource and extending their lifespan as much as possible, we aim to minimize waste generation and reduce our overall environmental footprint. In doing so, we play our part in safeguarding natural resources and preserving the integrity of our environment for future generations.

Company's Impact

Our smart products play a pivotal role in preserving energy resources, resulting in a net positive environmental impact. By providing customers with detailed insights into their energy consumption, our meters empower them to optimize their energy usage, leading to reduced energy consumption and lower carbon emissions ("Scope 4" or Products' Carbon Handprint), thereby benefiting the environment.

Simultaneously, we acknowledge that our products employ natural resources and energy throughout their lifecycle, placing pressure on the environment. To mitigate this impact, Landis+Gyr prioritizes sustainability in our design and production processes, actively integrating circular economy principles into our products. Moreover, we foster partnerships across the value chain, collaborating with suppliers, customers, universities, and industry associations. Through these collaborations, we exchange best practices and explore innovative solutions, promoting the more efficient use of resources. Our approach recognizes the importance of integrated processes and partnerships both upstream and downstream in the value chain, which are essential for the successful deployment of deep circularity interventions.

Policies, Organization, Key Processes & Actions, Metrics

Policies

The company's approach to resource efficiency is shaped by the following policies and guidelines:

- Green Design Manual: This document sets forth requirements and practical recommendations for integrating eco-friendly principles into our product design. It focuses on minimizing material usage, adopting sustainable materials, reducing waste, decreasing energy self-consumption, and designing for end of life.
- Eco-Portfolio Guidelines: These guidelines describe the requirements Landis+Gyr's products must meet to be included in our "green" product portfolio (i.e., Eco-Portfolio).
- Product Environmental (Sustainability) Policy: This policy establishes the environmental requirements for the design, sourcing, and end-of-life management of Landis+Gyr products. It is complemented by the 'Global Product Environmental (Sustainability) Compliance Procedure', which describes how to comply with such requirements.
- Packaging Requirements and Guidelines: This document sets the global requirements and guidelines with respect to packaging, including criteria for the selection of environmental packaging and restrictions on hazardous substances in packaging materials.
- End-of-life Disposal Instructions: These instructions assist recyclers in optimizing the percentage of material that can be recovered when the product has reached its end of life.

These documents undergo periodic reviews and updates to reflect the latest development in sustainable practices and regulatory requirements. Training is conducted for all relevant staff to ensure a thorough understanding and successful implementation of the policies and guidelines.

Organization

Ensuring the efficient and responsible use of resources is a collaborative endeavor spanning various departments, including ESG, Procurement, Product Management, Environmental Product Compliance, Research & Development, Quality, and Supply-Chain Management. Representatives from these functions convene regularly to discuss and advance the initiatives defined in the three-year Resource Efficiency roadmap.

Key Processes & Actions

Green Design

We are committed to minimizing the environmental impact of our products across their entire lifecycle. At the core of our approach lies the implementation of four fundamental design principles:

1. Adopting more sustainable materials

We strive to incorporate the use of recyclable and recycled materials into our product designs, thereby reducing our reliance on virgin resources and mitigating the environmental impact associated with resource depletion. In addition, we actively avoid the use of hazardous substances and chemicals and ensure our products comply with all applicable environmental regulations. Through these efforts, we contribute to conserving energy, water, and resources while safeguarding our environment for future generations.

2. Reducing material usage

We actively seek opportunities to minimize material consumption without compromising the quality or performance of our products. This can be achieved by optimizing product design and manufacturing processes or selecting innovative material alternatives.

3. Designing for end of life

We meticulously consider minimizing the recovery of embodied resources at the end of their lifecycle. By emphasizing modularity and recyclability, we enable efficient resource reuse. In addition, we actively seek to eliminate irrecoverable resources from our products. To achieve this, we analyze each component to identify materials hindering recycling or reuse, ensuring our products' end-of-life processes are environmentally responsible.

4. Managing our products' energy self-consumption

We continually enhance our products' design and technology to improve energy efficiency and minimize environmental impact. Our ambitious targets for the energy consumption of our electricity meters surpass industry standards. Our goal is to reduce our products' energy self-consumption by at least 10% with each generation. This involves optimizing the collaboration of various building blocks within our devices, ensuring they work efficiently together to achieve optimal performance while minimizing energy usage.

Circularity Training

To foster expertise in circularity and bolster our ongoing efforts in this area, we partner with specialized educational institutions to provide training to key functions such as Product Management, Supply Chain Management, and Quality. In FY 2023, the first selected staff underwent training on circularity principles and their practical application.

Sustainable Packaging

Our packaging guidelines establish requirements for using recycled, returnable, reusable, and recyclable packaging materials. Throughout the year, we have implemented various initiatives to limit packaging waste and reduce the need for new pallet purchases. For instance, we have incorporated recycled packaging materials and introduced reusable pallet systems. Through our close collaboration with suppliers, we have implemented a system where they ship goods in packages and pallets specifically designed for reuse in downstream transportation. This approach has yielded a remarkable result at our Corinth plant, reducing new pallet usage by over 50%. As we continue to fully implement this process, we anticipate reducing the requirement for new pallets to less than a quarter compared to previous levels.

Responsible End of Life

Achieving improved resource efficiency requires collaboration across our value chain. We collaborate both with customers and recycling partners to manage the end-of-life of our products effectively. Our take-back schemes ensure that products are recycled or kept in the system, maximizing their value for as long as possible. Our end-of-life treatment instructions support recyclers in optimizing their processes and maximizing the extraction of materials suitable for reuse or recycling. Notably, a recent assessment conducted by a specialized recycling firm confirmed that over 98% of a typical Landis+Gyr product can be recycled.

We adhere to the EU's WEEE Directive where applicable, in addition to complying with national legislative requirements. In regions where this directive does not apply, we take measures to ensure the reuse or recycling of our products or their components whenever feasible.

Environmental Product Declarations

To support our customers in managing their environmental footprint, we provide Environmental Product Declarations (EPDs) containing comprehensive information on the environmental impact of our metering products. Our EPDs feature detailed information on a product's Life Cycle Analysis (LCA), including Global Warming Potential values. Developed in accordance with ISO 14040/44 and EN 50693 guidelines, our EPDs ensure transparency and adherence to industry standards.

Furthermore, all Landis+Gyr products comply with REACH regulation and RoHS directive (including products sold outside of Europe), as well as other regulations such as TSCA and POPs, where applicable.

Metrics

To evaluate our effectiveness in implementing resource efficiency improvements within our product portfolio, we have devised a metric known as the 'Eco-Portfolio.' This metric serves as a tool for ongoing monitoring and facilitates the transformation of our portfolio into a more environmentally sustainable one. To calculate this metric, we assess the products along three dimensions (product's environmental impact, integration of eco-design principles, product's lifetime) and twenty-four criteria.

For metric performance, see the sections 'Targets' and 'Performance / Statistics' in this report.

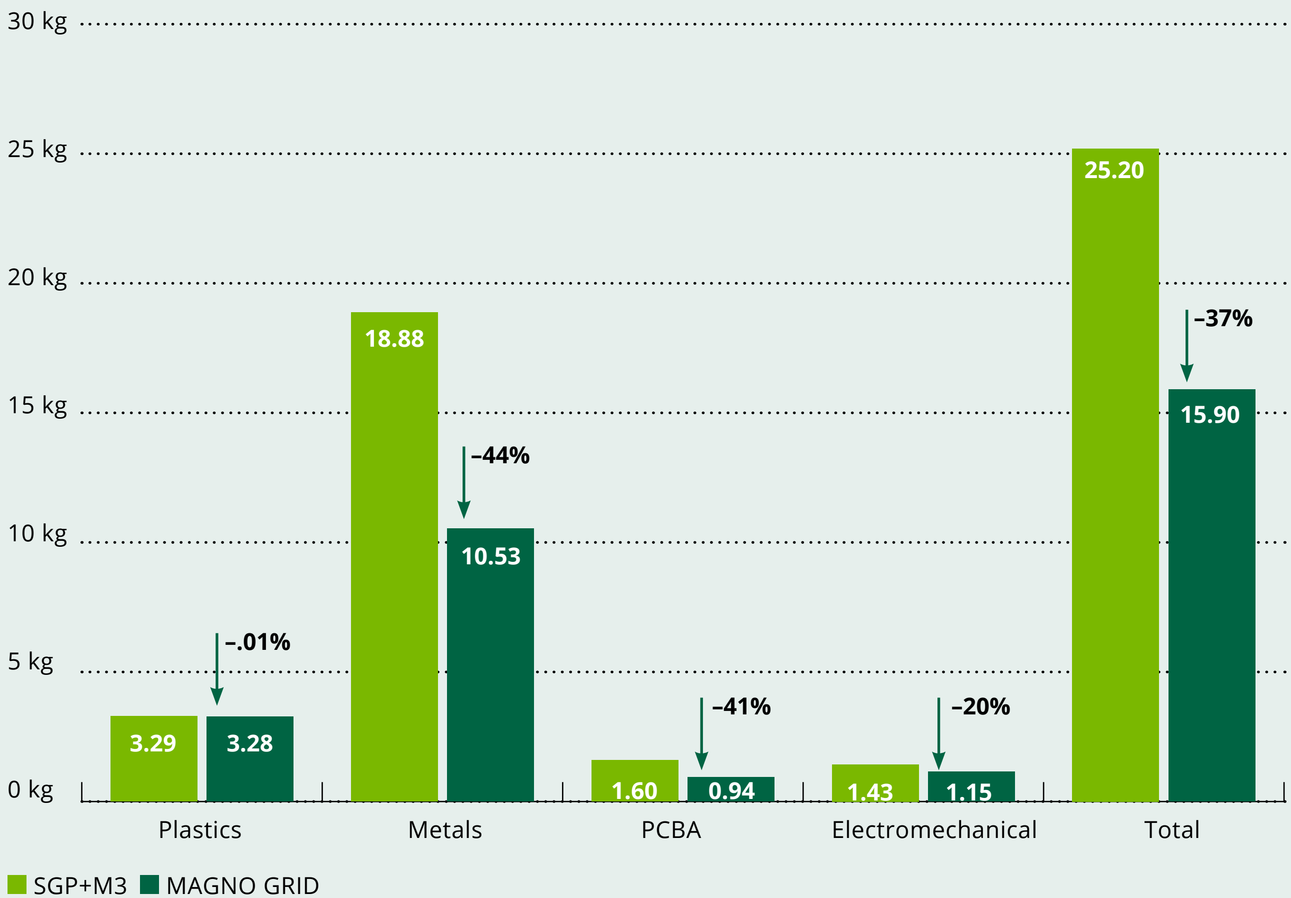
Maximizing Materials Efficiency in Product Design

One of the most important approaches to materials efficiency is to design products that use minimal raw materials in their production. This can be achieved by optimizing product design and manufacturing processes, reducing the thickness of the material used, or selecting alternative materials (e.g., materials with higher strength-to-weight ratios), all while ensuring the quality or performance of our products remain uncompromised. Additionally, products can be designed to be easily disassembled and reused, or repurposed at the end of their life cycle, which also helps reduce the need for new raw materials.

The chart on the right exemplifies how the new generation cabinet meter, Magno, has achieved significant material usage reduction compared to the previous generation SGP+M3.

Materials efficiency and material usage reduction are essential for the sustainability of product development. By optimizing the use of materials and reducing waste, we can optimize costs, minimize their impact on the environment and contribute to a more sustainable future.

MAGNO vs. SGP+M3 Materials Weight Distribution



Waste Management

Efficient resource management stands as a cornerstone of our approach at Landis+Gyr, leading to minimized waste, reduced pollution, and diminished pressure on natural resource extraction. Embracing the 'Reduce – Reuse – Recycle' ethos, we strive to minimize waste in every facet of our operations. Our offices and production sites are key areas where we actively manage waste, with the latter being our primary source.

Acknowledging the detrimental impacts of waste, we implement various strategies to address this challenge. In product design, we favor recycled materials and maintain service and repair processes to extend product lifespans wherever feasible, in line with our 'Green Design Manual'. Additionally, we actively strive to reduce packaging and adopt multi-use of pallets and packaging materials to decrease waste volume. Furthermore, we prioritize waste segregation and recycling efforts to limit landfill contributions. By recycling or selling waste to certified third parties, we further extend the life cycle of valuable resources. Additional initiatives include the reutilization of scrap material and reintegration of leftover materials into our production processes.

Our Integrated Management System (IMS) sets and tracks global and site-level waste management targets, with progress regularly documented.

Statement on Hazardous Materials

Landis+Gyr is committed to eliminating hazardous substances from our products and processes, safeguarding health, and the environment. Our approach encompasses reducing raw material volumes, reusing materials until the end of their life, and recycling potentially dangerous waste.

At each location, Quality, Environment, and Health & Safety (QEHS) teams, supported by local management, have established guidelines for the handling of hazardous substances (where applicable). These guidelines include ensuring proper labeling of containers, maintaining up-to-date Safety Data Sheets (SDS) for all chemicals, providing training on chemical hazards and conducting initial inventory of chemicals used. Furthermore, we must ensure that employees can easily access SDS information, receive proper briefings, and follow SDS instructions and information when in contact with a chemical.

Statement on Hazardous Waste Management

Landis+Gyr prioritizes the use of non-hazardous materials in our products and embeds recycling into our design process. Our goal is to reduce hazardous material use across the entire product life cycle. Landis+Gyr strictly complies with statutory provisions and local regulations governing waste and hazardous waste disposal, including special treatment requirements. We collaborate only with certified companies that can confirm proper hazardous waste handling, whereby recycling is the preferred approach.

Additionally, we have engaged external partners to ensure supplier compliance with various environmental regulations such as EU REACH, RoHS, US California Proposition 65, the Stockholm Convention on POPs, and TSCA.

Metrics

To measure the effectiveness of our waste management initiatives, we track the proportion of waste sent to landfill. For metric performance, see the sections 'Targets' and 'Performance / Statistics' in this report.

Sustainable Success: Achieving Zero-Waste to Landfill Certification

In FY 2023, our Curitiba plant once again achieved 'zero-waste to landfill' status by implementing various waste reduction measures, including the reuse of packaging materials and the return of unused packaging. These efforts were bolstered by enhanced employee awareness. As a result, only incineration ashes, amounting to a mere 0.09% of waste, were disposed of in landfills. Our accomplishment was externally verified by Intertek. Moving forward, we plan to consolidate the lessons learned during this process and disseminate best practices to other manufacturing locations. By doing so, we aim to empower them to progressively reduce waste generation and minimize landfill disposal.


intertek
Total Quality. Assured.

CERTIFICATE OF VERIFICATION

Intertek does hereby certify that an independent assessment has been conducted on behalf of:

Landis+Gyr Equipamentos de Medição Ltda.

and has been assessed and verified by Intertek to:

ZERO WASTE TO LANDFILL

Main Address:
R. Hasdrubal Bellegard, 400 - CIC, Curitiba, Paraná, 81460-120, Brazil

Conformance Criteria:
Zero Waste to Landfill diversion rate at least 99% is applicable to Project, manufacturing, sale, technical assistance and conformity declaration of single phase and polyphase meters; and of power metering systems and solutions designed for the power distribution and automation segments.
*Includes 17.75% Waste -to-Energy

Certification Number: ZWL-2023-19
Initial Verification Date: 08 August 2023
Date of Certification Decision: 29 August 2023
Certificate Issued: 29 August 2023
Certificate Valid Until: 07 August 2026

INTERTEK SUSTAINABILITY
VERIFIED ZERO WASTE TO LANDFILL

Calin Moldovean
President
Intertek Testing Services NA, Inc.
900 Chelmsford Street
Lowell, MA, USA 01851
USA

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Reducing Waste and Improving Efficiency

At our Curitiba site, we have made significant strides in reducing waste and improving operational efficiency. By introducing automatic palletizing equipment, platform lifts and sustainable packaging materials, we have optimized our processes and minimized environmental impact. As part of this initiative, we adopted automated stretch film equipment and replaced traditional wooden pallet corners with lightweight, recyclable cardboard alternatives, further minimizing waste generation and boosting recyclability potential. These changes have led to a remarkable 30% reduction in waste weight, with more waste being directed towards recycling. Additionally, this initiative has contributed to improved ergonomics for our workforce. Our project was evaluated by the Federation of Industries of Paraná, which awarded it the SESI ODS SEAL for contributing to Sustainable Development Goal 12.

Climate & Environment

We protect the climate and the environment, and make our best efforts to avoid or minimize negative environmental impacts through our operations, value chain and products. We use resources efficiently and responsibly.

Energy Efficiency and Climate Protection

'Energy Efficiency and Climate Protection' encompasses the use of energy across Landis+Gyr's operations, products, and supply chain, along with the resulting greenhouse gas (GHG) emissions. Overall, the topic is concerned with the positive and negative impact of Landis+Gyr's business activities and products on climate change, as well as the implications of climate change on the business itself.

Company's Stand

Landis+Gyr acknowledges the critical importance of addressing climate change, recognizing that urgent action is necessary to mitigate its devastating impacts. We also acknowledge our contribution to this problem, as our operations and products generate greenhouse gas emissions. Therefore, we are committed to being part of the solution. Demonstrating our firm dedication to this issue, the company joined the Science Based Targets initiative (SBTi) in 2022, achieving validation for its near-term and net-zero targets in July 2023. Furthermore, we have pledged to achieve carbon neutrality in Scopes 1+2 by 2030. However, our determination to make a difference does not stop there, we are committed to enable decarbonization by providing innovative products and solutions designed to conserve energy resources, accelerate the integration of renewable energy sources, and ultimately reduce the amount of GHG emissions released into the atmosphere.

Company's Impact

Our operations and products consume energy, leading to both direct and indirect GHG emissions that contribute to climate change. Nevertheless, our products also play a crucial role in reducing carbon emissions by enabling more efficient energy management. This underscores the importance of our mission to enhance energy efficiency and climate protection through our business activities and product offerings.

Scope 1 and 2 Emissions

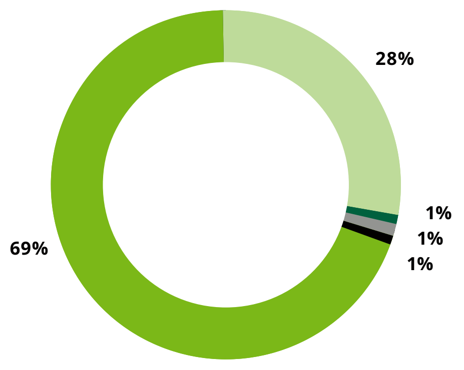
Landis+Gyr has been diligently monitoring and reporting its Scope 1+2 emissions since 2007. Our analysis indicates that within Scope 1, fugitive emissions from air conditioning systems and GHG emissions from our vehicle fleet are the most relevant contributors. Meanwhile, in Scope 2, the primary driver of emissions is the electricity we procure for our operations. Addressing these areas is a priority and will entail transitioning to greener alternatives for our company vehicles, enhancing the energy efficiency of our facilities, optimizing the efficiency of our HVAC equipment, and continuously increasing the proportion of electricity sourced from renewable energy.

Scope 3 Emissions

In our comprehensive inventory of FY 2021 Scope 3 emissions, we identified several categories of indirect emissions pertinent to our operations. These encompass several areas, from the procurement of goods and services to the end-of-life treatment of our products. As we continue our journey towards decarbonization, addressing these categories will be crucial in delivering our carbon reduction targets. The following categories have been identified as relevant for Landis+Gyr:
- Category 1: Purchased goods and services
- Category 2: Capital goods
- Category 3: Fuel and energy-related activities
- Category 4: Upstream transportation and distribution
- Category 5: Waste generated in operations
- Category 6: Business travel
- Category 7: Employee commuting
- Category 9: Downstream transportation and distribution
- Category 11: Use of sold products
- Category 12: End-of-life treatment of sold products

The chart shows the breakdown of Scope 3 emissions by category as per FY 2023:

Breakdown of FY 2023 Scope 3 Emissions



- 28% Purchased goods and services
- 1% Capital goods
- 0% Fuel and energy related activities
- 1% Upstream transportation and distribution
- 0% Waste generated in operations
- 0% Business travel
- 0% Employee commuting
- 1% Downstream transportation and distribution
- 69% Use of sold products
- 0% End-of-life treatment of sold products
- 0% Investments

Breakdown of FY 2023 Scope 3 Emissions

The analysis of Scope 3 emissions revealed that 'Use of Sold Products' (Scope 3 – Category 11) and 'Purchased Goods and Services' (Scope 3 – Category 1) together form the lion's share of our indirect emissions. Our key focus areas for reducing GHG emissions include addressing the energy consumption of our long-lifespan products and the sourcing of raw materials such as assembled Printed Circuit Boards (PCBAs) and plastics. We are examining these categories and implementing measures to significantly reduce our emissions in line with our commitments.

"Scope 4" Emissions – Enabling Decarbonization
Landis+Gyr is at the forefront of offering innovative products and solutions that significantly enhance energy management and reduce carbon emissions. Our range of smart electricity metering solutions empowers utilities and consumers to have greater awareness and control over their energy usage. This not only leads to financial savings but also promotes the efficient use of energy resources and lowers emissions.

Key to understanding the positive impact of our products is the quantification of CO_2 savings enabled by our smart meter devices, for which we have established a Key Performance Indicator (KPI). To ensure the robust measurement of this KPI, in 2018 we developed a model to calculate the GHG emission savings enabled by our installed base of smart meters. In 2022, we collaborated with The Carbon Trust to enhance this model, incorporating the latest scientific findings and emission factors. The revised model now includes CO_2 savings from our smart gas metering portfolio. Looking ahead, Landis+Gyr plans to utilize the new model to report the GHG emission savings facilitated by our products and solutions. For more details on the model and its methodology, please refer to the white paper published on this subject.

In 2023 based on this new model Landis+Gyr's smart products enabled the saving of 8.9 million tons CO_2.

Policies, Organization, Key Processes & Actions, Metrics

Policies
The company's approach to energy efficiency and climate protection is shaped by the following policies and documents:
- 'ESG Directive': This directive outlines Landis+Gyr's commitment to energy efficiency and climate action, reflecting our dedication to environmental stewardship and alignment to the Science-Based Targets initiative.
- 'Supplier Code of Conduct' (incl. 'Green Procurement Requirements' Annex): This document highlights Landis+Gyr's commitment to managing GHG emissions and outlines the company's expectation for suppliers to provide GHG emissions information.

These documents undergo periodic reviews and updates to reflect the latest development in sustainable practices and our commitments. Training is conducted for all relevant resources to ensure thorough understanding and successful implementation of the policies and relevant documents.

Organization
Several functions contribute to our initiatives concerning this material topic, including ESG, Supply Chain Management, R&D and Product Management. For example, the ESG function assists in defining our overall approach to the topic and in establishing, monitoring, and reporting related targets. Within the Supply Chain Management function, our local Operations teams are responsible for managing energy consumption levels, greening electricity usage and implementing energy efficiency measures, in line with the targets established by the company. Moreover, the R&D and Product Management functions focus on improving the environmental footprint of our products by designing and implementing energy- and climate-related impact reduction measures.

Key Processes & Actions

Setting our Carbon Reduction Targets
In July 2023, Landis+Gyr's Science-Based Targets were validated by the SBTi. Our approved targets are aligned with the highest ambition level of limiting global warming to 1.5 °C, as recommended by the Paris Climate Accord.

Our validated targets are outlined below:
Near-term:
- Reduce absolute Scope 1 and 2 GHG emissions 42% by FY 2030 from a FY 2021 base year
- Increase annual sourcing of renewable electricity from 55% in FY 2021 to 100% by FY 2030
- Reduce absolute Scope 3 emissions 42% by FY 2030 from a FY 2021 base year

Net-zero:
- Reduce absolute Scope 1, 2 & 3 emissions 90% by FY 2050, from FY 2021 base year

Managing our GHG Emissions
Our efforts to decarbonize our business are multifaceted, encompassing initiatives such as increasing our use of renewable electricity, transitioning to LED lighting including motion and intensity sensors, and monitoring and optimizing machinery and HVAC systems to enhance energy efficiency. On the product side, we are continuously working on reducing the self-consumption of our products. In FY 2023, we reduced our greenhouse gas emissions related to Scope 1+2. The reduction in fugitive emissions notably contributed to the improvement in Scope 1 emissions, while our increased utilization of renewable energy sources led to a reduction of Scope 2 emissions.

Furthermore, we are investing in fostering a culture of environmental consciousness among our staff through education on climate change and sustainable practices. For example, in FY 2023 we reached nearly 4,000 of our employees through an e-learning training session, providing insights into climate change, carbon footprinting, and the importance of achieving our Science-Based Targets. Employees gained a deeper understanding of the science behind climate change, the key drivers of our carbon emissions and the collective efforts needed to achieve our SBTs. We also promote energy-saving behaviors among employees, such as switching off lights and appliances when not in use and encouraging the use of stairs over elevators. These efforts have earned us accolades like the "Selo Clima Paraná" award in Brazil, inspiring us to push forward.

Defining our Decarbonization Roadmap

Our validated Science-Based Targets are the basis for our carbon reduction roadmap spanning to 2030. At the core of our decarbonization roadmap lies the identification and assessment of measures aimed at reducing GHG emissions throughout our entire value chain. Each identified measure undergoes thorough evaluation by topic owners and specialists to assess its impact over time, ensuring our efforts are both feasible and effective. Additionally, we have strengthened our carbon accounting capabilities by enhancing our GHG data capturing tool to encompass all relevant Scope 3 categories – a major upgrade from solely measuring business travel in the past. The data captured now also includes our recent business acquisitions, Luna and Etrel, which were only partially covered in last year's report. Measured results are then compared to the planned impacts stated in the decarbonization roadmap.

Collaborating to Reduce GHG Emissions

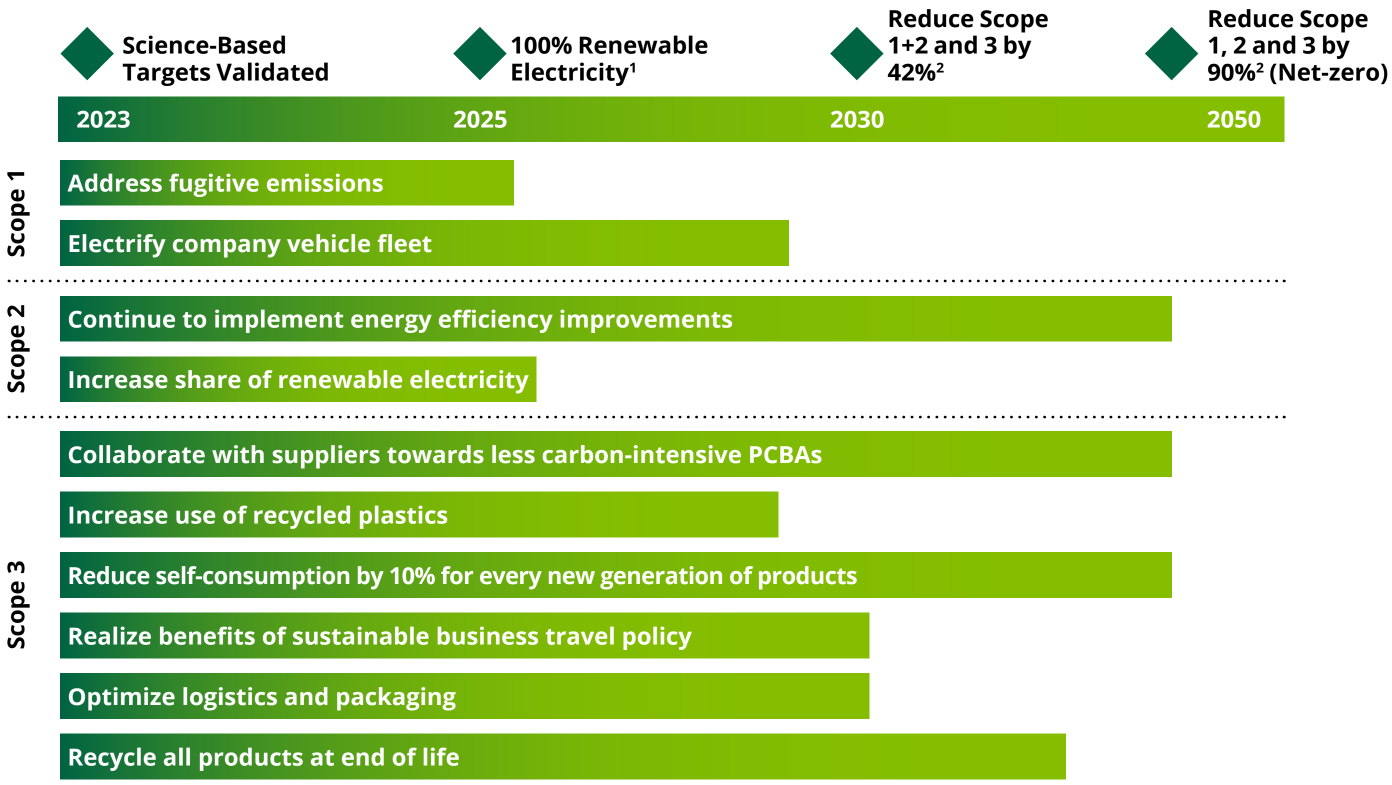
Understanding the magnitude of climate change and its challenges, Landis+Gyr embraces a collaborative approach, engaging with various stakeholders to forge a practical path toward decarbonization. Internally, cross-functional teams comprised of members from Supply Chain, Operations, Procurement, R&D, and Human Resources come together to collectively identify environmental challenges, brainstorm solutions, set ambitious targets, and spearhead the implementation of sustainability measures. Externally, our collaborative efforts extend to partners in the supply chain, always with the aim to reduce carbon emissions and further enhance the environmental impact of our products and solutions.

Metrics

To measure the effectiveness of our initiatives, we track and manage the following indicators:

- GHG emissions relative to company's turnover
- Share of renewable electricity used
- GHG emission savings enabled through our installed base of smart meter devices

For metric performance, see the sections 'Targets' and 'Performance / Statistics' in this report.



[1] Landis+Gyr's Science-Based Targets (SBT) require us to transition to renewable electricity by 2030. However, encouraged by our progress in this area, we have committed to achieve this target by FY 2025, i.e. five years ahead of our SBT commitment.
[2] Compared to baseline FY 2025.

Celebrating Excellence: Paraná Climate Seal Award (2023)

In 2023, our Landis+Gyr site in Curitiba was honored with the 'Paraná Climate Seal' (Selo Clima Paraná) award. This recognition is bestowed upon companies located in the Brazilian state of Paraná that demonstrate exemplary practices in greenhouse gas (GHG) emissions management. Notably, our Curitiba site had previously received this accolade in 2016 and has since elevated its performance, achieving the highest score for the program: level A. Our efforts were acknowledged with a Gold Seal for publishing our comprehensive GHG emissions inventory in the Brazilian Program for GHG Protocol. This initiative, aimed at fostering voluntary GHG management in Brazil, develops technical and institutional capacity for GHG accounting and reporting at the organizational level.

Empowering Change: Landis+Gyr's Decarbonization Journey Training

This year, Landis+Gyr intensified its commitment to combatting climate change by introducing a global training program named 'Landis+Gyr's Decarbonization Journey'. This initiative aimed to augment employee awareness on this critical issue. The training session covered fundamental aspects of climate change, carbon accounting and foot-printing, as well as the company's carbon reduction targets under the Science-Based Target initiative.

Water Management

Water Conservation Commitment

Water is vital to both Landis+Gyr's operations and the communities we serve. Recognizing the escalating concern of water scarcity, our commitment goes beyond mere efficient usage; it encompasses stewardship and proactive management. We ensure that all Landis+Gyr's sites adhere to local regulations regarding water use and discharge.

Furthermore, our dedication to responsible water management is reflected in the development of our own products. Our smart water meters detect leaks, preventing water loss and network damage while also supporting predictive maintenance of water infrastructure.

Water Scarcity and Business Impacts

Although our business activities are not water-intensive, our overall water usage still contributes to diminished water availability in the locations where we operate. Therefore, we prioritize disclosing information on water usage and management to ensure transparency regarding our impacts on stakeholders, including local communities and ecosystems.

Our offices and manufacturing plants use water conscientiously for various daily operations, from culinary preparations in our canteens to essential cooling processes in production. We not only consume water responsibly but also implement water reuse/recycle practices wherever feasible. In locations such as Curitiba or Noida, we treat and repurpose rain and wastewater for uses like irrigation or exterior cleaning. At our Reynosa site, the byproduct water from air conditioning is not wasted but used for plant watering. While most sites discharge water through public sewage systems, some have on-site water treatment facilities. Storage is not a significant component of our water management, except for rainwater tanks at some sites. Additionally, certain sites, like Pequot Lakes and Corinth, rely on well water, which reduces our dependence on tap water. Wells are maintained and water quality tests are regularly conducted. The water from the wells is used according to the water quality of the respective well (e.g. its use is limited to irrigation/ cleaning).

In regions experiencing increasing water scarcity, potential threats to business emerge. The risks include exposure to water shortages, lower water quality, and water price volatility. Landis+Gyr sites in Corinth, Melbourne/ Laverton, Nuremberg, Reynosa, Gauteng, and Izmir operate in regions identified as water-stressed according to the World Resource Institute's (WRI) Aqueduct Water Risk Atlas. In these areas, in particular, heightened awareness and a dedicated commitment to water conservation guide Landis+Gyr's operations.

The following sites are based in areas of water stress:

Site	Water withdrawal in megaliters FY 2023
Corinth (GR)	**15.9**
Melbourne/ Laverton (AUS)	**0.6**
Nuremberg (DE)	**0.7**
Reynosa (MX)	**8.0**
Gauteng (RSA)	**2.2**
Izmir (TK)	**14.4**

The data shown above has been collected by the local sites and recorded in Landis+Gyr's ESG reporting tool. While most data are supported by evidence such as measurements or water invoices from local utilities, estimates have been utilized for a few smaller sites where data is unavailable (e.g., no information on water consumption provided by the landlord).

Metrics

To measure the effectiveness of our initiatives, we track and manage water withdrawal per employee. For metric performance, see the sections 'Targets' and 'Performance / Statistics' in this report.

Biodiversity

Company's Stand

Landis+Gyr is committed to biodiversity conservation and ecosystem protection, avoiding adverse impacts on the natural environment, particularly on critical habitats, protected areas, and Key Biodiversity Areas (KBAs), as well as on threatened species, as defined in the 'International Union for Conservation of Nature' (IUCN) Red List.

The company is aware of the newly created Task Force on Nature-related Financial Disclosures (TNFD). It is considering disclosing its impacts following the disclosure proposed by the TNFD in future reports. Furthermore, the topic of biodiversity will be included in the discussions with our stakeholders as part of the update to our materiality assessment and set-up of our upcoming three-year ESG cycle.

Commitments, Policies, and Actions

We are committed to ensuring that our operations uphold environmental integrity, with respect for biodiversity being integrated in both Landis+Gyr's Code of Conduct and the company's Supplier Code of Conduct. Utilizing tools such as the 'Exploring Natural Capital Opportunities, Risks and Exposure' (ENCORE) by the United Nations Environment Program (UNEP)-World Conservation Monitoring Center (WCMC), and the Risk Filter by the World Wide Fund for Nature (WWF), we assess biodiversity impacts and dependencies at our manufacturing sites, monitor relevant indicators, and devise mitigation actions as needed.

Our production sites are predominantly located in industrialized areas, a deliberate choice aimed at minimizing our impacts on regions with high biodiversity sensitivity. While none of our facilities are in areas classified as very high risk for biodiversity exposure, some sites face medium risks, mainly related to pollution. These locations include:

Site	Main biodiversity issue FY 2023
Reynosa (MX)	**pollution**
Corinth (GR)	**pollution**
Curitiba (BR)	**pollution**
Melbourne (AU)	**pollution and tree cover loss**
Izmir (TK)	**pollution**

Currently, the company does not foresee expanding its physical operations to areas where biodiversity would be a concern. Future construction and projects will be evaluated for their biodiversity impact.

Certain Landis+Gyr's products and solutions contribute positively to biodiversity. For instance, solutions for water leakage detection and irrigation management, particularly relevant in water-stressed areas, minimize the depletion of natural water sources. By efficiently managing water usage, these solutions help maintain habitats where diverse plants and animal species can thrive. Additionally, the company's street light control products aid in reducing unnecessary light pollution, preserving the natural behavior and habitats of various species. This fosters biodiversity and improves the overall vitality of ecosystems.

Landis+Gyr Brazil contributes to the pollination of its neighborhood with a beehive of "Mandaçaia" bees.

Raising Environmental Awareness: SEMEA Environment Week

For the second year, our sites in Brazil organized an engaging environment week under the name of 'SEMEA'. The initiative was centered around advocating the importance of sustainable practices and amplifying awareness on the theme of this year's 'World Environment Day,' which emphasized combatting plastic pollution. Under this initiative, each staff member was gifted with a bamboo fiber mug, promoting its daily use as a sustainable alternative to reduce plastic waste.

People & Well-being

We care for our employees' health and well-being and promote diversity, inclusion, and equal opportunity in the workplace. We are partners to the local communities where we operate and are active players in supporting their development.

Employee Engagement

'Employee Engagement' pertains to the quality of the relationship between Landis+Gyr and its employees, whereby the enthusiasm and dedication of employees are influenced by the depth of their mental and emotional connections to their work, teams and the organization. It encompasses the company's policies and measures to foster a positive work environment where employees feel engaged, empowered, connected, and energized.

Company's Stand

At Landis+Gyr, we firmly believe in the transformative power of employee engagement, recognizing it as a cornerstone for achieving sustainable organizational success and delivering high-quality products and solutions. Engaged employees demonstrate a higher level of productivity, quality, and performance. As such, we are committed to establishing and fostering an organizational culture where employees feel valued, respected, motivated, and engaged. Our commitment to enhancing and sustaining a high level of employee engagement is realized through best-in-class people practices and frameworks deployed across our local, regional, and global operations.

Company's Impact

A positive work environment contributes significantly to higher levels of employee engagement and leads to higher productivity and a better quality of work. By actively fostering an engaged workforce, Landis+Gyr prevents and mitigates potential disadvantages associated with a lack of employee engagement, such as low morale, lower productivity, increased regrettable turnover, increased recruitment, onboarding and training costs, and customer dissatisfaction.

Employees who are actively engaged are more committed, collaborate better, provide stronger customer support, and are healthier. These factors not only contribute to the employees' personal well-being and the prosperity of our business but also positively affect society.

Policies, Organization, Key Processes & Actions, Metrics

Policies

At the core of our 'Employee Engagement' initiatives are strong global, regional, and local policies. These policies provide a solid foundation, ensuring that our efforts are consistent and well-integrated across the organization. Examples of global policies fostering Employee Engagement are:

- Code of Business Ethics & Conduct: Our company's Code of Business Ethics and Conduct plays a crucial role in promoting employee engagement, particularly through its two integral chapters: 'Respect One Another' and 'Equal Employment Opportunity.' These chapters underscore our commitment to cultivating a workplace environment founded on mutual respect and ensuring equal opportunities for all employees.
- ESG Directive: Our Environmental Social and Governance Directive promotes employee engagement by prioritizing a workplace culture that values its employees' well-being, safety, and ethical treatment. The company fosters a supportive and inclusive environment through policies such as fair compensation practices and adherence to global working standards.
- Global Talent Acquisition Guideline: Our Global Talent Acquisition Guideline, encompassing its philosophy, guiding principles, and process, serves as a foundation for identifying, selecting, and hiring talent. By ensuring a systematic and transparent approach to talent acquisition, this guideline helps build a skilled workforce. It supports employee engagement by aligning individual skills and aspirations with organizational needs, fostering a sense of purpose and fulfillment among the workforce.
- Global Learning & Development Policy: Our Global Learning & Development Policy outlines opportunities for skill enhancement and career growth while also actively supporting employee engagement by cultivating a culture of continuous learning. By providing universal learning access and creating a dynamic environment that aligns individual development with organizational goals, the policy empowers employees to invest in their professional growth, fostering a sense of purpose, motivation, and commitment.
- Global Talent Management Guidelines: Our Global Talent Management Guidelines contribute to employee engagement by empowering managers and Human Resources staff to recognize and nurture leadership potential. By offering training, support, and development opportunities, the guidelines not only cultivate a qualified talent pool for senior roles but also inspire a sense of value and investment in the growth and success of each employee.

Organization

Employee engagement is a shared responsibility that involves various stakeholders across our organization. While the Human Resources department plays a significant role, responsibility is distributed among senior leadership, managers, and individual employees. Senior leadership sets the tone and fosters a positive organizational culture, managers directly influence team engagement, and individual employees contribute through their active participation and commitment to their work. Ultimately, a collaborative effort involving all levels of the organization is essential to create and sustain a culture of employee engagement.

Key Processes & Actions

Employee Skills Development

Recognizing the dynamic nature of the energy sector, Landis+Gyr invests substantially in our workforce's continuous training and skill development. Our employees benefit from extensive learning resources, including leading platforms like LinkedIn Learning, Coursera, Pluralsight, and A Cloud Guru. In partnership with Google, Landis+Gyr provides an extensive cloud transformation training program, ensuring its workforce is well-prepared for the dynamic challenges in the industry. The Google Cloud Platform (GCP) Training Program focuses on upskilling and developing teams involved in Landis+Gyr's Cloud transformation projects across various regions. The program offers diverse learning paths, enabling participants to gain knowledge and practical experience, culminating in a Google Cloud certification.

Another important learning initiative is Landis+Gyr's Learning Weeks. These annual events, sponsored by members of the Executive Management Team (EMT), play a key role in fostering a culture of continuous learning within the company. In FY 2023, three Learning Weeks were organized, all offering live events that provided valuable insights into our business, our technologies, and the latest initiatives to address current challenges and industry trends.

Strengthening our Leadership Capabilities

At Landis+Gyr, we prioritize leadership development to equip our leaders with the adaptive thinking needed to navigate our strategic transformation and effectively address the evolving needs resulting from rapid change and emerging challenges. We implement a range of initiatives spanning various locations and organizations worldwide. The core focus of these initiatives and programs lies in fostering people-centric leadership, empowering teams to navigate change and attain sustainable competitive advantage.

Town Hall Meetings and Company Events

Our CEO conducts monthly global town hall meetings, hosting multiple sessions to accommodate various global time zones, thereby ensuring every employee has the opportunity to participate and be heard. These town hall meetings serve as a platform for educating, informing, listening to, engaging, and recognizing employees. Additionally, separate sessions are led by regional and functional heads, focusing on addressing their specific regions and functions. Furthermore, we actively host, participate in, and sponsor company-wide events designed to attract, retain, inspire, and motivate our diverse teams for effective collaboration and communication in the office.

Employee Share Purchase Plan

Landis+Gyr's Employee Share Purchase Plan (ESPP), offers employees an opportunity to invest in Landis+Gyr, further deepening their connection with the company. This program reflects our belief in the value of employee ownership and aligns employee interests with the long-term success of Landis+Gyr. Further details on the ESPP can be found in the company's Remuneration Report.

Employment Security and Responsible Workforce Restructuring

Employment security and responsible workforce restructuring are also central to our strategy. We are convinced that stable and consistent employment increases loyalty to the company, attracts top talent, and creates a sense of belonging and appreciation among our employees. Our approach to employment security is based on the following principles:

- Minimize external human capital: Contingent workers and service providers are only approved for specific tasks or limited projects that cannot be completed by internal Landis+Gyr employees. They are used as short-term staffing solutions to supplement, not replace, the workforce during extended employee absences or work peaks or for strategic outsourcing.
- Promote internal job advertisements: Vacancies are advertised internally to encourage the development of internal talent and organizational growth.
- Promote learning and development: Employees are encouraged to undertake training to improve their knowledge and skills. Proactive skill enhancement and acquiring new skills through training, upskilling, and lifelong learning will enable employees to adapt to the changing economy and improve their employability.

We acknowledge the challenges and disruptions that restructuring initiatives may pose to our workforce. While we endeavor to avoid such projects whenever possible, in certain circumstances, we may need to implement such measures to safeguard the long-term health and sustainability of the business. In such situations, we commit to conducting workforce restructuring in a responsible manner. Throughout the restructuring process, we prioritize open communication with employees, unions, works councils, authorities, and local representatives. We emphasize transparency and empathy in our interactions with our employees to ensure their well-being and foster a culture of trust and collaboration throughout the transition. Displaced workers are provided with transition programs as part of social plans or customized individual agreements, taking into account the specific nuances of local employment conditions.

Restructuring Project 'Horizon'

In FY 2023, Landis+Gyr implemented a restructuring project known as "Horizon". The project was aimed at streamlining the organization and optimizing the indirect labor cost structure. As part of this effort, the company reduced approximately 200 positions, equating to less than 3% of the global workforce. In line with our commitment to being a responsible employer, departing employees were provided with outplacement support. Additionally, individuals with longer tenures received financial assistance to aid in their transition.

Metrics

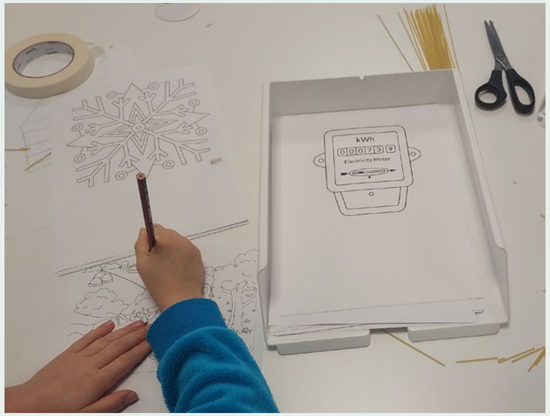
To evaluate the effectiveness of our actions, particularly in regard to learning and development, we track and manage hours of employee training. For metric performance, see the sections 'Targets' and 'Performance / Statistics' in this report.

Spotlight on Excellence: Employee Recognition Programs

At various Landis+Gyr sites, employees are rewarded for their exceptional work performance and exemplary demonstration of our company values. In Prague, for example, the company has established a program called ‘Spot on’, where every year nominations are submitted, assessed by a committee and published/announced.

Inspiring the Next Generation

Landis+Gyr organized activities across four sites to immerse children in our work environment and inspire the next generation. In the UK, Bring-your-child-to-work Day featured STEM activities tailored to different age groups, offering insight into their parents’ jobs. In Switzerland, National Future Day allowed young learners to explore professions and engage in smart metering activities. In Finland, Children’s Day at Work aimed to familiarize children with workplaces and various professions, fostering curiosity and understanding about the professional world. In the US, each department organized activities, such as hands-on demonstrations, educational workshops, office tours, and career exploration sessions. These events fostered a sense of pride and connection among employees as they shared their work environment with their children and colleagues.



Empowering Employees’ Financial Health

During Financial Wellness Month, a month-long initiative aimed at promoting financial well-being among employees in the US, Landis+Gyr organized a series of activities. These included hosting financial literacy workshops, providing resources on budgeting, saving, and investing, offering one-on-one financial counseling sessions, and organizing wellness challenges or competitions related to financial goals. To further support employees, external financial counselors attended onsite workshops, providing expert guidance and assistance.

Fair Labor Practices

'Fair Labor Practices' encompasses the ethical treatment of workers, emphasizing fairness, dignity, and respect, both within Landis+Gyr's operations and throughout our supply chain. Central to this commitment is the protection of universally acknowledged human and labor rights, along with our dedication to promoting diversity, equity, and inclusion (DEI).

Company's Stand

At Landis+Gyr, our commitment to fair labor practices is deeply woven into our corporate philosophy. We firmly believe in treating every individual with fairness, dignity, and respect, extending this commitment beyond our own operations into our global supply chain. As a signatory to the UN Global Compact, we advocate for universal human and labor rights protection, aligning with internationally recognized principles. Recognizing our people as our greatest asset, we are dedicated to providing opportunities that enable them to reach their full potential. We wholeheartedly embrace and actively foster diversity, equity, and inclusion within our workforce, mirroring the global organization we are and the values we uphold.

Company's Impact

As an employer and actor in the global electronics supply chain, Landis+Gyr's labor practices have profound impacts across various levels of society. At an individual level, workers experience improved well-being as they are treated with fairness, dignity, and respect. Fair compensation and equal opportunities contribute to personal economic stability and professional growth. At the company level, adhering to fair labor practices fosters a positive and inclusive workplace culture, leading to increased efficiency and innovation. At the community level, fair labor practices contribute to economic stability and social empowerment, resulting in increased employment opportunities and improved living standards. On a broader societal scale, fair labor practices promote social cohesion, equality, and sustainable economic growth, fostering a more just and resilient society.

Embracing fair labor practices helps the company prevent or mitigate potential negative impacts, including human rights violations, workforce disengagement, reduced productivity, mental health issues, reduced incomes, underrepresentation of certain employee groups or minorities in leadership, increased attrition, low employee morale, and innovation constraints, among others.

Policies, Organization, Key Processes & Actions, Metrics

Policies

The following policies serve as the foundational framework for fair labor practices by setting clear guidelines and principles to ensure proper business conduct towards workers:

- Code of Business Ethics and Conduct: The Code establishes Landis+Gyr's commitment to operate under the highest ethical standards, including the responsibility to treat employees with fairness, dignity and respect. This aligns with both local legal requirements and global standards, including the United Nations Universal Declaration of Human Rights and the Declaration on the Fundamental Principles and Rights at Work by the International Labor Organization.
- Supplier Code of Conduct (SCoC): This document communicates ESG requirements to suppliers, including fundamental human rights and labor standards. It encompasses critical aspects such as the prohibition of forced and child labor, the provision of safe working conditions, the right to freedom of association, non-discrimination, and the assurance of fair compensation and equal opportunities.
- Global Talent Acquisition Guideline: The guideline provides a framework to ensure equal access and equal opportunity for all job seekers, both internal and external. It aims to streamline the recruitment process, promote fairness and transparency, and acquire the best talent to meet our business needs worldwide.
- Global Performance Review Policy: This policy ensures a transparent performance review process with criteria that foster trust between management and employees, and create a safe space to discuss performance, achievements, and ambitions.
- Global Salary Review Guidelines: These guidelines outline the annual salary review process, emphasizing our commitment to fair and equal conditions for all employees. Across all countries, job level and pay grade structures are established to maintain internal equity and ensure consistent determination of pay by job level.

Organization

The management of this topic falls under the purview of our Human Resources function, which collaborates with a team of regional and group-level leaders spanning the globe. Together, they ensure that every worker is treated with fairness, dignity, and respect throughout our operations. The Human Resources team is responsible for developing, implementing, and refining policies, processes, and procedures aimed at fostering a workplace environment that upholds these fundamental values. This includes initiatives to promote diversity, equity and inclusion.

In addition, our 'ESG Supply Chain Due Diligence Committee' works to extend these principles to our supply chain. By rigorously assessing and monitoring our suppliers, we ensure that labor standards are upheld across our entire value chain, reinforcing our commitment to fairness and respect for workers worldwide.

Key Processes & Actions

Awareness & Sensitivity Training

At Landis+Gyr, we prioritize comprehensive training for both management and employees to uphold the principles outlined in our Code of Business Ethics and Conduct. This code serves as a foundation for a fair and ethical workplace, prohibiting practices such as child labor, modern slavery, threats of violence, and harassment. Through rigorous training initiatives, we ensure a deep understanding and consistent application of these fundamental principles across our organization.

Fair and Ethical Working Conditions

Landis+Gyr adheres to fair compensation practices, complying with minimum wage laws and other mandated benefits, and ensuring transparency in job advertisements. Regular benchmarking against external market data is conducted to ensure that compensation is equitable and aligned with industry and geographical standards.

The company strictly prohibits any form of discrimination, such as race, color, age, gender, sexual orientation, gender identity, ethnicity, national origin, disability, pregnancy, religion, political affiliation, union membership, covered veteran status, protected genetic information, or marital status, in all employment aspects.

Furthermore, Landis+Gyr upholds workers' rights to freely associate, join workers' organizations, and engage in collective bargaining or peaceful assembly in accordance with applicable laws and regulations. The company ensures that workers can participate in such activities without fear of discrimination, reprisal, intimidation, or harassment. Our management and human resources teams collaborate with union officials to foster a rewarding and productive environment for all employees, regardless of representation.

Diversity, Equity, and Inclusion (DEI)

Actively supporting DEI not only aligns with Landis+Gyr's ethical principles, but also positions the company strategically for success. By embracing diverse perspectives, experiences, and backgrounds, we enrich our talent pool and enhance our ability to tackle complex business challenges. Our commitment to fostering a diverse, equitable, and inclusive workplace is grounded in the following key principles:

- Ensuring fair treatment of all people regardless of gender identity, nationality, ethnicity, age, disability, sexual orientation, religion, socio-economic background, or any other personal characteristic,
- Promoting representation of diversity at all levels within the organization, and
- Providing equal access to opportunities for everyone.

Promoting Gender Balance and Equity

We implement a range of initiatives to foster gender diversity and equity within our organization. These efforts include celebrating events such as the 'International Day of Women and Girls in Science' and actively supporting the participation of female employees in company leadership roles. In several countries, we conduct regular analysis and reporting on gender pay equity to ensure fairness in compensation. In addition, in all countries where the company has a significant presence, job level and pay grade structures have been designed to promote balanced and equitable compensation.

Flexible Working Hours and Remote Work

We recognize the importance of adapting to the changing demands of work-life balance. To accommodate diverse needs and preferences, we provide flexible working solutions. This includes opportunities for part-time employment, hybrid work schedules, and a 'Connected Work Program' specifically designed to facilitate remote work arrangements. By offering these flexible options, we empower our employees to manage their work commitments in a way that best suits their individual circumstances, ultimately fostering a more productive and fulfilling work environment.

Parental Leave and Family-friendly Accommodations

We acknowledge the significance of supporting our employees in balancing their professional and personal lives, particularly when it comes to family responsibilities. For this reason, we tailor our parental leave policies to align with the cultural norms and legal requirements of each location where we operate. By doing so, we foster a supportive and family-friendly work environment.

Moreover, through initiatives such as 'Bring Your Child to Work' days and wellness programs, we actively promote a culture that embraces and supports family life, reaffirming our commitment to the well-being of our employees and their families.

Metrics

We hold ourselves accountable by regularly monitoring KPIs leading to the implementation of defined targets. Tracked metrics include:

- % of female employees
- % of female employees in senior roles
- % of employees who received annual performance/ career development review

For metric performance, see the sections 'Targets' and 'Performance / Statistics' in this report.

United Against Breast Cancer: Landis+Gyr's Awareness Initiative

Our teams in Reynosa and Curitiba launched an awareness program to address the prevalent issue of breast cancer. The initiative aimed to combat delayed diagnoses stemming from lack of awareness and limited healthcare access. The comprehensive program included educational workshops, informational materials, a helpline, and on-site screenings in collaboration with local healthcare providers. The outcome was highly positive, with significant participation, increased early detection, and active helpline use.

Empowering Women in Science: International Day of Women and Girls in Science

Landis+Gyr and WIN (Women Invincible Forum) organized a panel discussion to celebrate and acknowledge the achievements of women colleagues in the science field. This event featured a diverse group of panelists who shared their personal journeys, providing insights into their experiences and challenges in the scientific community. This initiative not only highlighted the significant contributions of women in science but also fostered an environment of inclusivity and inspiration.

Celebrating Women in the Workplace

International Women's Day is a global tribute to the remarkable achievements of women across all spheres of life. At Landis+Gyr, this day is commemorated with a diverse array of events and initiatives designed to empower and celebrate women in the workplace. In addition to honoring International Women's Day, the company also observes Women's History Month throughout March. This month-long celebration pays tribute to the historical contributions of women and their ongoing impact on society. Our commemoration includes a series of activities such as guest speaker presentations, panel discussions, workshops, and art exhibits highlighting the accomplishments of women in various fields.

Embracing Diversity: Celebrating Cultural Legacies

This year, our company commemorated significant cultural observances with impactful initiatives. We created a commemorative brochure for Martin Luther King Jr. Day, highlighting his legacy and the importance of diversity, equity, and inclusion in the workplace and society. Additionally, we honored Black History Month and Asian American Heritage Month by celebrating the accomplishments and contributions of Black and Asian American individuals, accompanied by educational materials distributed to our US employees. These efforts reflect our commitment to fostering an inclusive workplace where every individual's heritage is respected and celebrated.

Fostering Inclusivity: Disability Awareness Month

Throughout National Disability Awareness Month, our company focused on increasing awareness of disability issues and promoting inclusivity through educational initiatives. We hosted various events and activities aimed at educating employees on disability rights, accommodations, and accessibility. Additionally, educational brochures were distributed to all US employees to further support understanding and awareness.

Occupational Health and Safety

'Occupational Health and Safety' (OH&S) entails the measures taken to ensure the physical and mental health, safety and well-being of employees and other relevant stakeholders, such as contractors and subcontractors. It encompasses identifying, assessing, and managing risks to prevent accidents, injuries, and illnesses associated with work activities.

Company's Stand

At Landis+Gyr, we advocate the fundamental human right to a healthy and safe workplace. Our approach extends beyond mere regulatory compliance, underscoring our obligation not only towards our employees but also towards contractors, visitors and partners in our value chain. We are committed to ensuring safety and well-being by emphasizing prevention and awareness culture with the support of our OH&S management system. Our vision is to prevent any work-related injuries or illnesses, fostering a safety culture where all individuals take responsibility for health and safety.

Company's Impact

Prioritizing safety and well-being in our work environment is critical to our operational success. By effectively managing OH&S, we substantially mitigate the risks of work-related injuries or illnesses. This approach yields positive impacts by ensuring employee well-being, reducing absenteeism, and enhancing operational efficiency. However, negative impacts may arise from incidents affecting worker health and safety. These incidents have the potential to result in injuries and, in severe cases, fatalities. Such outcomes not only endanger the well-being of our employees but can also lead to significant reputational damage and financial losses for the company. When workers are harmed due to workplace accidents, this can erode trust with stakeholders, including customers, investors, and the broader community.

Policies, Organization, Key Processes & Actions, Metrics

Policies

The foundation of our OH&S efforts is built upon the following policies and certifications:

- Code of Business Ethics and Conduct: The Code underscores the importance of workplace safety and requires employees to refrain from working in unsafe conditions, promoting the reporting of such instances through the 'near-miss' reporting process.
- Global Occupational Health & Safety Directive: It establishes standardized OH&S roles and processes across Landis+Gyr, ensuring a consistent and effective approach to safety management, regulatory compliance, and continuous improvement.
- ISO 45001 'Occupational Health and Safety Management Systems' certification: This certification guides our approach to the systematic identification, assessment and mitigation of occupational health and safety risks, ensuring a comprehensive framework for safeguarding our workforce. It provides the basis for standardized OH&S processes and procedures, ensuring a uniform approach is followed across all our sites. For further information on the company's ISO certifications, see section 'Locations'.

This combined framework does not only ensure our compliance with national and international regulations and standards, but also actively engages employees in upholding a safe workplace.

Organization

OH&S is integrated into the Quality organization, with representatives in key locations, conducting hazard identification and risk assessments through various means, including Gemba walks and facility safety audits. The organization emphasizes a culture of communication, allowing employees to reach OH&S representatives via multiple channels to report any kind of hazard at the workplace.

Key Processes & Actions

Landis+Gyr has developed and implemented robust processes aimed at identifying, assessing, reporting, and investigating potential hazards, fostering a proactive safety culture across our organization.

Risk Identification and Assessment

Certified according to ISO 45001, Landis+Gyr's global sites conduct routine and non-routine activity risk assessments, utilizing the Hazard Identification and Risk Assessment (HIRA) method as the primary mechanism. Identified risk exposures are meticulously documented in the HIRA register, facilitating the definition of robust risk controls. Mitigation actions are then promptly implemented. Regular post-implementation assessments are conducted to ensure continuous improvement. The effectiveness of these measures is periodically evaluated through management reviews and audits, ensuring the ongoing quality and refinement of our risk management processes.

Reporting and Investigation

Landis+Gyr's Global OH&S system ensures the effective reporting and investigation of accidents, incidents, and near misses. These are regularly included in risk reporting to the Board of Directors. via the AFRC. All employees, including permanent, contracted, and support staff, can and are encouraged to report work-related hazards or concerns through the company's system, email, or phone. To further facilitate reporting, emergency contact numbers are prominently displayed at our sites. Scheduled site inspections aid in proactively identifying potential hazards or concerns. An anonymous reporting option through the Speak-Up platform further supports this culture of transparency, in alignment with our 'Code of Business Ethics and Conduct'. This fosters an environment where reporting is encouraged without fear of discrimination or reprisal.

In the event of an occupational injury or illness, we conduct a thorough investigation to identify the incident's root cause. Corrective actions are promptly implemented to prevent future occurrences, ensuring the ongoing safety and well-being of our workforce across all locations.

Training

Landis+Gyr's global Integrated Management System (IMS) Awareness Training extends to all white-collar employees in the company, offering a comprehensive overview of OH&S topics. The training modules encompass hazard identification and reporting, emphasizing the importance of refraining from unsafe work practices and assuring that such reporting will not result in reprisals. Additionally, all employees, including blue-collar workers, undergo location-specific OH&S training to enhance employee preparedness and mitigate risks effectively. Further job-specific health and safety training is provided as necessary, tailored to the specific work activities, associated hazards, and control measures.

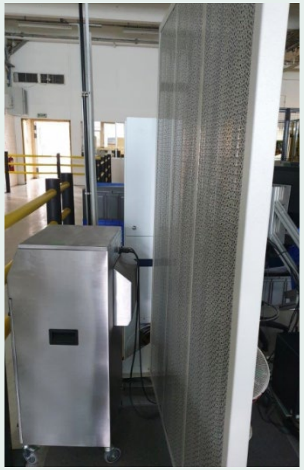
Metrics

Every year, annual OH&S targets are established globally to facilitate monitoring and continuous improvement towards our mid and long-term objectives. We have established both leading and lagging performance indicators to measure the effectiveness of our actions. Tracked KPIs include:
- Loss Time Frequency Rate (LTFR)
- Preventive Risk Identification Reports (PRIRs) and Near-Miss Reports
- Preventive Index (PI)
- OH&S training completion rate
- Gemba walks performed by top management
- Supplier OH&S audits performed

We are actively working to enhance our safety performance by identifying and implementing additional measures across our various sites. For metric performance, see the sections 'Targets' and 'Performance / Statistics' in this report.

Implementing Noise Reduction Measures

At Landis+Gyr's Montluçon facility, we have taken proactive steps to create a more comfortable and productive work environment by implementing noise reduction measures in our production area. Exceeding regulatory requirements, we have installed innovative anti-noise boxes and walls, based on employee feedback. As a result, our workforce has noticed a significant reduction in noise levels, leading to a quieter and more conducive workspace.



Driving Improvement: Our Employee Feedback Program

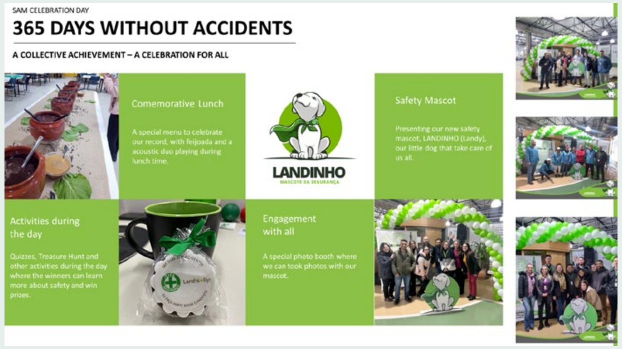
At Landis+Gyr, fostering continuous improvement is a collective effort. Through our 'Employee Feedback Program', we empower every team member to contribute ideas aimed at refining production processes and enhancing working conditions. A committee evaluates these suggestions, determining actionable steps for implementation. We prioritize transparency and accountability, ensuring that the employee who proposed the idea remains informed and actively involved in the final implementation process.

Reinforcing Safety Awareness: Internal Week of Health and Accident Prevention at Work

At our Curitiba site, we conducted the 33rd edition of our Internal Week of Health and Accident Prevention at Work. This week full of activities, demonstrates our firm commitment to safety and accident prevention at our manufacturing sites. From lectures to exhibitions, our employees participated in a variety of events aimed at promoting a culture of 'Zero Incidents at the Workplace.' These events culminated in the 'Landis+Gyr Circuit,' an obstacle course which had over 160 participants.

Safety Milestones in Brazil

We celebrated one year without accidents in our Curitiba and five years in Rio de Janeiro sites, reflecting our unwavering commitment to safety. Through rigorous protocols and dedicated teamwork, we prioritize the well-being of our employees.



Cultivating Mental Wellness: Mental Health Awareness Month

In May, Mental Health Awareness Month is observed across all US locations to raise awareness and prioritize well-being in our workplace. Our company provides comprehensive support, including educational seminars, stress management workshops, resilience training, mindfulness sessions, and confidential counseling with mental health professionals through our benefits vendors. These resources reinforce our commitment to nurturing mental wellness and fostering a supportive environment for all employees.

Supporting Each Other: ‘R U OK? I’m here to hear’

Once again, we led the ‘R U OK?’ campaign across our Asia Pacific locations this year. Our goal is to foster a workplace culture where staying connected and asking “Are you OK?” becomes a natural part of everyday interactions. The theme of this year’s initiative, ‘R U OK? – I’m here to hear’, emphasized the importance of actively listening and providing support to those in need. Employees were encouraged to initiate genuine conversations and lend an open ear, helping others feel valued and connected.

Promoting Health and Wellness

Landis+Gyr conducted health campaigns in multiple locations, providing flu shots, health screenings, nutrition information, ergonomics consultations, fitness demonstrations, and wellness resources. Employees learned about health-related topics, receiving preventive care services, and engaged in activities aimed at improving their overall well-being. In certain locations, such as our Prague office, we expanded the availability of healthier snacks and beverages, featuring locally sourced options with fair trade labels.

Community Engagement

'Community engagement' encompasses Landis+Gyr's interactions with the local communities where our operations are located, and our management of the impacts we generate on these communities. This involves our collaborative efforts with local groups and associations to address key issues that directly affect the well-being of local communities.

Company's Stand

At Landis+Gyr we deeply value the collaborative partnership between our business and local communities. This commitment guides us to proactively mitigate negative impacts, enhance positive effects, and actively contribute to sustainable community development. We recognize that the success of our business is intricately intertwined with the well-being and prosperity of the communities surrounding us. Therefore, we are dedicated to nurturing this interdependent relationship through our actions and initiatives.

Company's Impact

We recognize our operations' profound impact on local communities, particularly in the ~30 countries where we maintain a presence and employ approximately 6,900 individuals. Our operations support the socio-economic development of local communities through various means, including promoting local employment opportunities, fostering skill development, engaging in local procurement, and generating tax revenue. Furthermore, we actively participate in community support activities, including employee volunteering and fundraising, to enhance the well-being and resilience of local communities.

Landis+Gyr's operations predominantly involve light industrial processes, resulting in limited adverse environmental impact on local communities. Our impact primarily stems from local resource usage (e.g. water) and greenhouse gas emissions. To mitigate these impacts, we have implemented measures to enhance resource and energy efficiency across our operations. More information on these efforts can be found in the 'Water Management' and 'Energy Efficiency and Climate Protection' sections of this report.

While we are not aware of any significant human rights impacts on our local communities resulting from our operations, Landis+Gyr remains vigilant. We are actively working to strengthen our human rights due diligence process to ensure any impacts are effectively managed in line with best practice.

Policies, Organization, Key Processes & Actions, Metrics:

Policies

Community engagement initiatives are governed by Landis+Gyr's 'Community Engagement Directive,' which outlines the scope, focus areas, and roles and responsibilities of our activities. These initiatives are identified and executed locally to ensure maximum effectiveness. Each initiative is tailored to meet the specific needs of the community, reflecting our deep commitment to fostering sustainable and thriving local environments.

The oversight of the three-year Community Engagement roadmap is managed by the ESG Steering Committee, ensuring alignment with the ESG strategy and priorities set by the Executive Management Team and the Board of Directors.

Organization

Community engagement activities are primarily managed at the local level, with coordination and reporting exchanges with the global ESG team as needed to ensure alignment and effectiveness of efforts.

Key Processes & Actions

To foster trust and cultivate positive relationships with local communities, we employ a range of tools and channels designed to facilitate our engagement with local stakeholders. These include the development of stakeholder engagement plans, participation in local community consultation committees, the establishment of worker representation bodies, and the implementation of local community grievance processes. By leveraging these instruments, we strive to establish open channels of communication and promote transparency in our operations. For more information, please refer to the GRI Index (GRI 413: Local Communities).

Our company has a long-standing tradition of actively supporting the well-being and resilience of our local communities through volunteering and fundraising. Our approach is collaborative, involving both internal and external stakeholders (e.g. local associations and NGOs) to ensure the success and sustainability of our initiatives.

Following approval from the ESG Steering Committee, we decided to pause several activities included in the Community Engagement FY 2022 – FY 2024 roadmap. The initiatives concerned were related to the global coordination of community engagement activities. It was collectively agreed to reassess the ambition level of this roadmap during the set-up of the next three-year ESG strategic cycle to better align it with our business priorities. Nevertheless, throughout FY 2023, the implementation of community engagement activities continued without interruption at the local level.

In the following pages, we present selected initiatives undertaken by Landis+Gyr across various locations during FY 2023 to support our local communities. These initiatives reflect our commitment to nurturing positive relationships and delivering a meaningful impact in the locations where we operate.

United States

North Fulton Community Charities (NFCC) Donations and Events (Alpharetta) Spreading Joy to Families in Need: Holiday Toy Drive

Employees donated toys to support families in need during the holiday season. The company organized a collection drive and coordinated with NFCC, a local charity, to distribute the donated toys to children in the community. Following the donations, employees volunteered to organize and sort toys for the local charity.

Caring for our Community: Thanksgiving Food Donation

Employees donated non-perishable food items to support families in need during the Thanksgiving holiday. The company organized a food drive to collect canned goods, boxed meals, and other food items, which were then donated to local food banks or charities, such as the NFCC. Following the donations, employees volunteered to organize and sort food items for the local charity.

Providing Warmth in Winter: Coat Drive

Employees donated gently used jackets, scarves, and gloves to support families in need during the holiday season. The company organized a coat drive, collecting these items to donate to the local charity.

Joining Forces for Heart Health: Heart Walk (Texas)

The Heart Walk is the American Heart Association's premier event, dedicated to raising funds to combat the nation's leading causes of death – heart disease and stroke. Our dedicated employees volunteered their time to actively promote awareness and contribute to the critical mission of saving lives.

Empowering Local Communities: United Way Donations (St. Louis)

United Way mobilizes communities around the world to close gaps and open opportunities so everyone can thrive. They connect partners, donors, volunteers, and community leaders to tackle the root causes of the world's most complex challenges while making a positive impact in the lives of millions of people. Their focus areas are health, education, and economic mobility. Employees in the St. Louis office made donations to this cause.

Standing Together with Hawaii: Red Cross Hawaii Wildfires Relief Fund (All US sites)

Landis+Gyr partnered with the American Red Cross to help provide disaster relief to those impacted by the Hawaii wildfires. Employees made donations to the Red Cross to support families affected by the Hawaii wildfires.

Empowering Future Engineers: Safety Awareness

Landis+Gyr collaborated with Purdue University's freshman engineering cohort, presenting an engaging session on "Safety in Engineering." This effort highlights our commitment to nurturing safety culture and educational initiatives among aspiring engineers.

Mexico

Supporting Healthcare:
Our Contribution to the Local Hospital
Landis+Gyr demonstrated its commitment to community well-being through meal and furniture donations. Employees generously provided meals to individuals waiting in the emergency area of the city's largest public hospital, ensuring that 100 people received nourishment during their time of need. Additionally, Landis+Gyr donated four unused workstations to the hospital, enhancing its capacity to deliver essential services to the people of Reynosa. These initiatives not only support individuals in immediate crisis but also contribute to improving overall healthcare access and quality in the local community.

Aiding Vulnerable Migrants
In Reynosa, a city situated near the US-Mexico border, the influx of migrants passing through has steadily increased over the years. Recognizing the challenges faced by this vulnerable population, Landis+Gyr extended its support to the community of Reynosa, Mexico. Through the donation of 50 blankets and food provisions to a migrant shelter, we aimed to alleviate some of the hardships faced by the individuals seeking refuge in the city. With a total of 150 people residing in the shelter, hailing from various countries, our contribution aimed to provide warmth and sustenance to those in need during their stay in Reynosa.

Brazil

Spreading Joy: Solidarity Christmas Campaign
During our holiday festivities, Landis+Gyr sponsored 50 children from the charity organization 'União Solidária' by participating in a heartwarming tradition. Our Christmas tree was decorated with "Letters to Santa Claus" written by the children supported by the organization. Employees had the opportunity to select a letter and make a child's wish come true by donating a toy.

Volunteering for Vulnerable Children
Employees volunteered to aid the charity organization 'União Solidária', which aids vulnerable children battling cancer or rare diseases. Two events were coordinated with the institution: one involved gathering supplies for the Christmas baskets distributed to the families supported by the institution. The other event focused on painting, furniture maintenance, material clean-up, and recycling efforts, ensuring an optimal environment for the children under their care.

Assisting the Elderly: Winter Campaign
Forty-eight of our employees contributed funds to purchase blankets and geriatric diapers to address the needs of our partner institutions (Associação Amigos do HC, União Solidária and Lar Iracy). This donation supported the most vulnerable members of our community, ensuring their comfort and well-being.

South Africa

Empowering South African Communities:
Our Charitable Donations
Landis+Gyr remains committed to uplifting the lives of South Africans in need by supporting various charitable organizations. Our partnership with 'Understand, Hope and Care Centre' provided essential resources to over 70 disadvantaged orphans in Khayelitsha, enhancing their mental and physical development through new learning materials and educational outings. Additionally, our contribution to Down Syndrome South Africa initiated the Access to Justice project, addressing gender-based violence. We also supported Regional Educare Council in training 33 women and youths in Early Childhood Development, facilitating employment opportunities. Furthermore, our donation to The Khulisani Foundation and The Love Trust enabled the development of educational programs, fostering holistic growth and transformation within local communities.

Slovenia

Sowing Hope and Rejuvenating Forests
Employees participated in the nationwide volunteer tree-planting event, “Let’s Rejuvenate the Forests 2023,” organized by SiDG (Slovenian State Forestry Company) in various national forest locations across Slovenia. Our involvement aimed to promote sustainable forest development and raise public awareness about forest preservation for future generations. As campaign supporters, we aided in the Goriška Karst region, heavily impacted by the country’s largest fire in 2022. Through the purchase of seedlings and participation in tree planting, we contributed to the restoration efforts.

Solidarity in Action: Floods 2023
In response to the August 2023 floods in Slovenia, we organized two volunteer actions in affected areas and facilitated donations of essential materials, including tools and sanitary products, from our employees. Additionally, we established a collective financial account through the Slovenian Association of Friends of Youth, allowing contributions from our employees and others. In the municipality of Gornji Grad, the INCH Duo charging station, owned by the municipality and operated by our partner Porsche Slovenia, was damaged as a result of the flood. To assist, we donated one INCH Duo station, while Porsche Slovenia covered the cost of dismantling the faulty unit and installing the new charger.

Greece

Supporting Local Children Charities
Landis+Gyr provided financial and in-kind contributions to ‘Efthimeio Center of Corinth’, ‘Smile of the child’, ‘Make a wish’ and ‘Special Elementary School of Corinth’. Through these organizations the company supported the needs of children facing adversity or living with disabilities. Every year, we host Christmas and Easter Bazaars at our premises, with proceeds benefiting the ‘Efthimeio Center of Corinth’ and ‘Smile of the child’.

Germany

Combatting Food Insecurity:
Donation to Nürnberger Tafel
This year Landis+Gyr chose to forego traditional Christmas gifts for our business partners. Instead, we allocated a generous donation of 5,000€ to support the voluntary organization “Nürnberger Tafel”. Dedicated to collecting donated food and distributing it to those in need, the Nürnberger Tafel has witnessed a growing demand for its services in recent years. Our contribution aimed to bolster their efforts in addressing food insecurity and supporting vulnerable individuals within our community.

Czech Republic

Dressing Families in Need: Clothes Drive
Landis+Gyr partnered with non-profit organization 'Oděvní banka', dedicated to assisting single-parent families. Employees collected clothing items and sent them to the charity organization for sorting, cleaning and distribution in time for the Christmas holidays.

Spreading Love to Local Charities: Saint Valentine's Day Donation
In celebration of Saint Valentine's Day, the company hosted a breakfast for all staff members to participate in and vote for local charity organizations to support. As a result, the company made a financial contribution to two associations: Rosa Centrum, dedicated to assisting women affected by domestic violence, and a local animal shelter, committed to caring for abandoned dogs.

India

With the support of two NGOs "Pehchaan – The Street School-Trust" (Noida Sector 35) & Goonj (Sarita Vihar), Landis+Gyr's employees undertook a clothing collection and distribution initiative for those in need. A distribution event was organized, with several volunteers extending their generosity by providing biscuits, chocolates, and stationery for the children. Witnessing the excitement and energy of the kids sparked a deep sense of fulfillment among our team, fostering unity and a shared commitment to community service.

Business Ecosystem

We conduct our business with integrity, adhering to the highest ethical standards of honesty, fairness, and respect for everyone's rights. We strive to cultivate trust and respect within our business ecosystem.

Strategic Responsible Sourcing

'Strategic Responsible Sourcing' focuses on Landis+Gyr's efforts to cultivate sustainable environmental, social, and governance practices throughout our supply chain. It centers on our active collaboration with suppliers and the integration of sustainability principles into our procurement practices.

Company's Stand

At Landis+Gyr, our core values guide us to prioritize the respect for universal human and workers' rights, operate in alignment with fundamental environmental and health and safety standards, and actively embed sustainability in all aspects of our operations. As a company, we hold ourselves accountable for our supply chain and are committed to ensuring that the stringent ESG standards we uphold internally are also applied to our partners in the supply chain. We firmly believe that promoting our values and requirements leads to the overall economic, technological, environmental, and social development of our supply chain and its communities.

Company's Impact

Our sourcing activities create significant positive impacts by generating employment opportunities, bolstering local economies, and fostering positive socio-economic effects. Furthermore, Landis+Gyr collaborates with suppliers to enhance their capabilities and competitiveness in areas such as cost, quality and technology. This mutually beneficial approach ensures shared growth and advantages for both Landis+Gyr and its suppliers.

However, irresponsible sourcing practices can lead to negative impacts such as environmental degradation through resource depletion and pollution. Another potential source of negative impacts in the electronics supply chain is linked to the sourcing of parts containing minerals such as gold, which exposes us indirectly to risks associated with human rights violations in conflict areas. Landis+Gyr has implemented processes to mitigate these risks, in line with our commitment to responsible sourcing and sustainability. See also the 'Human Rights and Child Labor' section.

Policies, Organization, Key Processes & Actions, Metrics

Policies

The following policies lay the groundwork for sustainable sourcing, underlining our commitment to ethical, social, and environmental excellence:

- ESG Directive: This directive defines our commitment to upholding responsible environmental, social and governance practices in our supply chain. It describes our supplier ESG due diligence process.
- Global Procurement Directive: This directive sets the basis for the implementation of the 'Supplier Code of Conduct' and 'Green Procurement Requirements'.
- Supplier Code of Conduct (including 'Green Procurement Requirements') (SCoC): The Code establishes supplier requirements with regards to employment practices (including the prohibition of child labor and modern slavery), health and safety standards, environmental practices, ethical conduct, information security practices and corporate governance. Our SCoC is modeled after the Responsible Business Alliance's (RBA) Code of Conduct template. Suppliers must confirm their adherence to these standards by signing our Supplier Code of Conduct, or an equivalent document.

Organization

Ensuring a sustainable supply chain is a multidisciplinary effort involving leadership from the ESG, Procurement, Quality, Supply Chain, Product Management, Compliance, Global Practice Team and IT functions of Landis+Gyr. This has led to robust processes, policies and actions as described in this section. The involvement of the above-listed parties has not been one-off, but rather is continuous in various forms including participation in review groups, project teams, and regular reporting efforts. The ESG supplier due diligence efforts are overseen by a committee composed of members of several of the functions mentioned above, who meet regularly to discuss findings and decide on related measures.

Key Processes & Actions

Supplier ESG Due Diligence

In FY 2023, Landis+Gyr conducted a comprehensive review of its existing supplier due diligence process, with the aim of strengthening and streamlining it. We are currently engaged in implementing our revised approach, which comprises the following four steps:

1. Supplier ESG risk assessment: Leveraging an external supply chain monitoring platform, we conduct a thorough screening of all relevant suppliers for ESG aspects, considering factors such as geography and industry. Suppliers are required to complete a self-assessment covering specific areas such as anti-bribery and corruption; human rights and labor; environmental protection, and health and safety. If the self-assessment reveals areas of concern, suppliers are directed to undergo an ESG audit.

2. Supplier ESG audits: Suppliers with identified risk concerns undergo audits to ensure compliance with the requirements outlined in our SCoC. If any non-conformance is identified, we collaborate with the supplier to establish a corrective action plan.

3. Supplier development: Audit findings and corrective action plans are integrated into our Supplier Development Program, facilitating collaboration with related suppliers to foster mutually beneficial improvements. Should the collaboration not lead to the envisaged/agreed upon outcome, we will consider additional measures including termination of the relationship with the supplier.

4. Supplier monitoring: We conduct ongoing monitoring of public information sources to proactively identify potential supplier risks, including ESG concerns.

Our updated supplier ESG due diligence process focuses on Tier 1 suppliers initially, with plans to expand the scope to include strategic Tier 2 suppliers as we progress on this journey.

Green Supply Chain
To minimize adverse impacts on the environment, Landis+Gyr strives to increase the sourcing of "green" materials, i.e. materials with a lower environmental footprint. Our Green Procurement Requirements (annex to the Supplier Code of Conduct) define materials to avoid, or which are banned or restricted, and encourages suppliers to use environmentally friendly materials. Internally, Landis+Gyr also strives to make its supply chain greener through initiatives such as incorporating recycled materials in our packaging and optimizing transport logistics.

Ethical Material Sourcing
Landis+Gyr is committed to the ethical and sustainable sourcing of materials. Our 'Supplier Code of Conduct' emphasizes respect for human rights, while our ESG audits carefully assess our suppliers' health, safety and labor conditions.

Certain products in our portfolio require components containing limited quantities of minerals and metals, some of which may originate from mines located in conflict areas. To address this potential risk, we have implemented processes aligned with international guidelines and regulations on this matter, including the 'OECD Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas', the 'SEC rule under section 1502 of the Dodd-Frank Act' (applicable in the US) and the EU Regulation 2017/821 (applicable in the EU). To ensure compliance and trace the origin of minerals, we utilize tools such as the reporting templates developed by the 'Responsible Mineral Initiative' (RMI). This diligent approach underscores our commitment to regulatory compliance and our active contribution to eradicating human rights abuses within our supply chain.

Conflict Minerals Due Diligence
Recognizing the challenges and responsibilities of ethically sourcing materials in today's complex and interconnected global supply chain, we have implemented a comprehensive supply chain due diligence process. Our approach encompasses the monitoring of various ESG aspects in our supply chain, including the sourcing of components containing minerals or metals that may originate from conflict areas. Through the 'Conflict Minerals Reporting Template', we collect information from our Tier 1 suppliers regarding the country of origin of minerals, and the smelters and refiners they use. This enables us to determine if any materials are sourced from conflict-affected regions and take appropriate actions.

Furthermore, we conduct supplier assessments leveraging our external supply chain monitoring platform. This allows us to proactively identify and mitigate risks associated with conflict mineral sourcing, ensuring alignment with international standards like the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights.

In response to the new requirements established by the provisions of the amended Swiss Code of Obligations (Art. 964j–l CO) and the Swiss Ordinance on Due Diligence and Transparency in relation to Minerals and Metals from Conflict Affected Areas and Child Labour (DDTrO), we have conducted an assessment of our risk exposure. Our findings and conclusion are as follows:
- Landis+Gyr does not import minerals or metals in raw or semi-finished form. The company imports components that may contain minimal amounts of such minerals or metals.
- The quantities of minerals and metals subject to the aforementioned regulations, which were included in the components Landis+Gyr imported into Switzerland in 2023, are significantly below the applicable thresholds.
- Landis+Gyr is exempt from specific due diligence and reporting obligations concerning conflict minerals under the provisions of the amended Swiss Code of Obligations and the DDTrO, respectively.

Employee Training
Landis+Gyr is engaged in raising awareness about ESG issues affecting our supply chain. In collaborative sessions involving colleagues from various functions including Quality, Legal Compliance, ESG, R&D, and Procurement, we discuss the progress of implementing Landis+Gyr's ESG targets with respect to our supply chain and address related challenges. Furthermore, we offer specialized training sessions, featuring experts who delve into topics ranging from modern slavery to climate change. This proactive approach aims to enhance sustainability competencies among our employees, facilitating the integration of these considerations into our business practices.

Metrics
We have established annual ESG targets and corresponding KPIs to drive adherence to our ESG standards across our supply chain. Currently tracked KPIs include:
- % direct material spend covered by ESG audits
- % of new tier 1 suppliers assessed for environmental and social Impacts
- % of direct material spend covered by a signed Supplier Code of Conduct

As we review our supplier due diligence process, we are considering adopting additional KPIs to support our shift to a risk-based approach. For metric performance, see the sections 'Targets' and 'Performance / Statistics' in this report.

Security and Data Privacy

'Security and Data Privacy' encompasses the company's approach to safeguarding sensitive information and personal data linked to its employees, customers, and suppliers, as well as protecting physical assets. This includes the collection and processing of sensitive information and personal data, along with the implementation of systems and controls to prevent unauthorized third-party access and malicious attacks. Additionally, it involves our compliance with applicable laws and regulations globally, wherever Landis+Gyr operates.

Company's Stand

Connected to utilities' systems and platforms, our smart meters collect, analyze, and deliver data to facilitate informed decision-making for both energy utilities and consumers. Recognizing the critical importance of data in our business, we are dedicated to implementing and maintaining processes and systems that prioritize data security. This includes applying the principles of privacy by design and by default, as well as security by design, while also ensuring the protection of privacy rights for our customers and other stakeholders. Our commitment to security and data protection extends beyond the realm of IT to encompass the security of both physical premises and people. By prioritizing data security and privacy, we aim to instill trust and confidence in our stakeholders while maintaining the integrity of our operations.

Company's Impact

Landis+Gyr's products and solutions transform raw data into useful information, ensuring a more stable, efficient, and reliable energy grid. Moreover, they empower consumers by providing them with valuable information and insights, enabling them to exercise greater control and awareness over their energy consumption.

However, while digital technologies offer substantial benefits for grid efficiency and reliability, they may present data privacy and security risks, especially in the event of a data breach. These risks may potentially result in reputational damage and financial losses for Landis+Gyr and data leaks for its customers. Recognizing the severity of these risks, the company is committed to mitigating them through the implementation of a robust Information Security Management System (ISMS), as well as an effective global data privacy governance program.

In FY 2023, no substantiated complaints concerning breaches of customer privacy and losses of customer data were experienced (Note: 'Substantiated complaints' are to be understood as defined in GRI 418)

Policies, Organization, Key Processes & Actions, Metrics

Policies

Landis+Gyr continuously enhances its information security and data privacy measures to offer secure products and services, satisfy or surpass regulatory requirements, and combat escalating security threats.

The company's approach to security and data privacy is shaped by the following policies and certifications:

- Global Information Security Policy: This policy describes the critical need to secure all information managed within Landis+Gyr, as well as information shared with partners and suppliers. It serves as the foundation for establishing a comprehensive framework for activities related to information security.
- Global Privacy (GDPR) Policy: This policy establishes the company's standards for the collection and processing of personal data in compliance with the 'General Data Protection Regulation' (GDPR) and other applicable privacy regulations.
- Employee Privacy Policy: This policy defines how the company collects and processes employee data, as well as the responsibility of Landis+Gyr's employees when handling personal data.
- ISO 27001 Certification: This certification demonstrates the company's commitment to implementing an ISMS aligned with international standards, ensuring robust information security practices. It also provides assurance to our stakeholders that Landis+Gyr follows best practices for information security and adheres to internationally recognized standards.

Landis+Gyr's ISMS is based on several security standards, including ISO/IEC 27001, NIST, and SSAE 18. Similarly, our Privacy Policy is based on several privacy standards, including the General Data Protection Regulation (GDPR).

Organization

The Executive Management Team (EMT) is fully committed to resourcing and supporting the ISMS across our entire business. The Global Information Security team establishes policies and processes to ensure the security of all types of information, including files, directories, papers and drawings. Additionally, they implement rules and guidelines to safeguard the IT systems used by IT, R&D, and Manufacturing, as well as the supporting processes involved in storing, transmitting, and utilizing information.

Regarding data privacy, the company has established a comprehensive data privacy governance program with a global footprint, having designated 'Data Protection Officers' in all the relevant jurisdictions where the company operates and maintaining a network of 'Privacy Champions' in key jurisdictions. The company has also adopted best-in-class tools to manage data subject access requests and maintain a data registry of processing operations. In addition to its global privacy training program, the Privacy Team regularly conducts data protection impact assessments to ensure that new tools and processes integrate privacy by design and by default at the early stage of the product development lifecycle. Anyone finding a vulnerability related to Landis+Gyr, can reach out to Landis+Gyr via the dedicated button "Report a Security Issue" (being located at the bottom of the main Landis+Gyr Internet page) and report an incident.

Key Processes & Actions

This material topic has several focus areas, such as building and enhancing the infrastructure and processes, addressing internal improvements, or improving how Landis+Gyr's products and solutions respond to rising security and privacy requirements. Key workstreams include:

- Secure Development Practices: Implement the requirements of our Secure Software Development Life Cycle (S-SDLC) Policy in all new software and firmware products.
- Certifications: Achieve a global multi-site ISO 27001 Information Security covering key sites and SSAE18 SOC 2 for key solutions. Note: Several Landis+Gyr sites are already 27001 certified.
- Security Assessments: Undergo Cybersecurity Capability Maturity Model (C2M2) assessment by a third party.
- Security Culture: Promote a culture of security through enhanced awareness programs, specific training, and testing.
- Privacy Reviews: Standardize reviews during product development to comply with data protection regulations and protect data subjects' privacy rights.
- Security Requirements in Manufacturing: Standardize and increase security requirements in Landis+Gyr's manufacturing sites.

Mitigation Measures

In the event of a security or data privacy-related incident, Landis+Gyr has implemented a comprehensive set of measures to mitigate negative impacts. Some examples include:

- Providing channels for stakeholders to effectively communicate any issues or concerns directly to the company.
- Conducting annual compulsory training sessions aimed at refreshing and enhancing the security and privacy knowledge base of Landis+Gyr's personnel.
- Exchanging information and aligning solutions with all involved stakeholders in the event of an issue.
- Proactively reaching out to Supervisory Authorities when needed, effectively leveraging the Data Protection Officer communications channel with regulators.
- Responding promptly to external inquiries pertaining to known or suspected security breaches, including breaches of personal data.
- Communicating regularly, fostering transparency, and building confidence with stakeholders regarding the effective management of the issue.

Ongoing Review and Improvement

Landis+Gyr consistently reviews and updates its security policies to guarantee alignment with the highest business standards, pertinent security and data privacy regulations, and to incorporate ongoing process improvements.

- The Information Security department plays a pivotal role in this endeavor, conducting regular reviews of security requirements embedded in Landis+Gyr's customer contracts.
- The Legal & Compliance department is instrumental in safeguarding the company against potential data protection risks. This entails the regular identification and assessment of risks, followed by the development of corresponding mitigation measures. Every year, risks undergo systematic reassessment, evaluating the effectiveness of prior mitigation actions and determining the need for additional measures.
- We actively engage customers and other key stakeholders via surveys aimed at gathering their insights on this topic. Their valuable input guides the company in identifying and implementing further actions, ensuring a continuous enhancement of policies and processes to meet the evolving needs of our stakeholders.

Metrics

To advance our commitment to providing products and solutions that prioritize data security and respect the privacy rights of our customers and stakeholders, Landis+Gyr has established targets and associated Key Performance Indicators (KPIs). These are regularly tracked and reported, focusing on the following areas:

- Performance on annual security assessments, including the Building Security In Maturity Model (BSIMM). BSIMM is a framework that aids organizations to assess and enhance their software security initiatives. It provides a set of best practices derived from real-world data across various industries, enabling companies to improve their security posture systematically. These assessments serve as a baseline for Landis+Gyr's software security initiatives, allowing the company to continually refine and optimize its security practices. The insights gained from these assessments are invaluable in strengthening our digital defenses.
- Number of breaches or complaints related to customer data privacy and loss of customer data.
- Cyber Security Incident Funnel provides an overview of the current risk situation. We continuously monitor cybersecurity events.

For metric performance, see the sections 'Targets' and 'Performance / Statistics' in this report.

Business Integrity and Fair Taxes

'Business Integrity and Fair Taxes' encompasses compliance with socioeconomic laws and regulations, including international declarations, conventions and treaties, as well as national, sub-national, regional, and local regulations. Business integrity can relate to issues such as accounting and tax fraud, corruption, bribery, unfair competition, or the provision of products and services.

Company's Stand

Landis+Gyr operates globally in a variety of regulatory environments, regularly engaging with government-owned or highly regulated customers. In this diverse landscape, a firm commitment to business integrity, including tax transparency, is paramount. Our stance is clear: every individual representing Landis+Gyr, whether an employee, agent, contractor, or intermediary, is expected to uphold the highest standards of integrity. Adhering to laws, regulations, and fair market practices is not just about legal compliance; it is about maintaining the trust and respect that form the foundation of our company culture and reputation.

Company's Impact

The implications of business integrity extend far beyond our corporate boundaries. Unethical practices like corruption, bribery and unfair competition can alter markets, limit consumer choice, and undermine economic trust. The use of tax havens and aggressive tax avoidance schemes have detrimental impacts on both a company's reputation and the broader economy, eroding trust in corporate responsibility and contributing to economic inequalities by depriving governments of essential revenue for public services and infrastructure. On the other hand, ethical business practices build a foundation of trust, fostering long-term relationships and contributing to a fair and prosperous society. At Landis+Gyr, we proudly uphold these values, as evidenced by our record of zero integrity-related incidents in the recent reporting period.

Policies, Organization, Key Processes & Actions, Metrics

Policies

Landis+Gyr is committed to being a trusted and ethical business partner. The company has established global policies to support this objective:

- Code of Business Ethics and Conduct: The Code outlines responsibilities and expected professional behavior of Landis+Gyr and all its employees.
- Supplier Code of Conduct: This document governs relationships with suppliers concerning ESG requirements, including business conduct and ethics.
- Anti-Corruption Policy: This policy reinforces the Code of Business Ethics and Conduct with additional guidance on anti-bribery and anti-corruption laws.
- Unfair Competition and Antitrust Policy: This policy establishes requirements regarding anti-competition and antitrust laws and regulations.
- Speak-Up System Process and Policy: This document provides guidance on reporting known or suspected violations of our 'Code of Business Ethics and Conduct'.

Organization

Landis+Gyr has implemented a robust compliance organization. The Chief Compliance Officer ensures that compliance policies and processes are implemented at all levels of the organization and advises internal stakeholders regarding compliance topics.

Key Processes & Actions

Employee Training

All Landis+Gyr employees must adhere to the 'Code of Business Ethics and Conduct.' All new employees must complete training upon joining the organization. All employees undergo annual training on the Code's content. Additionally, employees must undergo specialized compliance training annually. These sessions cover various aspects, including business ethics, conduct, bribery, corruption, anti-competitive practices, sexual harassment, data privacy, and other pertinent compliance risks.

Reporting Channels

We have established global reporting channels for suspected or known violations of the 'Code of Business Ethics and Conduct,' internal policies, or the law. This includes a confidential 24-hour hotline and a web portal for employee complaints. Concerns can also be reported via email to a manager, HR Business Partner, the Chief Compliance Officer, or to an external Ombudsperson. A case management system is in place to record and monitor complaints and their resolutions.

Third-party Due Diligence

Landis+Gyr has implemented a third-party due diligence process, requiring a mandatory check before appointing any third-party intermediary. This examination is conducted independently or with the assistance of a third-party provider. It involves scanning potential intermediaries against blacklists, sanction lists, adverse media, and other databases to identify signs of lacking business integrity. The company consistently reviews and updates this process, ensuring thorough screening and vetting of all relevant parties before initiating business engagements. Ongoing due diligence is undertaken with selected existing partners, including on-site audits carried out to ensure ongoing alignment with agreed and documented business practices.

Metrics

To evaluate our effectiveness in implementing business integrity measures, we track the following metrics:

- % of employees trained on business ethics in the reporting year
- Number of integrity-related incidents

For metric performance, see the sections 'Targets' and 'Performance / Statistics' in this report.

Tax

Policies

The following policies guide our approach to tax transparency:

- Tax Policy: This policy guarantees compliance with tax laws and regulations, while ensuring accuracy, predictability, and transparency in all tax-related issues. Detailed documentation accompanies all matters concerning Landis+Gyr's tax obligations, reflecting a commitment to fiscal responsibility and legal compliance.
- Transfer Pricing Policy: This policy ensures that all intercompany transactions adhere to the arm's length principle. In alignment with the OECD Guidelines, it seeks consistency in intercompany pricing methodologies across different markets and strives for a balanced transfer pricing position across the Group.

Our company has been headquartered in Canton Zug (Switzerland) since 1896, predating the introduction of the region's policy on low corporate taxes. Our longstanding presence in Zug reflects a deep-rooted commitment to the community, emphasizing historical connections that extend beyond tax-related considerations.

Organization

Responsibility for implementing and overseeing the Tax Governance Model rests with the Group Head of Tax, under the review and approval of the Group CFO and the Audit, Finance and Risk Committee of the Board of Directors. Landis+Gyr adheres to all tax regulations and disclosure requirements across the countries it operates in. This compliance extends to processes managed by shared service centers, ensuring that both the center and the Group companies adhere to the principle of comprehensive tax compliance.

Key Processes & Actions

Tax Risk and Planning

The Group Tax function is tasked with identifying, assessing, and managing tax risks arising from commercial transactions. Landis+Gyr is committed to ethical tax practices, avoiding the use of Special Purpose Vehicles, shell companies, or tax havens for non-commercial purposes, except in cases of dormant companies due to restructuring or legal liquidation. Adherence to the OECD's definition of 'tax havens' guides decisions on establishing a presence in such locations, always backed by a thorough risk assessment and a focus on transparency and compliance.

Interaction with Authorities

In its dealings with tax authorities, Landis+Gyr maintains a stance of full transparency and cooperation. This approach facilitates open and honest dialogue with local tax bodies, ensuring that all tax matters are handled with the utmost integrity and in compliance with local regulations.

International Developments

The Organization for Economic Cooperation and Development (OECD) guidance under the Base Erosion and Profit Shifting (BEPS) initiative aims to minimize perceived tax abuses and modernize global tax policy, including the implementation of a global minimum effective tax rate of 15%. In December 2022, the Council of the European Union adopted OECD Pillar 2 for implementation by European Union member states by December 31, 2023. Switzerland has enacted its Pillar 2 legislation per December 2023. Pillar Two legislation has been enacted or substantively enacted in certain jurisdictions where the Group operates. The legislation will be effective for the Group's financial year beginning April 1, 2024. The Group is in scope of the enacted or substantively enacted legislation and has performed an assessment of the Group's potential exposure to Pillar Two income taxes. The assessment of the potential exposure to Pillar Two income taxes is based on the most recent tax filings, country-by-country reporting and financial statements for the constituent entities in the Group. Based on the assessment, the Pillar Two effective tax rates in most of the jurisdictions in which the Group operates are above 15%. However, there are a limited number of jurisdictions where the transitional safe harbor relief does not apply and the Pillar Two effective tax rate is close to 15%. Depending on the geographical spread of the Group Earnings Before Taxes (EBT), the Group expects a limited exposure to Pillar Two income taxes in those jurisdictions.

The company files a yearly Country-by-Country Report (CBCR) and would be in scope for Public CBCR. The company actively monitors the developments around public CBCR to assure full compliance in this matter.

Effectiveness of Actions and Measures Taken

Every three years, Landis+Gyr reassesses its ESG material topics and develops topic-specific roadmaps that include targets and detailed actions to address all relevant ESG impacts. To oversee the implementation of actions and the achievement of targets, the company defines related Key Performance Indicators (KPIs) for all relevant material topics. The ESG Steering Committee plays a crucial role in this process, conducting quarterly progress reviews on the ESG roadmaps and related KPIs.

The effectiveness of the actions and measures implemented is evaluated through the KPIs defined to measure progress towards the envisaged targets. These KPIs are reported either under the different topic-related standards or in the related data tables in the section 'Performance / Statistics'. The disclosures made in this report, including achieved results, have undergone an independent assurance process by DQS (see section 'External Assurance'). Additionally, aspects of the disclosures included in this report have also been audited as part of our ISO certification audits. For further details, refer to the section 'Locations', which illustrates the Landis+Gyr's sites and their corresponding ISO certificates.

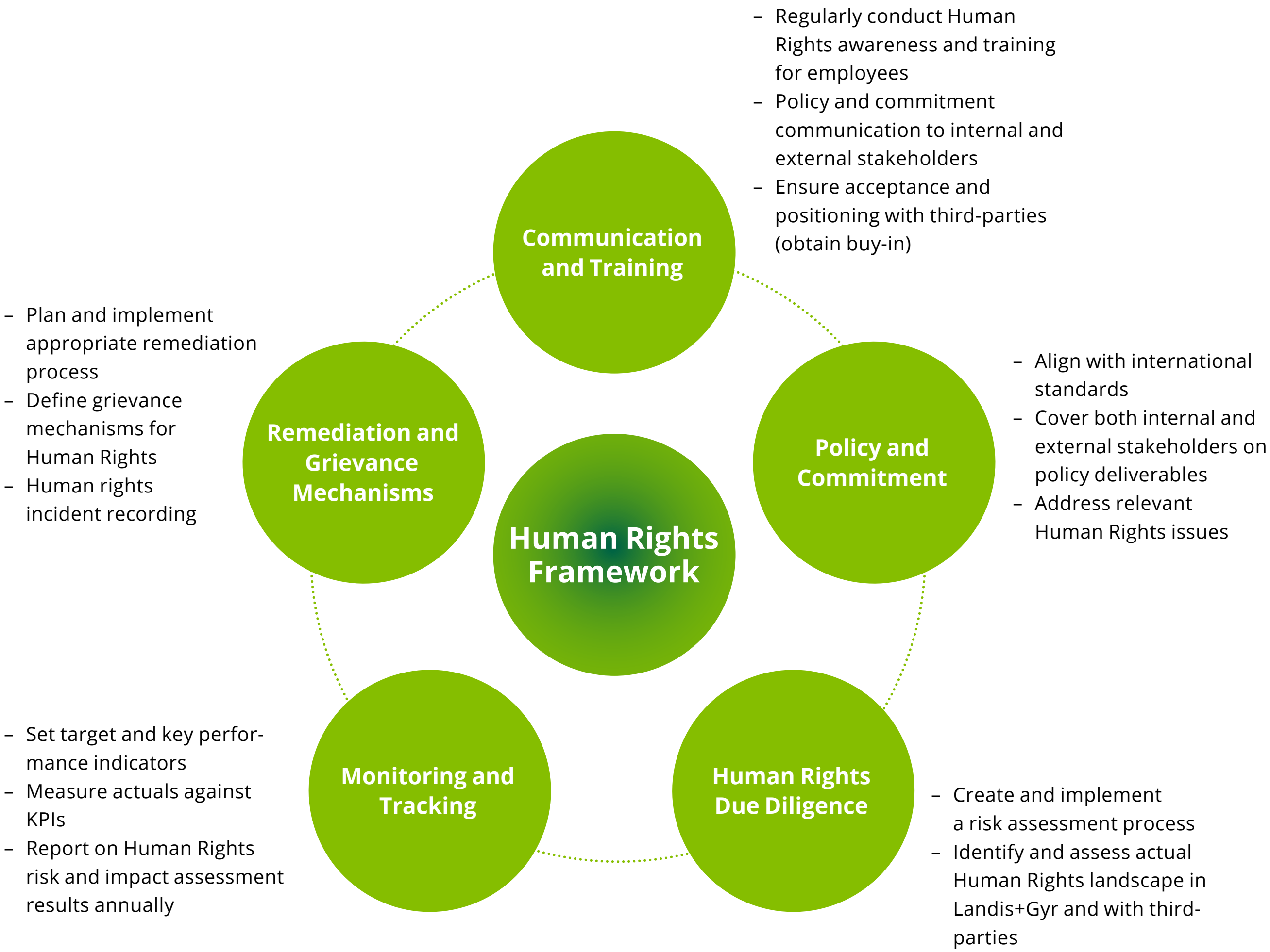
To ensure compliance with our 'Code of Business Ethics and Conduct', Landis+Gyr has established various mechanisms for reporting grievances or concerns. This includes a confidential 24-hour hotline and a web portal accessible to employees, contractors, and external stakeholders such as the public or affected communities. Issues reported through these grievance channels are also used to assess the implementation of measures taken and/or to define new measures to address potential gaps.

Human Rights and Child Labor

Human Rights and Child Labor

As a signatory to the UN Global Compact, Landis+Gyr is firmly committed to upholding internationally recognized human rights and labor standards, both within our operations and across our supply chain. This commitment is deeply ingrained in how we conduct business, enshrined within our 'Code of Business Ethics and Conduct' and 'Supplier Code of Conduct', and reflected in our organizational values. We believe in leading by example, embedding these principles into our leadership, culture, policies, processes, and training initiatives.

Our commitment to human rights is grounded in the 'International Bill of Human Rights' and the International Labour Organization (ILO) 'Declaration on Fundamental Principles and Rights at Work'. We align our processes with international best practice, including the 'OECD Guidelines for Multinational Enterprises' and the 'United Nations Guiding Principles on Business and Human Rights'. Furthermore, we strive to comply with applicable local laws and regulations concerning human rights and labor standards, including the provisions of the 'Swiss Code of Obligations' (Art. 964 j-l CO) and the 'Swiss Ordinance on Due Diligence and Transparency in relation to Minerals and Metals from Conflict Affected Areas and Child Labor'. In locations such as Australia and the UK, we issue dedicated statements outlining the steps we take to combat modern slavery and human trafficking in our own operations and supply chain.



To further reinforce our commitment to human rights, in FY 2023 Landis+Gyr established a cross-functional 'Human Rights Committee.' Comprised of representatives from diverse business units and functions including Legal & Compliance, ESG, Supplier Quality, Procurement, Internal Audit, HR, and Communications, this committee was formed with a multifaceted mission. It serves as a nexus for integrating human rights responsibilities across all business functions, ensuring compliance with evolving legal and regulatory landscapes, identifying and mitigating risks within our operations and supply chain, and fostering continuous learning and capacity building within our organization.

As illustrated above, the committee will work to further expand and implement a comprehensive human rights due diligence framework in our business.

The committee focuses on five critical workstreams:
1. Developing a global Landis+Gyr Human Rights Policy;
2. Assessing the suitability of our existing grievance mechanism and develop remediation processes;
3. Addressing third-party obligations within the supply chain;
4. Conducting a human rights impact assessment; and
5. Spearheading communications and awareness campaigns.

Human Rights Due Diligence in Our Supply Chain

Our commitment to human rights is integral to every step of our interaction with supply chain partners, starting from partner selection and continuing throughout our ongoing collaboration. This commitment extends beyond our relationship with direct suppliers to encompass all business partners, including agents, resellers, and distributors. We communicate our ESG requirements unequivocally, screening suppliers and business partners continuously for any violations.

In FY 2023, we strengthened our ESG supplier due diligence process, which includes supplier ESG risk assessment, auditing, supplier development and ongoing monitoring of ESG risks, notably human rights and child labor. This approach allows us to identify and mitigate human rights risks effectively. Existing Tier 1 suppliers representing over 86% of the company's direct material spend underwent an ESG audit to verify compliance with the requirements of our Supplier Code of Conduct. Following the due diligence process and review by the Compliance and Procurement functions, no suppliers in these target groups were identified as having a significant risk of child labor or young workers exposed to hazardous work. If a significant risk is identified during the due diligence process in our supply chain, corrective actions are initiated immediately with the related party, followed up by a supplier development program.

To combat potential abuses stemming from conflict mineral sourcing, Landis+Gyr collects and analyzes Conflict Minerals Reporting Templates (CMRT) and Extended Minerals Reporting Templates (EMRT), developed by the Responsible Minerals Initiative (RMI). This allows us to monitor our supply chain for the risk of conflict minerals, thus ensuring our suppliers adhere to ethical sourcing standards. For further details, see the 'Strategic Responsible Sourcing' section.

Human Rights Due Diligence in Our Operations

Within our operations, Landis+Gyr maintains a strong commitment to upholding human rights principles. Our employees undergo regular training on our 'Code of Business Ethics and Conduct,' which explicitly prohibits forced, slave, compulsory, or child labor, underscores the importance of freedom of association, prohibits all forms of discrimination, and ensures fair compensation and equal opportunities for all.

Furthermore, we have implemented a robust Speak-Up system, empowering employees to voice grievances, including those related to human rights. This system underscores our commitment to fostering a culture of transparency and accountability.

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Energy

Energy consumption in Megajoules (MJ)	2021	2022	**2023**	Change 22–23
Electricity consumption	68,869,226	88,865,737	81,764,273	–8%
Steam (district heating)	6,997,273	6,279,242	6,349,954	1%
Diesel and Gasoline	19,569,008	25,144,396	26,561,283	6%
Natural Gas	14,958,434	14,709,718	10,789,533	–27%
Total	**110,393,943**	**134,999,093**	**125,465,042**	**–7%**
	Conversion factors liters to MJ Diesel 30 Gasoline 35	Conversion factors liters to MJ Diesel 30 Gasoline 35	Conversion factors liters to MJ Diesel 30 Gasoline 35	

Fuel consumption in Megajoules (MJ)	2021	2022	**2023**	Change 22–23
Natural Gas	14,958,434	14,709,718	10,789,533	–27%
Diesel and Gasoline	19,569,008	25,144,396	26,561,283	6%

Electricity consumption in MWh	2021	2022	**2023**	Change 22–23
National grid mix	6,962	10,116	4,767	–53%
Renewable sources	12,168	14,529	17,920	23%
Total	**19,130**	**24,645**	**22,688**	**–8%**

	2021	2022	**2023**	Change 22–23
District heating in MWh	**1,944**	**1,744**	**1,763**	**1%**

Energy intensity ratios	2021	2022	**2023**	Change 22–23
Total energy ratio in MJ per 100 USD turnover	7.5	8.0	6.4	–20%
Total energy ratio per employee in MJ	20,458	17,419	18,252	5%
Total energy per 10 m² floor area in MJ	72	66	76	14%

Notes:

Between FY 2022 and FY023, notable shifts in energy efficiency ratios were observed:

- The energy per 100 USD turnover ratio decreased, attributed to lower energy consumption coupled with higher revenue.
- Conversely, the energy per employee ratio increased, despite lower energy consumption, reflecting a reduction in the number of employees.
- Similarly, the energy per 10 m² floor area ratio grew, despite lower energy use, due to a reduction in the number of m² used (closing of facility in Kolkata).

Etrel and Luna included as of FY 2022.

GHG

	Scope 1			Scope 2			Scope 3		Total Scope 1+2			Total Scope 1+2+3	
CO_2e Emissions (in tons)	2021	2022	**2023**	2021	2022	**2023**	2021	**2023**	2021	2022	**2023**	2021	**2023**
Americas	1,286	1,904	1,664	1,509	848	139			2,794	2,752	1,802		
APAC	99	598	202	3,500	2,584	345			3,599	3,181	547		
EMEA	861	1,690	1,170	1,546	3,527	2,304			2,407	5,216	3,474		
Total	**2,245**	**4,192**	**3,036**	**6,555**	**6,958**	**2,788**	**1,075,054**	**1,311,093**	**8,800**	**11,150**	**5,824**	**1,083,854**	**1,316,917**
Change FY 2022–2023			–28%			–60%					–48%		
Change FY 2021–2023			35%			–57%		22%			–34%		22%

	Scope 1+2			Scope 1+2+3
Intensity Ratios (Scope 1 and 2)	2021	2022	**2023**	**2023**
kg CO_2e per product	0.6	0.5	0.3	66
t CO_2e per employee	1.8	1.4	0.8	192
t CO_2e per 10 m² floor area	0.6	0.6	0.4	80
kg CO_2e per USD 100 turnover	0.7	0.7	0.3	67

	2021	2022	**2023**
Methane (CH4) in t	1.2	1.7	1.5

Notes:

Intensity ratios for Scope 1+2 declined between FY 2022 and FY 2023:

– On a product basis, the kg CO_2 per product decreased due to the reduction in Scope 1+2 emissions and the higher number of units sold in 2023.

– On an employee basis, the tons of CO_2 per employee decreased, despite the lower number of employees, driven by the significant reduction in Scope 1+2 emissions.

– On a floor area basis, the tons of CO_2 per 10 m² of floor area decreased, despite the lower number of m² used (closing of facilitiy in Kolkata), driven by the significant reduction in Scope 1+2 emissions.

– On a turnover basis, the kg of CO_2 per 100 USD turnover decreased due to the reduction in Scope 1+2 emissions and the company's higher revenue in 2023.

Scope 3		
CO_2e Emissions (in tons)	2021	**2023**
Cat. 1: Purchased goods and services	276,261	361,090
Cat. 2: Capital goods	13,084	6,909
Cat. 3: Fuel and energy-related activities	2,756	1,600
Cat. 4: Upstream transportation and distribution	10,361	12,414
Cat. 5: Waste generated in operations	487	265
Cat. 6: Business travel	4,152	4,350
Cat. 7: Employee commuting	12,645	3,234
Cat. 9: Downstream transportation and distribution	0	8,761
Cat. 11: Use of sold products	738,394	907,311
Cat. 12: End-of-life treatment of sold products	16,914	5,158
Total	**1,075,054**	**1,311,093**
Scope 3 per 100 USD Turnover	73.4	66.8

Driven by the company's sales growth in FY 2023, Scope 3 emissions have also risen, while the impact of carbon abatement measures is just beginning to emerge. However, it is worth to point out that Scope 3 emissions relative to 100 USD turnover have decreased by 9% during this time, indicating a positive trend.

From 2007 untill 2021, Landis+Gyr applied the same emission factors (2007) in its GHG calculations. From 2022 onwards, the emission factors are updated every year.
Etrel and Luna included as of FY 2022.

Notes:

Scope 3: It is disused in the section Energy Efficiency and Climate Protection. In FY 2022, Landis+Gyr completed its first full Scope 3 assessment, utilizing FY 2021 data, in preparation for submitting our Science-Based Targets to the SBTi. No Scope 3 emissions inventory was performed for FY 2022. In FY 2023, we performed a full Scope 3 calculation for the current reporting period, using our SoFi data capturing tool. Going forward, we intend to continue this practice annually, focusing on continuously enhancing the completeness and quality of the data, as well as the methodology applied to make this calculation.

The emission factors used for converting data inputs into CO_2 figures are the most current available.
Conversion factors used are disclosed in the chapter "About this Report".

GHG calculation
Gases included in the calculation:
All (relevant: CO_2, CH_4, N^2O)
Biogenic CO_2 emissions in metric tons of CO_2 equivalent: None

Base year for the calculation
Scope 1: Since 2007, the first year Landis+Gyr calculated its GHG emissions, the company has continuously established year-over-year targets to reduce its CO_2 emissions. From base year FY 2021 to 2023 Scope 1 increased by 11%, while it decreased by 23% from FY 2022 to FY 2023. FY 2023 emissions are calculated using the most current emission conversion factors.

During the assessment to generate the dataset for SBTi we became aware that our dataset omitted fugitive emissions. Hence, we added GHG emissions to Scope 1, accounting for the impact of fugitive emissions, for the first time last year. Similar adjustments would need to be made to our calculations from previous years. The steep increase in Scope 1 emissions from FY 2021 to FY 2022 is mainly explained by the inclusion of fugitive emissions. Fugitive emissions have been incorporated in this year's data capturing exercise and are thus included in our Scope 1 reporting.

Scope 2: In FY 2021, Scope 2 emissions amounted to 6,958 tons CO_2e. The change is –57% for the period FY 2021 – FY 2023 and –60% for the period FY 2022 – FY 2023. The increased use of renewable energy (59% in FY 2022 to 79% in FY 2023) has led to a significant reduction of Scope 2 emissions over time.

Market-based and location-based data consolidation: Data is captured using the location-based approach, with the exception of green energy purchases which are set to zero CO_2 emissions.

The reduction of GHG emissions is calculated in comparison to the previous year (year-over-year). Company GHG reduction goals have been set on a year-over-year basis which led to reduced GHG emissions of –34% (Scope 1+2) since the base year FY 2021.

The company has made a commitment to achieving carbon neutrality for Scope 1+2 by 2030. Additionally, the company had its carbon reduction targets validated by the SBTi in July 2023.

Significant air emissions: Methane (CH_4): 1.5 t.

Scope 3: It has been calculated using our standard reporting tool by Sphera in 2023. Compared to the calculation performed for the year 2021, Scope 3 emissions grew by 22%. However, in relation to 100 USD turnover, a decrease by 9% was achieved.

Water

Water Withdrawal by Region (in m³)	2021	2022	2023	Change 22–23
Americas	27,699	25,878	21,683	–16%
APAC	24,571	32,775	10,856	–67%
EMEA	20,191	37,184	40,614	9%
Total	**72,461**	**95,836**	**73,152**	**–24%**

Water Withdrawal by Source (in m³)	2021	2022	2023	Change 22–23
Water withdrawal from public water supply system (municipal water)	45,557	62,503	57,192	–8%
Industrial water	–	–	–	
Water from wells (groundwater)	23,482	32,636	14,512	–56%
Other water withdrawals (e.g., rainwater)	3,422	697	1,449	108%
Total	**72,461**	**95,836**	**73,152**	**–25%**

Waste Water (in m³)	2021	2022	2023	Change 22–23
Direct drain to public waters or ground	16,513	17,375	16,051	–8%
Water to public sewage system (drain discharge)	45,762	68,921	48,785	–29%
Total	**62,275**	**86,296**	**64,836**	**–25%**

Water Reused / Recycled (in m³)	2021	2022	2023	Change 22–23
Water reused/recycled	5,683	7,099	5,932	–16%
Water per Employee (in m³)	**13.4**	**12.4**	**10.6**	**–14%**

Notes:

The reduction in water withdrawal in APAC is mainly attributed to the closure of our Kolkata site. Conversely, the increase in the 'Water other' category (Water withdrawal by source) is a result of greater rainwater collection in Curitiba and Gauteng.

Waste

Total Waste Generation (in tons)	2021	2022	2023
Paper (recycled)	1002	1,613	1,571
Metal scrap	561	792	770
Plastic waste	338	451	634
General waste	240	301	458
Electrical and electronic waste	161	193	151
Wood scrap	189	168	138
Food leftover	0	138	13
Other waste	108	73	76
Sludge	51	23	13
Hazardous waste	74	21	51
Debris	22	19	40
Oil waste	4	11	0
Glass and ceramic waste	3	6	3
Medical waste	3	1	1
Mining waste	0	0	0
Cinder	0	–	0
Alkali waste	0	–	0
Rubber waste	0	–	0
Soot & dust	0	–	0
Textile waste	0	–	0
Acid waste	0	–	0
Total	**2,757**	**3,809**	**3,919**

* Etrel and Luna included as of FY 2022.

Waste by Region (in tons)	2021	2022	2023	Change 22–23
Americas	1,177	1,235	1,415	15%
APAC	254	358	131	–63%
EMEA	1,326	2,216	2,373	7%
Total	**2,757**	**3,809**	**3,919**	**3%**

Treatment of Waste (in tons)	2021	2022	2023	Change 22–23
Recycled waste	1,108	1,656	1,476	–11%
Sold waste	1,442	1,895	2,089	10%
Incinerated waste	30	22	112	405%
Landfilled waste	194	235	247	5%
Total	**2,775**	**3,808**	**3,924**	

* The landfilled waste figure represents the total amount of waste sent to landfill, including a portion of ashes generated from the incineration process.

In FY 2023, a total amount of 39.9 tons of hazardous waste were handled as follows:

Hazardous Waste (in tons)	2021	2022	2023	Change 22–23
Recycled waste	18.4	16.5	37.0	125%
Sold waste	0.7	0.0	0.0	0%
Incinerated waste	2.7	1.9	1.7	–13%
Landfilled waste	0.1	0.8	1.2	48%
Total	**22.0**	**19.2**	**39.9**	**108%**

In FY 2023, a total amount of 3,885 tons of non-hazardous waste were handled as follows:

Non-Hazardous Waste (in tons)	2021	2022	2023	Change 22–23
Recycled waste	1,090	1,639	1,439	–12%
Sold waste	1,441	1,895	2,089	10%
Incinerated waste	28	20	110	445%
Landfilled waste	194	234	246	5%
Total	**2,753**	**3,789**	**3,885**	**3%**
% of Waste sent to landfill	7.0%	6.2%	6.3%	2%

Notes:

Overall waste generation increased due to the relocation of a larger site. In APAC, waste levels dropped significantly due to the closure of our Kolkata facility. Regarding waste treatment, the increase in 'landfilled waste' is attributed to refurbishment works at a large site. The increase in 'incinerated waste' resulted from waste incorrectly reported as recycled instead of incinerated at one of our sites in FY 2022. This figure has not been restated.

In 2022, Landis+Gyr established a target to reduce waste sent to landfill to 1% by FY 2025. However, in FY 2023, the percentage of waste sent to landfill reached 6.3%, significantly above the set target. Management is actively investigating this issue to identify necessary corrective actions.

Etrel and Luna included as of FY 2022.

Chemicals

Use of Chemicals (in kg)	2021	2022	2023
Acrylic acid 2-hydroxyethyl	–	–	–
3-Isocyanatomethyl–3,5,5-trimethylcyclohexyl isocyanate	–	–	–
Ethylbenzene	–	–	–
Xylene	–	–	–
Silver and its water-soluble compounds	–	5,400	8,580
1,2-Dichloroethane	–	–	–
Dichloromethane (methylene chloride)	260	261	131
Tetrachloroethylene	–	–	–
Tetrahydromethylphthalic anhydride	–	–	–
Toluene	–	120	1,020
Lead	–	–	–
Bis(2-ethylhexyl) phthalate	–	–	–
n-Hexane	256	270	180
Manganese and its compounds	–	–	–
Acetone	–	–	–
Isobutane	–	6	–
Isobutyl alcohol	–	–	–
Isopropanol	4,321	3,226	3,347
Ethyl alcohol	144	68	1,154
Ethylene glycol	–	–	–
N-methyl –2-pyrrolidone	–	–	–
Hydrogen chloride	–	–	–
Chlorine	604	–	–
N-butyl-acetate	–	6	–
Paraffinic hydro-carbon	–	–	–
Cyclohexane	–	5	14.72
Tetrahydrofuran	680	574	–
n-Butane	–	0	–
Propylene glycol monomethyl ether	–	–	–
Propylene glycol monomethyl ether acetate	–	–	–
Methyl Alcohol	–	–	–
Methyl isobutyl ketone	–	–	–
Methyl ethyl ketone	12	11	12
Methylcyclohexane	–	–	–
Sulfuric acid	–	–	–
Total	**6,277**	**9,947**	**14,438**

Chemicals by Region (in tons)	2021	2022	2023	Change 22–23
Americas	5.3	3.5	3.5	0%
APAC	0.7	0.6	0.0	–99%
EMEA	0.3	5.8	11.0	87%
Total	**6.3**	**9.9**	**14.4**	**45%**

Notes:
APAC's reduction in chemical usage primarily stems from the closure of our Kolkata facility. Meanwhile, the increase in EMEA can be attributed to the improved maturity of data capturing processes in a few sites.

Materials

Total weight of materials used to produce and package Landis+Gyr's primary products

Non-renewable Materials (in tons)	2021	2022	2023
Plastics	9,210	10,921	9,909
Metals	6,752	7,725	6,307
Printed Circuit Boards and electromechanical parts	3,986	4,661	4,079

Renewable Materials (in tons)	2021	2022	2023
Cardboard and Wood	4,317	4,733	4,878

Etrel and Luna included as of FY 2022.

People (Employees / Workers)

Number of Employees	2021	2022	**2023**
Americas	1,954	2,629	2,458
APAC	1,425	1,494	1,286
EMEA	2,121	3,627	3,130
Total	**5,500**	**7,750**	**6,874**

			Identify as Male			Identify as Female			Other/Not Declared
Employees by Gender	2021	2022	**2023**	2021	2022	**2023**	2021	2022	**2023**
Americas	64.4%	58.8%	60.8%	36.6%	41.0%	38.8%	0.1%	0.2%	0.4%
APAC	75.1%	74.8%	73.3%	18.7%	25.2%	26.7%	0.0%	0.0%	0.0%
EMEA	60.0%	56.3%	56.6%	44.7%	43.7%	43.4%	0.0%	0.0%	0.0%
Total	**65.5%**	**60.7%**	**61.2%**	**35.5%**	**39.2%**	**38.6%**	**0.0%**	**0.1%**	**0.2%**
BoD	75.0%	71.5%	62.5%	25.0%	28.5%	37.5%	0.0%	0.0%	0.0%
GEM	75.0%	75.0%	75.0%	25.0%	25.0%	25.0%	0.0%	0.0%	0.0%

			Permanent			Temporary			Full Time (>=80%)			Part Time (<80%)
Employees by Type of Contract	2021	2022	**2023**	2021	2022	**2023**	2021	2022	**2023**	2021	2022	**2023**
Americas	1,952	2,578	2,444	2	19	14	1,949	2,589	2,453	5	8	5
APAC	1,325	1,414	1,232	100	80	54	1,424	1,493	1,286	1	1	–
EMEA	1,741	2,148	2,681	380	580	449	2,074	2,689	3,093	47	39	37
Total	**5,018**	**6,140**	**6,357**	**482**	**679**	**517**	**5,447**	**6,771**	**6,832**	**53**	**48**	**42**

*FY 2022 does not include Luna's blue collar employees

			Under 30			30–50			50+
Employees by Age	2021	2022	**2023**	2021	2022	**2023**	2021	2022	**2023**
Americas	18.5%	26.9%	8.5%	56.3%	51.5%	18.8%	25.2%	21.6%	8.4%
APAC	24.4%	26.2%	5.5%	59.5%	58.6%	11.6%	16.1%	15.1%	1.6%
EMEA	9.3%	15.1%	8.0%	57.5%	56.9%	26.3%	33.2%	28.0%	11.2%
Total	**16.0%**	**22.0%**	**22.0%**	**58.0%**	**55.2%**	**57.0%**	**26.0%**	**22.8%**	**21.0%**
BoD	–	–	0.0%			0.0%			100.0%
GEM	–	–	0.0%	25.0%	25.0%	25.0%	75.0%	75.0%	75.0%

Etrel and Luna included as of FY 2022. However, in FY 2022, 'employees by type of contract' included only a portion of the newly acquired companies.

	Management			Employees			Full Time (>=80%)			Part Time (<80%)			Male			Female			Other/not declared		
Training	2021	2022	**2023**	2021	2022	**2023**	2021	2022	**2023**	2021	2022	**2023**	2021	2022	**2023**	2021	2022	**2023**	2021	2022	**2023**
Average training hours*	17.6	14.7	**22.7**	16.2	17.3	23.7	16.7	16.9	**23.6**	8.1	8.0	**14.1**	16.8	16.7	**24.0**	15.6	17.3	**22.4**	7.0	11.0	**19.9**
Anti-corruption Training completion in % of total target population**	100%	98.7%	**99.6%**	100.0%	98.3%	**99.0%**	n/a	98.7%	**99.1%**	n/a	72.0%	**100%**	n/a	98.7%	**99.5%**	n/a	97.6%	**98.0%**	n/a	100%	**100%**

*Includes all type of training hours performed by Landis+Gyr employees and recorded in our Internal Management System (including compulsory training).
** Includes white-collar employees who are in close contact with customers, agents, distributors, vendors and competitors; all employees with a management role; and all employees Sales, Finance, and Procurement.

	Management			Employees			Full Time (>=80%)			Part Time (<80%)			Male			Female			Other/not declared		
Performance review	2021	2022	**2023**	2021	2022	**2023**	2021	2022	**2023**	2021	2022	**2023**	2021	2022	**2023**	2021	2022	**2023**	2021	2022	**2023**
Received annual performance / career development review in %	95%	97%	**n/a**	57%	54%	**n/a**	62%	59%	**n/a**	53%	61%	**n/a**	73%	72%	**n/a**	41%	37%	**n/a**	–	60%	**n/a**

Overall percentage includes blue-collar employees.

Notes:

All reported numbers represent headcount. All numbers are reported as of the end of the reporting period.

We define temporary employees as internal employees engaged in an employment relationship for a fixed period. These employees may be engaged to cover for another employee on leave, handle work during peak periods, or complete specific projects.

We define part-time employees as internal employees who work fewer hours than the standard weekly working hours applicable in their respective location, as stated in their employment contract. This entails reduced working hours compared to full-time employees. Reasons for part-time employment include, but are not limited to:

- roles not allowing a full-time schedule or requiring a job-sharing scheme
- employee with family or other personal responsibilities
- employee pursuing other aspirations, e.g., extracurricular education or training

Landis+Gyr uses additional external human resources as needed and on a temporary basis. However, this does not represent a significant portion of the workforce. Landis+Gyr's external resources can be divided into two categories: contingent workers and services procurement.

Contingent workers are individuals engaged by Landis+Gyr for role- or project-based work, but not as traditional employees. Contingent workers are recruited to temporarily augment the regular workforce, replace an employee on leave, fill in staffing vacancies, or bring specialized skills to projects.

Services procurement companies, or specifically service providers, are companies that provide people-based services to Landis+Gyr with an agreed-upon scope and deliverables. This entails the strategic outsourcing of labor to an organization for a specific purpose. In FY 2024, Landis+Gyr plans to implement an external workforce management system to enhance visibility of these resources.

In FY 2023, Landis+Gyr made significant changes to its employee performance review system. Management proposed discontinuing annual performance evaluations in favor of implementing a top-down cascading of company priorities, along with efforts to foster a culture of continuous feedback within the organization. The new formal approach will be implemented in the next few months.

Occupational Health & Safety (OH&S)

During the current reporting period, there have been no fatalities resulting from work-related injuries. Accidents are classified into three categories:

- Lost Time Incidents (LTI): Incidents that caused lost time from work;
- Medical Treatment Incidents (MTI): Incidents that did not cause lost time from work but required medical treatment beyond basic first aid; and
- Minor Accidents: Incidents that only required first aid and resulted in no lost time from work.

All lost time incidents are reported to Group OH&S. In the past financial year, Landis+Gyr recorded 18* Lost Time Incidents at a Lost Time Incident Frequency Rate of 1.14. (LTIs x 1,000,000)/exposure hours). The number of exposure hours in the reporting period was 15,824,424. The rates are based on 1,000,000 hours worked.

Landis+Gyr requires that every lost time incident undergo investigation, and a corrective action plan be implemented to establish the root cause of the incident and address the issues.

Breakdown of LTIs in FY 2023

7 = Slip, Trip, Fall – on the same level
5 = Contact with a sharp object
3 = Contact with machinery
2 = Struck by falling object
1= Manual Handling: Lifting & Handling

Supply chain

	2021	2022	**2023**
% of new suppliers screened for ESG risks	89%	100%	**100%**

The Landis+Gyr 'Supplier Code of Conduct' including the 'Green Procurement Requirements Annex' was distributed to 739 suppliers. To date, 662 of these suppliers, representing 89.5% of the company's spend on direct materials, have signed this document. As we rise our spend coverage, an increasingly high number of suppliers will be required to confirm adherence with our Supplier Code of Conduct.

All new suppliers received the company's 'Green Procurement Requirements' as part of the mandatory supplier onboarding documentation (Non-Disclosure Agreement, General Supply Agreement, Supplier Quality Assurance Manual, Code of Conduct, Green Procurement Requirements). Furthermore, a system to collect and monitor suppliers' 'Conflict Minerals Reporting Template' (CMRT) and 'Extended Minerals Reporting Template' (EMRT) is in place.

In FY 2023, 100% of new direct suppliers (Tier 1) were screened for environmental and social Impact (Scope limited to direct materials, and suppliers with (expected) spend above 10k USD).

Landis+Gyr plans to include critical Tier 2 suppliers in this assessment in FY 2024.

Compliance

	2021	2022	**2023**
Numbers of complaints received regarding customer privacy breaches	0	0	**0**
Number of identified leaks, thefts or customer data losses	0	1*	**0**

* none of which posed any risk or harm to any organization or individual as no sensitive data was compromised

About this Report

About this Report

Landis+Gyr adheres to the international standards outlined by the 'Global Reporting Initiative' (GRI) to report on its non-financial and sustainability-related matters. Additionally, for the first time, the company has included disclosures in accordance with the 'Task Force on Climate-related Financial Disclosures' (TCFD) framework as specified in the related standard. We proactively monitor the sustainability regulatory landscape for new developments and requirements, such as the EU CSRD/ESRS and the US SEC climate disclosure rules, and prepare to comply as needed in the future.

This report has been prepared by and covers Landis+Gyr Group AG, Cham, Switzerland, a publicly-listed joint-stock company on the SIX Swiss Exchange (ISIN: CH0371153492, ticker symbol: LAND, valor number: 37115349). The reporting period spans the financial year (FY) 2023, from 1 April 2023 to 31 March 2024. Landis+Gyr reports on its sustainability matters annually. The sustainability report is published as part of the annual report and covers the same timeframe as all other parts of the annual report. It includes the company's disclosures of non-financial matters required by the Swiss Code of Obligations (CO 964).

Swiss Code of Obligations Mapping Table	Section in Landis+Gyr's Sustainability Report FY 2023
Art – 964 A-C Transparency on non-financial matters	
Description of the business model	Sustainability at Landis+Gyr
Description of the main risks in relation to the non-financial matters	Sustainability at Landis+Gyr Stakeholder Engagement & Materiality Assessment Material Topics Task Force on Climate-Related Financial Disclosures (TCFD) Report
Environmental matters	
Policies	Climate and Environment
Measures including evaluation of their effectiveness	Climate and Environment
Performance indicators	Climate and Environment Performance / Statistics GRI Content Index
CO_2 goals	Sustainability at Landis+Gyr Climate and Environment
Social matters	
Policies	Product Social Impact Strategic Responsible Sourcing Community Engagement
Measures including evaluation of their effectiveness	Product Social Impact Strategic Responsible Sourcing
Performance indicators	Sustainability at Landis+Gyr Strategic Responsible Sourcing Performance / Statistics
Employee-related matters	
Policies	People & Well-being Employee Engagement
Measures including evaluation of their effectiveness	Employee Engagement
Performance indicators	Performance / Statistics GRI Content Index
Human rights matters	
Policies	Human Rights and Child Labor Fair Labor Practices
Measures including evaluation of their effectiveness	Human Rights and Child Labor Strategic Responsible Sourcing
Performance indicators	Human Rights and Child Labor GRI Content Index
Anti-corruption	
Measures including evaluation of their effectiveness	Business Integrity and Fair Taxes
Performance indicators	Performance / Statistics GRI Content Index

Art. 964 J-L – Due Diligence and Transparency in relation to Minerals and Metals from Conflict-Affected Areas and Child Labor	
Conflict minerals	Strategic Responsible Sourcing
Child labor	Human Rights and Child Labor Fair Labor Practices GRI Content Index

Entities included in the sustainability report are identical to the entities included in the annual report and are listed in section 1.1.3 of the company's 'Corporate Governance Report'. Companies in which Landis+Gyr holds a minority interest are not included in this sustainability report. Mergers, acquisitions, and disposal of entities or parts of entities are covered in Note 11 of the financial report. Information of recently acquired entities is often not covered with the same granularity.

Landis+Gyr reports information about its impact on the economy, environment, and people, including impact on human rights. The material topics addressed in this report have been identified based on stakeholder engagement. For further details, see section 'Stakeholder Engagement & Materiality Assessment'.

The company reassesses its ESG strategic direction and reevaluates its material topics every three years. Targets are established to monitor and manage progress towards the company's ambitions. These targets are aligned with the UN SDGs and the ten principles of the UNGC. Carbon emission reduction targets are also in line with the Paris Agreement and the SBTi. KPIs are utilized to monitor and manage planned actions and evaluate the progress towards set targets. The ESG Steering Committee oversees the implementation of the sustainability roadmap and the related KPIs on a quarterly basis. The KPIs are reported either under the different topic standards or in the related data tables.

In October 2023, Landis+Gyr announced the acquisition of Thundergrid, a smart charging and flexibility management company based in New Zealand. No information about the company and its activities has been included in this report. Etrel and Luna, our recent acquisitions (2021 and 2022, respectively), have been fully integrated into this report.

Data Collection and Reporting Methodologies

Sustainability Performance Indicators disclosed in the Landis+Gyr Sustainability Report 2023 are based on the following:

- Social, Environmental, and Health and Safety (EHS) data are collected through the Landis+Gyr corporate reporting and BI system. Environmental (GHG emissions, Energy, Water, Waste, Chemicals and Materials) indicators are reported at site level on a monthly (level 1 sites), quarterly (level 2 sites), annually (level 3 sites) basis via our Sphera (SoFi) data capturing tool. Training hours are reported at company level monthly via SAP Success Factors.
- Community Engagement indicators are captured at local and company level.
- The acquisition that occurred in 2023 did not lead to a restatement of the indicators and is not included in the report.
- Landis+Gyr's corporate carbon accounting (Scopes 1, 2, and 3) follows the reporting guidelines of the GHGP Corporate Accounting and Reporting Standard. According to the same guidelines, CO_2 equivalent (CO_2e) is defined as the universal unit of measurement to indicate the global warming potential (GWP) of each of the six greenhouse gases, expressed in terms of the GWP of one unit of carbon dioxide. It is used to evaluate releasing (or avoiding releasing) different greenhouse gases against a common basis.

Overview of Emission Factors per Scope
Section in Landis+Gyr's Sustainability Report FY 2023

GHG emissions	Source
Scope 1 GHG Emissions	
Fugitive emissions	EPA v5.0
Direct Energy	GHG Protocol v19; SCCS MLC Standard v15.1
Scope 2 GHG emissions	
Electricity (direct)	SCCS MLC Standard v15.1; GaBi v15
Electricity (indirect)	SCCS MLC Standard v15.1; GaBi v15
Scope 3 GHG emissions	
Category 1 – Purchased goods and services	SCCS: MLC Standard v15.1
Category 2 – Capital goods	NAICS 6
Category 4 – Upstream transportation and distribution	Defra v12
Category 5 – Waste generated in operations	SCCS MLC Standard v15.1
Category 6 – Business travel	Gabi DB version 2023.2
	Performance / Statistics GRI Content Index
Category 7 – Employee commuting	Gabi DB version 2023.2
Category 9 – Downstream transportation and distribution	Defra v12
Category 11 – Use of sold products	SCCS MLC Standard v15.1
Category 12 – End-of-life treatment of sold products	SCCS: MLC Standard v15.1

The methodological note shall be read in conjunction with the footnotes described in all sections of the Sustainability Report 2023 for dedicated indicators and KPIs.

External Assurance

External Assurance

At the request of its Board of Directors (BoD), Landis+Gyr engaged DQS to provide independent assurance on its Sustainability Report. Landis+Gyr has no other ties with DQS. For details on scope and level of assurance, see DQS' assurance statement.

Additionally, some of the reported aspects have been audited as part of the ISO certification audits. See Landis+Gyr sites with related ISO certificates in the section 'Locations'.

dqs

Independent Assurance Statement

To the Management and Stakeholders of Landis+Gyr AG

DQS has been engaged by Landis+Gyr AG to provide independent assurance over the Landis+Gyr Sustainability Report 2023-2024, which is published as a dedicated chapter of the Landis+Gyr Annual Report 2023-2024. The engagement took place in February, March and April 2024 and was concluded on April 19, 2023.

Objectives

The objective of this assurance engagement was to independently express conclusions on underlying reporting processes and validate qualitative and quantitative claims, so as to limit misinterpretation by stakeholders and increase the overall credibility of the reported information and data.

Scope of assurance

The assurance encompassed the entire sustainability chapter of the annual report and focused on all figures, statements and claims related to sustainability during the reporting period April 2023 to March 2024. More specifically, this included:

- Statements, information and performance data contained within the sustainability report;
- Landis+Gyr's management approach of material issues; and
- Landis+Gyr's reported data and information as per the requirements of the Global Reporting Initiative Standards.
- Verification of ESG performance targets as part of the Short-Term Incentive Plan

The assurance engagement was performed in accordance with a Type 2 assurance of the AA1000 Assurance Standard (AA1000AS v3), which consists of:

- Evaluating the company's sustainability framework and processes using the inclusivity, materiality, responsiveness and impact criteria of the AA1000 AccountAbility Principles (AA1000APS 2018), and
- Evaluating the quality of the reported sustainability performance information.

The report has been self-declared to be in accordance with the requirements of the GRI Standards.

DQS CFS GmbH
August-Schanz-Straße 21
60433 Frankfurt am Main
Germany

AA1000
Licensed Assurance Provider
000-169

www.dqsglobal.com

Additional on-site assessments

The evaluation of the non-financial performance indicators is safeguarded by additional site-specific assessments. In addition to the headquarters in Cham, Switzerland, the following sites have been assessed by DQS in 2024 as part of the assurance engagement:

- Landis+Gyr GmbH Altmansdorfer Straße 76 1120 Wien – Austria
- Landis+Gyr Equipamentos Medicao LTDA, Rua Hasdrubl Bellegard 400 Cic Curibitiba, PR 81460120 - Brasil
- Luna Smart A.O.S.B. 10039 Sokak No: 23 35620 Çiğli/İzmir - Turkey
- Landis+Gyr S.A, 78TH KM Old National Road Athens – Corinth, Corinth, 20100 - Greece

Level of assurance and limitations

A moderate level of assurance under AA1000AS was provided for this engagement. Information and performance data subject to assurance is limited to the content of the sustainability report and the Short-Term Incentive Plan.

The assurance did not cover financial data, technical descriptions of buildings, equipment and production processes or other information not related to sustainability.

The assurance engagement is not a compliance audit and does not assess or evaluate compliance with applicable laws and regulations.

Independence and Competences of the Assurance Provider

The DQS Group is an independent professional services firm that provides assurance on sustainability disclosures under the Global Reporting Initiative (GRI), CDP and other specialized management and reporting mechanisms. Independent verifiers have not been involved in the development of the report nor have they been associated with Landis+Gyr's sustainability program, data collection or strategic processes.

DQS Group ensures that the assurance team possesses the required competencies, maintained neutrality and performed ethically throughout the engagement. Further information, including a statement of impartiality, can be found at: www.dqsglobal.com.

The management of Landis+Gyr was responsible for the preparation of the sustainability part of the Annual Report and all statements and figures contained within it.

Assurance Methodology

The assurance procedures and principles used for this engagement were drawn from the International Standard AA1000 and methodology developed by DQS, which consists of the following steps:

1. Identifying statements and data sets, which are classified according to the relevant data owners and the type of evidence required for the verification process.

2. Reviewing the Sustainability Report to determine whether the material topics identified during our procedures have been adequately disclosed.
3. Carrying out interviews with key functional managers and data owners at Landis+Gyr office in Cham (Switzerland) as well as verification of data through a sampling procedure.
4. Assessing the collected information and provide recommendations for immediate correction where required or for future improvement of the report content.

Evaluation of the adherence to AA1000 AccountAbility Principles

Inclusivity - How the organization engages with stakeholders and enables their participation in identifying issues and finding solutions.

The stakeholder identification and engagement process is well documented and implemented through the Landis+Gyr ESG program and the report brings out key stakeholder concerns as material aspects of significant stakeholders.

Materiality - How the organization recognizes issues that are relevant and significant to itself and its stakeholders.

The report addresses the range of environmental, social and economic issues that Landis+Gyr and its stakeholders have identified as being of material importance. The new report enhanced language on Biodiversity. The Report fairly brings out aspects and topics and its respective boundaries for the diverse operations of Landis+Gyr. Reliable and clear qualitative description of the impacts of products

Responsiveness - How the organization responds to stakeholder issues and feedback through decisions, actions, performance and communication.

Landis+Gyr is responding to those issues that it has identified as material and demonstrates this in its policies, objectives, indicators and performance targets. High level of alignment between strategy, policies, management approaches and targets. The organization and its stakeholders can use the reported information as a reasonable basis for their opinions and decision-making.

Impact - How the organization monitors, measures and ensures accountability for how its actions affect their broader ecosystems.

Landis+Gyr has implemented systems to monitor and measure its economic, environmental and social impacts. Identified impacts are incorporated into both stakeholder engagement as well as the periodic materiality assessment process. Landis+Gyr has made significant strides to introduce innovative product solutions toward mitigating negative impacts and fostering positive impacts.

Conclusion

On the basis of a moderate assurance engagement according to the above-listed criteria, nothing has come to our attention that causes us to believe that the sustainability-related strategies of Landis+Gyr and its sustainability-related key performance indicators defined in the 2023-2024 Sustainability Report are materially misstated.

The Landis+Gyr Sustainability Report 2023-2024 is in line with the GRI Standards. The material aspects and their boundaries within and outside of the organization are properly defined in accordance with GRI's reporting principles.

On behalf of the assurance team

April 30, 2024

Frankfurt, Germany

AA1000 Licensed Assurance Provider 000-169

Guido Eggers

Managing Director
DQS CFS GmbH

Annexes

Annex A – Short Term Incentive Plan Results 2023-2024

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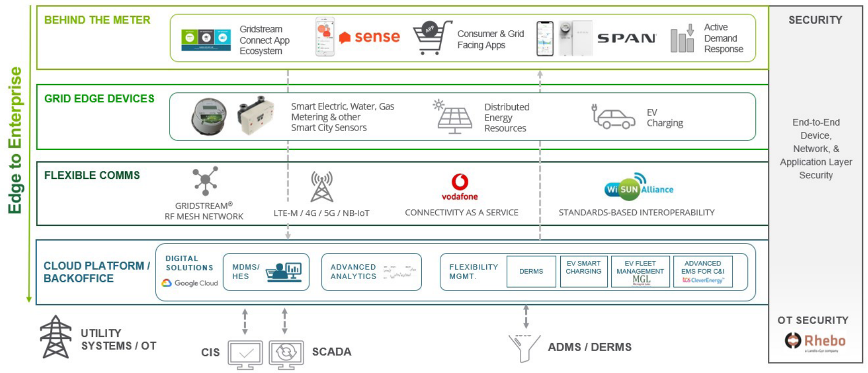
GRI Content Index

Statement of use	**Landis+Gyr Group AG has reported in accordance with the GRI Standards for the period 01.04.2023–31.03.2024.**
GRI used	**GRI 1: Foundation 2021**
Applicable GRI Sector Standard(s)	**None**

GRI Standard		Response/ Location/ Omission
GRI 2: General Disclosures 2021	2–1 Organizational details	See sections 'About this Report' and 'Locations'.
	2–2 Entities included in the organization's sustainability reporting	See section 'About this Report'.
	2–3 Reporting period, frequency and contact point	a. 01.04.2023–31.03.2024, throughout the report referred to as FY 2023. Landis+Gyr issues annual reports covering the reporting period from the beginning of April to the end of March. This is the second report of the three-year ESG cycle from FY 2022 to FY 2024. b. Financial reporting and sustainability reporting are aligned. c. 30.05.2023. d. See section 'Imprint and Contacts'.
	2–4 Restatements of information	Where evidence of diverting facts compared to what had been published earlier emerges, the fact and its impact is disclosed where relevant. See section "About this Report"
	2–5 External assurance	See section 'External Assurance'.
	2–6 Activities, value chain and other business relationships	The company is active in the following sectors: ELECTRONIC EQUIPMENT, INSTRUMENTS & COMPONENTS (GICS®) Landis+Gyr is a leading global provider of integrated energy management solutions. We measure and analyze energy utilization to generate empowering analytics for smart grid and infrastructure management, enabling utilities and consumers to reduce energy consumption. Our innovative and proven portfolio of software, services and intelligent sensor technology is a key driver to decarbonize the grid. We supported avoidance of 8.9 million tons of CO_2e in FY 2023 and are committed to achieve net zero by 2050. We have pledged to reduce our Scope 1 and 2 emissions 42% by 2030, from base year 2021. Additionally, we have committed to lowering our Scope 3 emissions 42% by 2030, from base year 2021. Landis+Gyr's mission is to manage energy better. The shipment of more than 20 million devices, software installed, and service offered resulted in sales of 1.96 USD billion in FY 2023. The company employs around 6,900 talented people across five continents. **Products:** Intelligent endpoints (Electricity, Gas, and Heat and Cooling Meters (Pre- and Post-Pay); Communication Modules (wired and wireless), Data Loggers and Data Concentrators (including Volume Correctors), Handheld Terminals; Load Management Receivers (one-way and two-ways), Street Light Controllers, Sensors and Thermostats; Gas Quality Analyzer Controller; Distributed Automation Devices and Systems; Meter Test Equipment; EV-Vehicle charging stations and Load Guard sensors Software (Smart Metering Management, Analytics, Field Operation Manager, Network Monitor, Substation Platform, SCADA Center Enterprise Information System, SAP Utility Adapter, Grid Management and Consumer Engagement App Platform), Applications (Field Operation Manager, Operational Data Panel, Grid Flex Control); Cybersecurity solution (OT/IoT Monitoring Software), EV solutions (EV charging point and energy management software, Smart Charging app and Flexibility management platform). **Services:** IoT Connectivity as a Service (cooperation with Vodafone), SaaS, Metering as a Service, Infrastructure as a Service (Solution Consulting, Cloud Service, Deployment and Project Delivery Services, Managed Services, Operational Support Services, Smart Grid Services, Support Service, Managed Detection and Response services), Training. None of Landis+Gyr's products or services have been banned. A large portion of our products need approval before being installed in the field. Landis+Gyr maintains an embargo control list mandating additional due diligence and approvals for group entities before engaging in business activities with counterparts located in the countries specified in the list. Such approvals are only granted when applicable laws and sanctions permit.

GRI Standard		Response/ Location/ Omission
	2 – 6 Activities, value chain and other business relationships	**Markets:** Landis+Gyr Americas serves the following regions: North America, Central America, South America, Japan, and certain other markets that adopt US standards. Main countries: USA, Canada, Brazil, Japan. Landis+Gyr APAC serves all Asian Pacific countries, mainly Australia, New Zealand, China/ Hong Kong, Bangladesh, Malaysia, Philippines, Indonesia, Vietnam, and Thailand. Landis+Gyr serves its customers in the EMEA region through sales offices in Austria, Belgium, Czech Republic, Denmark, Finland, France, Germany, The Netherlands, Poland, Slovakia, Slovenia, Spain, Sweden, Switzerland, South Africa, Turkey, and United Kingdom. Further EMEA markets (e.g., Middle East) are served via distributors and agents. Landis+Gyr's supply chain encompasses manufacturing sites, procurement, logistics, and quality functions. The company operates ten major manufacturing sites across the globe and has outsourcing partnerships with strategic suppliers in Eastern Europe and Southeast Asia. Our supply chain relies on four key pillars, which are (i) mechanical parts, (ii) Assembly of Printed Circuit Boards (PCBAs) with all electronics, (iii) meter assembly, and (iv) final integration with calibration, customization, sealing, and packaging. We produce high-precision measuring devices and have a modular and flexible supply chain that enables outsourcing at any stage of the production flow. For software and service products, Landis+Gyr relies mainly on internal resources (R&D team). When necessary, Landis+Gyr engages external companies to install its products in customer fields. The company cooperates with communication partners such as Vodafone to offer communication services. Landis+Gyr's overall global supplier footprint remained largely unchanged during FY 2023. The graph below shows the solutions set-up, including the relevant partners involved in installation companies to install its products in the customer fields. The company cooperates with communication partners such as Vodafone to offer communication services.  The structure and ownership of the company has remained the same during the current reporting year. In FY 2023, Landis+Gyr acquired Thundergrid, an EV charging specialist, with a team of approximately 15 individuals based in New Zealand. See also sections 'About Landis+Gyr' and 'Value Chain'.
	2 – 7 Employees	See section 'Performance / Statistics'.
	2 – 8 Workers who are not employees	See section 'Performance / Statistics'.
	2 – 9 Governance structure and composition	See the company's 'Corporate Governance Report'.

GRI Standard		Response/ Location/ Omission
	2 – 10 Nomination and selection of the highest governance body	The 'Nomination, Governance and Sustainability Committee' ("NGSC") holds the responsibility for various tasks, including the nomination of (new) members of the Board (and the Group Executive Management). This includes evaluating their potential qualification to become members of the Board committees. To fulfill this responsibility, the NGSC follows and maintains a process for vetting and selecting new Board or committee members, as outlined in the Charter and further defined by the NGSC. The selected candidate is (i) as a Board member or a member of the Remuneration Committee ("RemCo"), appointed or rejected by the General Assembly of the Company, or (ii) as a member of the NGSC or the Audit, Finance and Risk Committee, appointed or rejected by the Board.
	2 – 11 Chair of the highest governance body	See the company's 'Corporate Governance Report'.
	2 – 12 Role of the highest governance body in overseeing the management of impacts	The NGSC shall, to the extent not in the functional competence of other committees of the Board, be responsible for the company's sustainability matters (including ESG matters) and determine its long-term ambitions. In particular, the NGSC shall have the following responsibilities: i. address all relevant and material sustainability matters affecting the company and the Group as well as the impact the company may have on other stakeholders that come to the attention of the NGSC; ii. develop and make recommendations to the Board regarding sustainability matters, practices, and procedures; iii. review and recommend to the Board the Sustainability Report of the company for publication as well as review and approve any other written public disclosures of the company on sustainability matters; iv. establish, regularly review, and monitor compliance with the company's ESG targets; v. Support the RemCo in target setting for variable compensation purposes; and vi. review and recommend to the Board about potential or actual conflicts of the company's or the Group's conduct of business and the company's and the Group's sustainability goals. See also the section "Governance".
	2 – 13 Delegation of responsibility for managing impacts	See the company's 'Corporate Governance Report'. At the management level, the implementation of the ESG targets is overseen by the ESG Steering Committee. This committee consists of managers reporting directly to the CEO, with one exception. The responsibility for management of the company's impacts on the economy, environment, and people has been delegated to the Senior Vice-President responsible for Business Transformation. Within his organization, the ESG function is tasked with overseeing the implementation of the different targets and roadmaps, which have been translated into workstreams and delegated to topic-specific working groups within the organization. At the Board level, the NGSC reviews the management of the ESG topics regularly in every meeting and subsequently reports to the full Board. Any urgent or critical matters can be addressed on an ad hoc basis.
	2 – 14 Role of the highest governance body in sustainability reporting	The NGSC and subsequently the full Board reviews and approves the Sustainability Report which includes disclosures on Landis+Gyr's ESG material topics. This year, for the first time, the report is submitted to the General Assembly for approval.
	2 – 15 Conflicts of interest	Landis+Gyr's shareholder structure is disclosed under 'Note 12' of the company's 'Financial Report'. 'Related parties' are discussed in the company's 'Financial Report' and 'Remuneration Report'. See 'Organization Regulations' and the company's 'Corporate Governance Report'.
	2 – 16 Communication of critical concerns	The company's senior management, including the Chief Compliance Officer, regularly reports to the Board of Directors and/ or its committees. This allows the possibility of communicating any type of concerns, including those of a critical nature. In FY 2023, no critical concerns were reported to the Board of Directors by the Chief Compliance Officer.

GRI Standard		Response/ Location/ Omission
	2–17 Collective knowledge of the highest governance body	Knowledge of the highest governance body, including knowledge related to ESG matters, is disclosed in section 3 of the 'Corporate Governance Report.'
	2–18 Evaluation of the performance of the highest governance body	See section 3.1.2. in the company's 'Corporate Governance Report'.
	2–19 Remuneration policies	a. See the company's 'Remuneration Report'. i. See the section 'Remuneration System' in the company's 'Remuneration Report'. ii. Not applicable. Only replacement awards may be granted to senior executives to compensate for remuneration forfeited at the previous employer as a result of joining Landis+Gyr. iii. Not applicable. See "Employment conditions" in the 'Remuneration Report.' iv. Clawback provisions exist for performance-based cash and equity. See "Clawback of variable remuneration" in the company's 'Remuneration Report'. v. See "Pension benefits" section in the company's 'Remuneration Report.' b. To ensure the Board's independence in fulfilling its supervisory duties, the remuneration of the Board is fixed and does not contain any variable component. The Short-Term Incentive (STI) plan contains an ESG component that was weighted at 20% for FY 2023. This component is measured against specific targets reflecting material topics within Landis+Gyr's ESG strategy. This applies to senior executives and all other employees eligible for the STI plan.
	2–20 Process to determine remuneration	a. i. See 'Governance on remuneration matters' section in the company's 'Remuneration Report.' ii. See 'Shareholder engagement' section in the company's 'Remuneration Report.' Landis+Gyr conducts binding shareholder votes on the maximum aggregate remuneration granted to the Board of Directors for the next term of office and the maximum aggregate remuneration for the senior executives for the following financial year. In addition, the 'Remuneration Report' is submitted to shareholders annually for a consultative vote. The Board of Directors also regularly engages in dialogue with stakeholders, including shareholders, to discuss Landis+Gyr's remuneration principles and systems. iii. See 'Governance on remuneration matters' section in the company's 'Remuneration Report'. b. See voting results in the minutes of the annual shareholder meeting on remuneration.
	2–21 Annual total compensation ratio	In FY 2023, the ratio of the annual total compensation for the organization's highest-paid individual (CEO) to the median annual total compensation for all employees (excluding the highest paid) was 62.7. The pay components included in the analysis are annual base salary, target short-term incentive, and cash benefits for the financial year measured as of March 31, 2024. These pay components were not increased for the CEO during FY 2023, whereas the company conducted its regular annual salary review cycle for all employees with increases applied in accordance with the company's remuneration policies as well as local practices and legal requirements.
	2–22 Statement on sustainable development strategy	See 'Letter to the shareholders' at the beginning of the annual report and 'Sustainability at Landis+Gyr' sections of this Sustainability Report.
	2–23 Policy commitments	Stakeholders are discussed in the section 'Stakeholder Engagement & Materiality Assessment'. Landis+Gyr's 'Code of Business Ethics and Conduct' is based on the ten principles of the UN Global Compact. The Code drives the company's daily operations. Due diligence is used throughout the value chain covering our own organization as well as suppliers and partners. Human rights, including child labor, are critical aspect of our assessment. Any findings that emerge from this process are translated into improvement plans. Please also consult the section on 'Human Rights and Child Labor'. Landis+Gyr's commitments and governance documents can be found here https://www.landisgyr.eu/about/corporate-social-responsibility/ (under 'Corporate Governance Documents').
	2–24 Embedding policy commitments	See sections 'Sustainability at Landis+Gyr' and 'Governance'.
	2–25 Processes to remediate negative impacts	See sub-section 'Code of Business Ethics and Conduct, Grievance Mechanism and Remediation' under the 'Governance' section in this report.

GRI Standard		Response/ Location/ Omission
	2 – 26 Mechanisms for seeking advice and raising concerns	In addition to the Speak-Up line, available to third parties on its corporate website, the company relies on its Internal Audit function to identify potential concerns. Any identified concerns must be addressed by either the Chief Compliance Officer or the relevant business functions. See also the sub-section 'Code of Business Ethics and Conduct, Grievance Mechanism and Remediation' under the 'Governance' section in this report.
	2 – 27 Compliance with laws and regulations	Compliance with laws and regulations is continuously monitored by the respective business units across our global organization, with guidance and advice provided by the global Legal & Compliance team. In FY 2023, Landis+Gyr did not encounter any significant instances of non-compliance with laws and regulations (i.e. this includes cases that might result in administrative or judicial sanctions and fines, or any cases being appealed during the reporting period). Additionally, the company did not receive any fines or non-monetary sanctions during this time. The scope of laws and regulations encompasses those issued by local, regional, and national governments, regulatory authorities and public agencies.
	2 – 28 Membership associations	Landis+Gyr is a member of the following associations: UCA International User Group, ZigBee Alliance, WiSUN Alliance, PRIME Association, G3 Association, Smart Electric Power Alliance (SEPA), Gridwise Alliance Thread Group, IDIS Association, Fair Standards Alliance, Eurelectric, ESMIG, DLMS, USB Forum, MultiSpeak, Echonet Alliance, metering standard associations in several countries, BEAMA, Acqua, Swissmem, IG exact, Electrosuisse, Verband Schweizerischer Elektrizitätsunternehmen (VSE), swissmig, and several chambers of commerce. Furthermore, we are represented on international / national standardization bodies, such as TC13, TC57, TC 47, SC77A (IEC), ANSI C12, EL – 11, BIS. These memberships are highly relevant to Landis+Gyr. Special attention is given to our involvement in standardization bodies and industry alliances and associations.
	2 – 29 Approach to stakeholder engagement	Stakeholder engagement is a key aspect of Landis+Gyr's ESG approach. The company maintains an ongoing dialogue with stakeholders to understand their perspectives on the evolving ESG landscape. This dialogue helps Landis+Gyr identify and address the issues most relevant to its business and stakeholders. Stakeholders are identified based on their relevance to Landis+Gyr and the impact the company's activities have on them. The company has identified several stakeholder groups, including customers (and their customers, or "end-consumers"), suppliers, employees, government authorities and regulators, associations and NGOs, local communities, shareholders and investors (represented by the Board of Directors), and business partners. Before initiating a new ESG cycle, Landis+Gyr consults stakeholders to gather their views on the company's impact on material issues, as well as their relevance. This materiality assessment process identifies key topics, including potential risks and opportunities, and sheds light on stakeholder perceptions and expectations regarding issue management. The outcome of this exercise is a materiality matrix, which serves as the basis to set the company's ESG ambitions, targets, and roadmaps. The frequency and nature of interactions with stakeholders vary depending on the stakeholder type. While we maintain ongoing exchanges with certain stakeholders, such as employees, suppliers, partners, and customers, our interactions with others, such as regulators and shareholders/investors are more sporadic or tied to specific events, such as the establishment of a new 3-year ESG cycle. Stakeholder engagement with local communities and associations/NGOs is similarly event-specific. As a publicly listed company, Landis+Gyr fulfills stakeholder engagement obligations in accordance with legal requirements & standard business practices, including regular shareholder dialogue. For additional information, see the section 'Stakeholder Engagement and Materiality Assessment'.

GRI Standard		Response/ Location/ Omission
	2 – 30 Collective bargaining agreements	34% of Landis+Gyr employees are covered by a collective bargaining agreement. For employees not covered by such an agreement, the company maintains direct employer-employee relationships. These relationships are guided by applicable laws and regulations, as well as policies and guidelines relating to terms and conditions of employment, which allow for a standardized approach across many areas.
Economic performance		
GRI 201: Economic Performance 2016	201 – 2 Financial implications and other risks and opportunities due to climate change	This year, we conducted a TCFD analysis, which involved assessing the climate resilience of our business strategy and evaluating our climate-related risks and opportunities. The results of this analysis are disclosed in the TCFD section of the report. In FY 2024, we will refine our assessments and focus deeper on the financial implications of climate change. See section 'Task Force on Climate-Related Financial Disclosure s (TCFD) Report'.

Material Topics

GRI Standard		Response/ Location/ Omission
GRI 3: Material Topics 2021	3 – 1 Process to determine material topics	See section 'Stakeholder Engagement & Materiality Assessment'.
	3 – 2 List of material topics	See section 'Stakeholder Engagement & Materiality Assessment'.
Business Integrity and Fair Taxes		
GRI 3: Material Topics 2021	3 – 3 Management of business integrity and Fair Taxes	See section 'Business integrity and fair taxes'.
GRI 205: Anti-corruption 2016	205 – 2 Communication and training about anti-corruption policies and procedures	As of the date of writing this report, Landis+Gyr's operating governance body members – the extended Executive Management Team – consisted of 14 members, distributed geographically as follows: 4 in the Americas, 1 in APAC, and 9 in EMEA. All of them are informed, updated, and trained regularly on Landis+Gyr's 'Code of Business Ethics and Conduct', which also covers the topic of corruption prevention. All Landis+Gyr employees are required to abide by the Landis+Gyr 'Code of Business Ethics and Conduct'. All employees are trained in the content of the 'Code of Business Ethics and Conduct' on a yearly basis. Furthermore, the company offers specialized training sessions on the most relevant compliance risks. Training sessions focused on anticorruption and competition law are completed on a yearly basis by employees who are in close contact with customers, agents, distributors, vendors, and competitors, as well as anyone who has a management role. For details, see the employee tables in the section 'Performance / Statistics'. In addition, ad hoc training courses by the Chief Compliance Officer or members of the Legal & Compliance team take place on demand or when traveling to Landis+Gyr's locations globally. Landis+Gyr has implemented a third-party due diligence process, requiring mandatory checks prior to the appointment of a third-party business partner (e.g., agents, distributors, resellers, and suppliers). These checks, conducted by or with the assistance of an independent third party, screen potential partners against blacklists, sanctions lists, adverse media, and other databases to ensure business integrity. The company's third-party due diligence process is regularly re-evaluated and updated to ensure third parties are properly screened and vetted before business engagements are initiated. All Landis+Gyr applicable policies, including the 'Code of Business Ethics and Conduct' and 'Anti-Corruption Policy', are routinely communicated to the company's business partners during onboarding. Furthermore, these policies are also communicated upon request to Landis+Gyr's customers during the tender phase. With regard to suppliers, the same principles are communicated to them through the Landis+Gyr 'Supplier Code of Conduct'. Suppliers are required to confirm adherence to this document. 93.7% of Landis+Gyr's employees active as of March 2024, completed the e-learning session for the Landis+Gyr 'Code of Business Ethics and Conduct'. New employees are required to complete the same e-learning session within 7 days of joining Landis+Gyr. Completion of the course, which requires passing a test with a score of 80% or above, is tracked locally as part of the onboarding process. The e-learning session focuses on a variety of compliance risks, including prevention of bribery and corruption. Lastly, 98.9% of Landis+Gyr's employees who are in contact with customers, agents, distributors, vendors and competitors; all employees with a management role; and all employees in sales, finance and procurement completed the 'Preventing Bribery and Corruption' e-learning session.
Materials (Resource Efficiency)		
GRI 3: Material Topics 2021	3 – 3 Management of Resource Efficiency	See section 'Resource Efficiency'.
GRI 301: Materials 2016	301 – 1 Materials used by weight or volume	Measures taken: – Volumetrics and palletizing techniques are used to minimize waste and maximize recyclability. – Where possible, inbound packaging is reused for outbound shipments. For materials used, see also section 'Performance / Statistics'.

Energy Efficiency and Climate Protection		
GRI 3: Material Topics 2021	3 – 3 Management of material topics	See section 'Energy Efficiency and Climate Protection'
GRI 302: Energy 2016	302 – 1 Energy consumption within the organization	See section 'Performance / Statistics'.
	302 – 3 Energy intensity	In FY 2023, the total energy intensity ratio for the organization was 6.4 (MJ per 100 USD of turnover) compared to 8.0 in the previous year, which represents a decrease of 20%. Relevant types of energy included in the calculation are: electricity, fuel, heating, and steam. For energy consumption, see section 'Performance / Statistics'.
	302 – 4 Reduction of energy consumption	In FY 2023, our energy usage across all sites totaled 125,465,042 MJ, marking a 7% decrease compared to the previous year's level. To achieve this, Landis+Gyr has undertaken significant measures to boost energy efficiency and promote sustainability. Key actions include optimizing machinery for energy efficiency, introducing HVAC controls (including transitioning to more efficient equipment) to prevent fugitive emissions, enforcing a policy to power off unused electronics, and deploying motion and intensity sensors and LED lighting to reduce energy consumption. At certain production sites, process steps are being examined to identify opportunities to optimize energy management and reduce energy consumption. For instance, SmartL Factory in Izmir goes beyond simple energy measurement. The infrastructure meticulously measures and analyzes the energy consumption of all production units. Additionally, they have planned to replace five compressors with two more efficient ones. At our Reynosa facility, the roof features an elastomeric roof cover, which reduces the roof's temperature from 58°C to 29°C, leading to reduced HVAC consumption and higher efficiency. Our Corinth site is pursuing ISO 50001 Energy Management certification. We also promote energy-saving behaviors among employees, such as switching off lights and appliances when not in use and encouraging the use of stairs over elevators. These efforts have earned us accolades like the "Selo Clima Paraná" award in Brazil, inspiring us to push forward. The Kangas site in Finland is pursuing GOLD-level of an international LEED Core & Shell v4 environmental certification, exemplifying our commitment to sustainable infrastructure. For further data on energy consumption, see section 'Performance / Statistics'. Additionally, we are continuously working on reducing the electricity self-consumption of our electricity meters. See further information under our 'Resource Efficiency' section.
GRI 3: Material Topics 2021	3 – 3 Management of material topics	See section 'Water Management'.
GRI 303: Water and Effluents 2018	303 – 1 Interactions with water as a shared resource	See section 'Water Management'.
	303 – 2 Management of water discharge-related impacts	See section 'Water Management'.
	303 – 5 Water consumption	See section 'Performance / Statistics'.
GRI 304: Biodiversity 2016	304 – 1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	See disclosures in the 'Biodiversity' section.
GRI 3: Material Topics 2021	3 – 3 Management of material topics	Management of Energy Efficiency and Climate Protection
GRI 305: Emissions 2016	305 – 1 Direct (Scope 1) GHG emissions	Since 2007, the first year Landis+Gyr calculated its GHG emissions, the company has continuously established year-over-year targets to reduce its CO_2 emissions. Landis+Gyr's Science Based Targets were validated by the SBTi in July 2023. These targets guide the company on its path to further reduce its GHG emissions. See section 'Performance / Statistics'.
	305 – 2 Energy indirect (Scope 2) GHG emissions	See section 'Performance / Statistics'.
	305 – 3 Other indirect (Scope 3) GHG emissions	See section 'Performance / Statistics'. Having set the Scope 3 baseline in 2022 using 2021 data, this year we calculated our Scope 3 emissions using our standard environmental data capturing tool SoFi by Sphera. In FY 2023, our Scope 3 emissions amounted to 1.3 million tons of CO_2e.

	305 – 4 GHG emissions intensity	In FY 2023, GHG emissions intensity ratio (for Scope 1+2) equaled 0.3 kg CO_2e per 100 USD turnover. For Scope 1, 2 and 3, the metric equaled 67 kg CO_2e per 100 USD turnover. Refer to the 'Performance / Statistics' section for further details.
	305 – 5 Reduction of GHG emissions	GHG emissions (Scope 1+2) decreased by 48% to 5,824 t from 11,150 t in the previous year. Landis+Gyr increased the share of renewable power purchased from 59% in FY 2022 to 79% in FY 2023. Additionally, energy-saving initiatives continue to be implemented with a special focus on the largest company sites. Landis+Gyr did not use any carbon offsets. For sites that do not have access to green electricity tariffs, Landis+Gyr purchased Renewable Energy Certificates (RECs), Guarantees of Origin (GOs) or similar instruments to "green" their electricity consumption. For detailed data, see the section 'Performance / Statistics'.
	305 – 7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	Methane (CH_4): 1.54 t. No other emissions were generated. See section 'Performance / Statistics'.
GRI 3: Material Topics 2021	3 – 3 Management of material topics	See section 'Waste Management'.
	GRI 306: Waste 2020 306 – 1 Waste generation and significant waste-related impacts	See section 'Waste Management'.
GRI 306: Waste 2020	306 – 2 Management of significant waste-related impacts	See section 'Waste Management'.
	306 – 3 Waste generated	See section 'Performance / Statistics'.
	306 – 4 Waste diverted from disposal	See section 'Performance / Statistics'.
	306 – 5 Waste directed to disposal	See section 'Performance / Statistics'.
Supplier assessment (Strategic Responsable Procurement)		
GRI 3: Material Topics 2021	3 – 3 Management of material topics	See section 'Strategic Responsible Sourcing'.
GRI 308: Supplier Environmental Assessment 2016	308 – 1 New suppliers that were screened using environmental criteria	100% of new direct suppliers (Tier 1) were screened for environmental and social Impact (scope limited to direct materials, and suppliers with (expected) spend above 10k USD). Landis+Gyr plans to include critical Tier 2 suppliers in this assessment in FY 2024. See section 'Strategic Responsible Sourcing'
	308 – 2 Negative environmental impacts in the supply chain and actions taken	The Landis+Gyr 'Supplier Code of Conduct' and 'Green Procurement Requirements' were distributed to 739 suppliers. To date, 662 suppliers have signed these documents. Through this effort, Landis+Gyr has ensured comprehensive adherence to ethical and sustainable practices across 89.5% of its direct material spending. Our supplier due diligence approach relies on risk-based assessment (based on social and environmental criteria) and subsequent auditing of the suppliers at risk. This year the company performed 48 ESG audits. Landis+Gyr is collaborating with a third-party provider to evaluate risks amongst our suppliers. This process is being strengthened, with tasks assigned across the organization to engage all relevant suppliers. As indicated in last year's sustainability report, these efforts enhance the existing process. During the reporting period, Landis+Gyr identified one supplier that did not meet our ESG standards. Unfortunately, despite discussions with the supplier to address the issues, the desired outcome was not achieved. Consequently, Landis+Gyr decided to phase out the business relationship with this supplier. Regarding conflict minerals, the company collected the 'Conflict Mineral Reporting Templates' (CMRTs) of 153 suppliers out of the 376 suppliers invited to provide the documentation. See section 'Strategic Responsible Sourcing'.
Occupational health and safety		
GRI 3: Material Topics 2021	3 – 3 Management of material topics	See section 'Occupational Health and Safety'.
GRI 403: Occupational Health and Safety 2018	403 – 1 Occupational health and safety management system	See section 'Occupational Health and Safety'.

	403 – 2 Hazard identification, risk assessment, and incident investigation	Risk assessments are the primary mechanism for identifying and categorizing hazards and risks. Each location must identify specific local hazards based on their activities and undertake site-specific risk assessments. Preventive risk identification and related actions to eliminate hazards and minimize risks are managed through the Integrated Management System (IMS) for Quality, Environment, Occupational Health and Safety, and Business Continuity. During their daily activities, employees and managers conduct job observations and review preventive maintenance activities to identify potential workplace hazards and risks. Hazard and risk elimination actions are also identified during each location's Annual IMS Management Review and Annual Internal IMS Audit program. An overall IMS Management Review is undertaken at the executive level annually. Emergency response plans are in place for all sites. The process for managing QEOHS-critical activities at Landis+Gyr includes identifying related improvement activities, designating local responsible managers, conducting hazard assessments for personal protective equipment, and performing preventive maintenance on equipment, tools, devices, and vehicles. The onboarding process for QEOHS is standardized, and initial and recurring training is provided. The definition of incidents used includes minor (up to one day absence) and lost time (more than one day absence).
	403 – 3 Occupational health services	See section 'Occupational Health and Safety'.
	403 – 5 Worker training on occupational health and safety	See section 'Occupational Health and Safety'.
	403 – 7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	See section 'Occupational Health and Safety'.
	403 – 8 Workers covered by an occupational health and safety management system	See section 'Occupational Health and Safety'. No workers were excluded.
	403 – 9 Work-related injuries	See sections 'Performance / Statistics' and 'Occupational Health and Safety'.
Training and education (Employee Engagement)		
GRI 3: Material Topics 2021	3 – 3 Management of material topics	See section 'Employee Engagement'.
GRI 405: Diversity and Equal Opportunity 2016	404 – 1 Average hours of training per year per employee	See sections 'Employee Engagement' and 'Performance / Statistics'.
GRI 408: Child Labor 2016	404 – 2 Programs for upgrading employee skills and transition assistance programs	The company invests substantially in our workforce's continuous training and skill development. Our employees benefit from extensive learning resources, including leading platforms like LinkedIn Learning, Coursera, Pluralsight, and A Cloud Guru. In partnership with Google, Landis+Gyr provides an extensive cloud transformation training program, ensuring its workforce is well-prepared for the dynamic challenges in the industry. The Google Cloud Platform (GCP) Training Program focuses on upskilling and developing teams involved in Landis+Gyr's Cloud transformation projects across various regions. The program offers diverse learning paths, enabling participants to gain knowledge and practical experience, culminating in a Google Cloud certification. Another important learning initiative is Landis+Gyr's Learning Weeks. These annual events, sponsored by members of the Executive Management Team (EMT), play a key role in fostering a culture of continuous learning within the company. In FY 2023, three Learning Weeks were organized, all offering live events that provided valuable insights into our business, our technologies, and the latest initiatives to address current challenges and industry trends. Additionally, mentorship programs provide experience and guidance to younger and newer employees. Transition assistance programs are included in social plans or bespoke individual agreements, considering local employment conditions. See section 'Employee Engagement'.
	404 – 3 Percentage of employees receiving regular performance and career development reviews	See sections 'Employee Engagement' and 'Performance / Statistics'.

Diversity and equal opportunity (Fair Labor Practices)		
GRI 3: Material Topics 2021	3 – 3 Management of material topics	See section 'Fair Labor Practices'.
GRI 405: Diversity and Equal Opportunity 2016	405 – 1 Diversity of governance bodies and employees	See sections 'Fair Labor Practices' and 'Performance / Statistics'.
GRI 408: Child Labor 2016	408 – 1 Operations and suppliers at significant risk for incidents of child labor	Measures taken towards the abolition of child labor: Landis+Gyr's 'Code of Business Ethics and Conduct' and its 'Supplier Code of Conduct' include strict prohibitions on forced or compulsory labor and child labor. Documents have been distributed to relevant stakeholders. All employees are trained annually on the the provisions of the 'Code of Business Ethics and Conduct.' In this reporting period, an on-site learning program was launched for blue-collar employees, including human rights, among other topics. Furthermore, direct materials suppliers must comply with the 'Supplier Code of Conduct' and are subject to due diligence screenings and audits covering several topics, including child labor. Direct material suppliers representing 86.2% of direct spend underwent an ESG audit as of end of FY 2023. Child labor risks: Landis+Gyr has performed child labor due diligence within its operations (using UNICEF Children's Rights and Business Atlas). The result of this exercise has led to no findings. The company is collaborating with a third-party provider to assess its ESG risks in the supply chain. The ESG Supplier Due Diligence Committee is responsible for the process and its results, and reports to the Executive Management Team (EMT) via the ESG Steering Committee. According to the due diligence process and following review by the Compliance and Procurement functions, no suppliers were considered to have significant risk for instances of child labor or young workers exposed to hazardous work. See sections 'Fair Labor Practices', 'Strategic Responsible Sourcing' and 'Human Rights and Child Labor'.
Local communities (Community Engagement)		
GRI 3: Material Topics 2021	3 – 3 Management of material topics	See section 'Community Engagement'.

GRI 413: Local Communities 2016	413 – 1 Operations with local community engagement, impact assessments, and development programs	Landis+Gyr monitors its environmental and social Impacts (mainly employment-related) on all its sites. Assessments are not the same on all sites and reflect specific local requirements. Tools used include: – Social impact assessments: Strong emphasis is placed on gender diversity, as we are committed to increase the share of senior female employees in our total workforce. In addition to gender diversity, the company manages and closely monitors physical health impacts as part of the company's OH&S activities. – Environmental impact assessments/monitoring: Besides the monitoring of standard environmental emissions (GHG, water, waste) and resource consumption, certain sites also perform assessments on critical parameters in line with ISO 14001 Environmental Management System standards. – Public disclosure of assessment results: Global assessment results are disclosed in the sustainability report, with some sites also publishing their own assessment results at local level. – Local community development programs: In locations like Brazil, Czech Republic, Germany, Greece, India, Mexico, Slovenia, South Africa, the UK and USA, there is a long-standing tradition of engaging with communities via donations or volunteering initiatives. See section 'Community Engagement' for a summary of community development initiatives undertaken in FY 2023. – Stakeholder engagement plans: Stakeholder engagement is central to the success of Landis+Gyr's community engagement efforts. At the group level, stakeholder engagement is a crucial element of the materiality assessment which involves relevant stakeholders from all regions. At the local level, the identification and implementation of actions, as well as the set-up of community engagement targets is done in coordination and collaboration with both internal and external stakeholders. For example, Landis+Gyr consults with local stakeholders to understand what the most pressing community needs are and who the key local actors are, and designs interventions accordingly. Certain sites like Curitiba have developed stakeholder mappings to enhance trust and cooperation and ensure no important stakeholders are overlooked. – Broad-based local community consultation committees and processes: Consultation is commonly implemented for workforce-related topics. Certain sites like India or Mexico participate in different local community committees. Furthermore, Landis+Gyr engages regularly with local authorities, especially in locations where the company has major plants. – Works councils, occupational health and safety committees and other worker representation bodies: OH&S committees are in place in all major sites. Additionally, work councils focusing on different issues are active in most sites. – Local community grievance processes: Some sites have specific grievance processes for local communities, while others use the generic grievance process. – At several Landis+Gyr sites, regular or ad hoc support is provided for specific activities that benefit the local community.
Supplier social assessment		
GRI 3: Material Topics 2021	3 – 3 Management of material topics	See section 'Strategic Responsible Sourcing'.
GRI 414: Supplier Social Assessment 2016	414 – 1 New suppliers that were screened using social criteria	100% of new Tier 1 direct material suppliers were screened for environmental and social impact. The scope was limited to direct materials, and suppliers with (expected) spend above 10k USD. Landis+Gyr plans to include critical Tier 2 suppliers in this assessment in FY 2024. One of the screened suppliers showed severe OH&S issues which were pointed out and discussed with the supplier. Unfortunately, the agreed process enhancements did not lead to the required results so the company saw no other option than to terminate the relation with the supplier. See section 'Strategic Responsible Sourcing'.
Customer health and safety		
GRI 3: Material Topics 2021	3 – 3 Management of material topics	See section 'Product Social Impact'.

GRI 416: Customer Health and Safety 2016	416 – 1 Assessment of the health and safety impacts of product and service categories	Every new product development (100%) is designed in line with strict product safety requirements and regulations. Landis+Gyr adheres to safety protocols that exceed regulatory and industry requirements to ensure that meters do not pose any health and safety risks. In the event of a failure, our products are designed to fail safely. User manuals, instructions and training are provided to enable the safe use of our products. Landis+Gyr conducts thorough product testing and obtains all necessary approvals before installation. If any safety issues are observed in the field, Landis+Gyr has a robust 'Quality Crisis Management & Resolution Procedure' in place and collaborates with customers to mitigate and resolve any incidents. Additionally, the company evaluates how new products can assist its customers and their end-users in managing energy better. See section 'Product Social Impact'.
	416 – 2 Incidents of non-compliance concerning the health and safety impacts of products and services	Landis+Gyr has not identified any instances of non-compliance with regulations and/or voluntary codes.
Customer privacy		
GRI 3: Material Topics 2021	3 – 3 Management of material topics	See section 'Security and Data Privacy'.
GRI 418: Customer Privacy 2016	418 – 1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	No substantiated complaints concerning breaches of customer privacy and losses of customer data were experienced during FY 2023. See sections 'Security and Data Privacy' and 'Performance / Statistics'.

Task Force on Climate-Related Financial Disclosures (TCFD) Report

Task Force on Climate-Related Disclosures (TCFD) Report

Introduction

Amidst the current landscape shaped by climate change, businesses face significant risks and opportunities. As a company committed to climate action, Landis+Gyr acknowledges the critical importance of proactively assessing, monitoring and addressing risks and opportunities arising from this reality. Hence, in this year's edition of our sustainability report, we delve deeper into the risks and opportunities associated with climate change, as well as the resilience of our business strategy, in line with the recommendations of the TCFD framework.

By adopting the TCFD framework, we aim to enhance transparency and disclosure regarding climate-related risks and opportunities, fostering better-informed decision-making processes. This approach aligns with our commitment to sustainability and responsible business practices, ensuring that we effectively address climate change challenges while seizing opportunities for innovation and growth.

In conjunction to conducting this analysis, we are actively working on reducing our carbon footprint by implementing a comprehensive set of carbon reduction measures that encompasses all greenhouse gas (GHG) scopes. Moreover, we are determined to enhance the environmental benefits created by our products, solutions, and services, demonstrating our firm commitment to enabling decarbonization.

Governance

A) Board Involvement

The Board of Directors at Landis+Gyr is responsible for overseeing the company's strategic direction and performance, including addressing the impacts of climate change. The Board integrates these considerations into the company's strategy, planning, and decision-making processes, recognizing the significance of climate-related risks and opportunities. Every year, the Board and Management jointly review the company's strategy, focusing on ESG topics, including climate-related aspects.

The 'Nomination, Governance & Sustainability Committee (NGSC) is responsible for sustainability matters (including climate change), practices and procedures of the company and the Group including review of the Sustainability Report, setting of and monitoring compliance with the Company's ESG targets and sustainability goals. The 'Audit, Finance and Risk Committee' is responsible for, among other things, assessing the adequacy of the company's systems, policies, and controls regarding financial and non-financial risks.

B) Management Involvement

The management of climate-related impacts is integrated into the broader ESG framework. The ESG Steering Committee (ESG SteerCo) oversees all ESG activities and targets within the company, including the assessment of climate-related risks and opportunities, as well as the implementation of mitigation measures.

Management ensures that climate-related risks are integrated into the company's risk management system. This involves updating the company's risk register annually to account for climate-related changes in the company's risk profile or the external environment. Additionally, Management provides regular reports to the Board, via the 'Audit, Finance and Risk Committee', on the outcomes and practices of the company's risk management.

Furthermore, Management sets, monitors, and reports on specific targets and Key Performance Indicators (KPIs) aligned with its climate-related objectives. Management also reports to the NGSC on ESG topics, including climate-related issues, at least twice a year. The NGSC then reports these findings to Landis+Gyr's Board of Directors.

Further information can be found in the 'Governance' section of the company's sustainability report.

Strategy

A) Risks & Opportunities

To evaluate the resilience of our strategy in the face of climate change and to guide us in defining appropriate mitigation and development actions, we have conducted a comprehensive risk and opportunity assessment. Our risk assessment encompasses both transition aspects –such as market scenarios, regulatory and technological evolution, and reputational issues– as well as physical risks, including chronic and acute events such as flooding and wildfires. Conversely, our evaluation of opportunities considers aspects such as the impact of climate change on the operational efficiency of our assets, the growing demand for company products and services resulting from climate-driven regulatory changes and behavioral shifts, as well as the potential to access a more attractive cost of capital, amongst other elements. Furthermore, we assess risks and opportunities over three different time horizons: short, medium (2030) and long-term (2050).

The following table presents the most salient climate-related risks and opportunities over different time horizons:

	Risks	Opportunities	Our Response
Short term	– Increased cost of energy, impacting our operations. – Physical impacts of climate change, potentially affecting the manufacturing and distribution of our products, as well as the cost and availability of raw materials and components. – Decreased willingness of insurance companies to underwrite certain climate change-related risks. – Limited market acceptance for low-carbon products and solutions	– Increased cost of energy leading to higher demand for Landis+Gyr's energy management products. – Increased need for data/insights to monitor and manage the grid, leading to higher demand for Landis+Gyr's products. – Growing demand for EV charging infrastructure driven by climate change regulations.	– Monitor regulatory trends closely and adapt proactively. – Anticipate and capitalize on emerging opportunities.
Medium term	– Failure to further expand Landis+Gyr's 'green' portfolio. – Higher R&D costs to enlarge low-carbon product portfolio. – Physical impacts of climate change, potentially affecting the manufacturing and distribution of our products, as well as the cost and availability of raw materials and components. – Intensified competition for resources/raw materials	– Increased demand for flexibility management features driven by the proliferation of decentralized (renewable) electricity generation, resulting in rising demand for Landis+Gyr's dedicated portfolio. – Distribution of hydrogen or hydrogen-mix might require new infrastructure, a change for which Landis+Gyr is well-prepared.	– Anticipate the costs associated with the energy transition. – Leverage the opportunities the company has strategically positioned itself to seize.
Long term	– Introduction of carbon pricing, leading to higher cost of products. – Failure to deliver products which support the market's need to save energy. – Failure to deliver products with a lower GHG footprint as per expected market requirements. – Physical impacts of climate change, potentially affecting the manufacturing and distribution of our products, as well as the cost and availability of raw materials and components.	– Introduction of carbon price will drive higher demand for products that support energy efficiency. – Growing resource scarcity will drive demand for enhanced resource management solutions, positively impacting Landis+Gyr's business.	– Sustain an efficient and competitive performance amidst the new reality.

Once identified, risks undergo assessment to determine their likelihood and financial impact. In the case of financial impact, risks are classified on a scale of 1 to 4 (where 1=Minor, 2= Moderate, 3= Major and 4=Catastrophic).
For opportunities, we use a similar scale (1=Minor, 2=Moderate, 3= Major, 4 = Transformative).
Our risk matrix is subject to ongoing review to regularly reflect any changes in our mitigation strategies, ensuring that our risk profile is always up to date.

Risks and opportunities were assessed for their likelihood and financial impact. The matrix below depicts the ranking of risks according to their probability of occurrence and negative financial consequences.

NEGATIVE FINANCIAL IMPACT

LIKELIHOOD	Minor	Moderate	Major	Catastrophic
Very likely		High cost of renewable energy		
Likely		Compliance with growing environmental requirements	Increased investments into greening portfolio; Talent competition	Supply chain disruption
Possible	Insufficient GHG emissions reductions by suppliers	Rising costs/taxes OHS risks; Relocation of operations; Political /Economic Instability	Physical impact on people and assets; Operational disruption; Limited market acceptance for low-carbon products and solutions	Failure to adapt portfolio to low-carbon requirements
Unlikely	Failure to comply with climate-related regulation	Access to capital	Device failure	Inability to raise funds to capitalize on decarbonization opportunities

In this 2023 risk assessment, no "catastrophic" / "very likely" risk level was identified. The matrix below depicts how opportunities were ranked according to their likelihood and positive financial impact.

POSITIVE FINANCIAL IMPACT

LIKELIHOOD	Minor	Moderate	Major	Transformative
Very likely		Enhanced access to capital	Higher demand for energy management solutions; Expanding EV charging market	Increased demand for data analysis and insights; Rising demand for water distribution solutions
Likely	Reduction in the energy self-consumption of our products	Reduced operating costs	Increased demand for flexibility management solutions	
Possible	Pioneering in recycling and/or reusing; Capitalizing on Eco Portfolio and ESG			
Unlikely				

B) Impact

Landis+Gyr is committed to proactively addressing the impacts of climate change and contributing positively to its mitigation efforts. The release of fugitive gases along with the electricity sourced to power our manufacturing sites are responsible for the majority of our Scope 1+2 emissions, respectively. Moreover, the electricity usage associated with our products during their lifecycle, coupled with the procurement of goods and services, collectively contribute to over 90% of our Scope 3 emissions.

Acknowledging our impacts and the urgent need for action, we have adopted ambitious Science-Based Targets for both the near and long term (net-zero). To translate these targets into concrete action, we are developing a comprehensive decarbonization roadmap. This strategic roadmap will serve as our guiding framework, enabling us to identify and prioritize key carbon reduction initiatives, establish clear delivery timelines, and allocate the necessary resources, including budget and staff. For further information see 'Defining our Decarbonization Roadmap' under the 'Energy Efficiency & Climate Protection' section.

On the other hand, our innovative products and solutions are designed to address pressing environmental concerns, such as the reduction of greenhouse gas (GHG) emissions and the conservation of water resources. Through our advanced technologies, we empower utilities and customers alike to manage resources more efficiently, facilitating reduced consumption and minimizing wastage. To further advance our innovative technology and solutions, we make substantial investments in research and development. In FY 2023, our company allocated 9% of its turnover to R&D expenditures, driving innovation to harness the opportunities emerging from climate change.

C) Resilience

At Landis+Gyr, business continuity is an integral part of our operational processes. With over 40 Landis+Gyr sites certified under the ISO 22301 (Security and Resilience – Business Continuity Management System) umbrella, we ensure the security and resilience of our operations on a global scale. This framework provides us with a solid foundation to assess the climate resilience of our strategy and propose necessary mitigation actions.

In line with the recommendations of the TCFD framework, we have considered two IPCC scenarios to assess the climate resilience of our strategy:

1) the Business-As-Usual RCP 8.5 scenario, predicting a 4–5° C temperature rise, and
2) the RCP 2.6 scenario, aligning with the targets outlined in the Paris Agreement and our carbon reduction targets as set forth in our SBTi goals.

Key aspects of our strategy considered in our resilience assessment include:

- Business model
- Product and service offering
- Supply chain / Value chain
- Research and Development
- Assets and operations
- Human capital
- Revenues
- Costs
- Access to capital
- Investors
- Acquisitions and divestments
- Capital / expense allocation

The following table presents the strategic aspects considered in our assessment, as well as a summary of the necessary adaptations required for our business operations in both IPCC scenarios analyzed.

Aspects	Potential Impact	Scenario 1: Paris Agreement-aligned (1.5° C)	Scenario 2: Insufficient Joint Efforts to Combat Climate Change (4°– 5° C)	Adaptations
Business model	Changes to business model in areas such as target markets, distribution channels, service vs. ownership model, etc. to align with evolving climate-related trends, regulations and customer preferences.	+	=	Implement proactive market research and agility in business model adaptation to swiftly respond to emerging climate-related trends and regulatory changes, ensuring alignment with customer preferences and own sustainability goals.
Product and service offering	Shifts in demand for our products and services resulting from climate-induced changes in customer behaviors, regulation, market conditions, etc., requiring product innovation and diversification to meet evolving needs.	+	+	All products: Invest in ongoing R&D to innovate offerings, focusing on the development of sustainable and energy-efficient solutions capable of meeting customer demands, regulatory requirements and withstand exposure to extreme weather conditions. Smart gas: Anticipate the introduction of new energy sources, such as hydrogen, into our portfolio. Grid edge intelligence: Enhance offering to provide climate change impact-related data/insights. Smart infrastructure: Enhance offering to further support efforts to combat climate change. EV charging solutions: Accelerate product roll-outs to support growing electrification trend.

Legend
+ Positive impact on Landis+Gyr operations
= Neutral impact on Landis+Gyr operations
– Negative impact on Landis+Gyr operations

Aspects	Potential Impact	Scenario 1: Paris Agreement-aligned (1.5° C)	Scenario 2: Insufficient Joint Efforts to Combat Climate Change (4°– 5° C)	Adaptations
Supply chain / Value chain:	Vulnerability to disruptions in our supply chain, such as impaired transportation and logistics, raw material shortages, business interruptions, etc. due to climate-related events.	+	–	Manufacturing: Monitor to ensure continuity of own operations. Transportation: Monitor availability and cost of transportation. Suppliers: Collaborate with supply chain partners to achieve decarbonization goals; implement risk management strategies and develop contingency plans to enhance supply chain resilience. Distribution: Monitor end-customer needs to proactively anticipate changes to distribution models. Recycling & reusing: Intensify our efforts to integrate circularity principles into our products. Raw Materials and components: Increase utilization of reused and recycled materials; enhance products' recyclability.
Research and development	R&D challenged to develop innovative, low-carbon technologies and solutions to address emerging challenges and opportunities associated with climate change.	=	–	Allocate resources towards R&D initiatives focused on developing low-carbon technologies and solutions, fostering innovation to address climate-related challenges and capitalize on emerging market opportunities
Assets and operations	Increased exposure to extreme weather events and climate-related disasters leading to uninsurability, higher insurance premiums, site relocation, etc.	=	–	Monitor asset/operations exposure to climate risks and implement climate-resilient infrastructure and operational practices, including site-specific risk assessments, infrastructure upgrades, and insurance coverage optimization, to minimize the impact of extreme weather events and climate-related disasters on business operations.

Legend
+ Positive impact on Landis+Gyr operations
= Neutral impact on Landis+Gyr operations
– Negative impact on Landis+Gyr operations

Aspects	Potential Impact	Scenario 1: Paris Agreement-aligned (1.5° C)	Scenario 2: Insufficient Joint Efforts to Combat Climate Change (4°– 5° C)	Adaptations
Human capital	Heightened competition for personnel with climate-related expertise and skills, and investment in workforce training programs to meet evolving demands.	–	=	Invest in employee training and development programs to cultivate climate-related expertise and skills within the workforce, fostering a culture of sustainability and innovation to meet the evolving demands of the market. Leverage the company's position as a market leader in the energy management industry and its positive impact on decarbonization to attract talent with expertise in climate-related fields.
Revenue	Revenue changes resulting from both positive factors, such as increased demand for products supporting decarbonization, and negative factors, including the phase-out of certain products as well as supply chain disruptions.	+	–	Proactively anticipate supply chain disruptions and enhance business continuity processes to mitigate potential revenue impacts. Additionally, diversify revenue streams to mitigate revenue impact from product phase out, while intensifying investments on products that contribute to decarbonization.
Costs	Increased costs related to adapting operations and infrastructure to withstand climate-related risks while also facing potential cost savings from energy efficiency and resource optimization efforts.	–	–	Implement cost-saving measures through energy efficiency initiatives, resource optimization efforts, and operational efficiency improvements, while also allocating resources towards climate resilience measures to mitigate the impact of climate-related risks on operating costs.

Legend
+ Positive impact on Landis+Gyr operations
= Neutral impact on Landis+Gyr operations
– Negative impact on Landis+Gyr operations

Aspects	Potential Impact	Scenario 1: Paris Agreement-aligned (1.5° C)	Scenario 2: Insufficient Joint Efforts to Combat Climate Change (4°– 5° C)	Adaptations
Access to capital	Greater lender scrutiny, influencing access to financing terms, with companies showing proactive climate resilience and low-carbon business models gaining preferential access to green finance.	+	–	Demonstrate strong climate resilience and sustainability performance to attract green finance opportunities and favorable financing terms, including proactive engagement with lenders and investors to communicate climate-related strategies and initiatives. Furthermore, be prepared to tap into additional capital sources (e.g. investors with focus on resource efficiency) to compensate in the event of a potential lack of investors focused on decarbonization.
Investors	Growing investor appetite for companies with strong climate resilience and sustainability performance.	+	=	Attract investors by demonstrating sustainable product offering and business practices. Foster investor confidence by enhancing transparency and disclosure practices regarding climate-related risks, opportunities, and sustainability performance.
Acquisitions and divestments	Climate-related considerations increasingly influencing acquisition decisions, with target companies being evaluated on their climate resilience and sustainability performance, while divesting from high-risk assets to transition towards more sustainable portfolios.	=	+	Continue to conduct due diligence assessments on potential acquisition targets, evaluating climate resilience and sustainability performance, while divesting from high-risk assets to align with climate-related goals and transition towards a more sustainable portfolio.
Capital/expense allocation	Capital/expense allocation influenced by climate change impact developments.	=	–	Prioritize investments and expenditures to respond to climate-induced market changes, including investments in low-carbon innovations, renewable energy and climate resilience measures, while reallocating capital away from solutions supporting carbon-intensive industries to reduce exposure to climate-related risks and enhance the sustainability of our offerings.

Legend
+ Positive impact on Landis+Gyr operations
= Neutral impact on Landis+Gyr operations
– Negative impact on Landis+Gyr operations

Risk Management

A) Identifying and Assessing Risks
Landis+Gyr's Business Continuity Management System (BCMS) provides a starting point for the identification and assessment of climate-related risks. This system is designed to identify, assess, proactively mitigate risks, develop contingency plans, and establish response capabilities at all levels within the company.

Expanding upon the robust foundation laid out by our BCMS, we have broadened our risk and opportunity assessment to encompass a wider array of climate-related considerations and delve deeper into their analysis. We utilize a multi-disciplinary approach, involving specialists from different departments and business lines, to comprehensively assess climate-related risks and opportunities.

This year, for our first-time TCFD analysis, we conducted 20 interviews with internal subject matter experts. These interviews facilitated insightful discussions, allowing us to identify and evaluate risks from the experts' perspectives, while broadening their understanding of potential climate-related risks or opportunities to the company.

Once identified, risks undergo assessment to determine their likelihood and financial impact. This is crucial for prioritizing risks and efficiently allocating resources for mitigation actions. In terms of financial impact, risks are classified on a scale of 1 to 4 (where 1=Minor, 2= Moderate, 3= Major, and 4=Catastrophic). Likewise, opportunities are evaluated using a similar scale (1=Minor, 2=Moderate, 3= Major, 4 = Transformative). Regarding the likelihood of occurrence, risks and opportunities are ranked across four levels: 'Unlikely', 'Possible', 'Likely' and 'Very Likely'. This aligns to the convention applied in our company's risk management system.

As we continue this journey, we are committed to ongoing refinement of our climate-related assessments, with a specific focus on enhancing precision in quantifying the financial impacts of risks and opportunities. This will enable us to deliver more valuable and transparent insights to our stakeholders.

B) Managing Risks
Following the identification and assessment of climate-related risk, we ensure that the highest-ranked risks are incorporated in our 'ESG Monitoring Risk Matrix'. This matrix provides a comprehensive overview of the most relevant ESG risks impacting the company and its stakeholders. From there, risks are integrated into our company's risk management system.

Under our company's risk management system, Management is responsible for the definition, implementation, monitoring and reporting of risk mitigation measures. Each material risk identified is assigned a risk owner at the senior management level, who is tasked with executing appropriate mitigation measures. The designated individual or team ensures the establishment of relevant controls, policies or procedures to effectively manage and reduce exposure to these risks.

Risks and their corresponding mitigation measures are continuously monitored to ensure proactive risk management. Regular reports are provided to Management and the Board of Directors, through the 'Audit, Finance, and Risk Committee'.

C) Integrated Risk Management
Our highest-ranked climate-related risks are integrated first into our 'ESG Monitoring Risk Matrix' and subsequently into the company's risk management system as discussed in the section above. For additional details, refer to 'ESG Risk Management' under the 'Sustainability at Landis+Gyr' section of this report.

For additional details, refer to 'ESG Risk Management' section of the company's sustainability report.

Metrics and targets

A) Metrics Used

Landis+Gyr discloses Scope 1, 2 and 3 GHG emissions in its Sustainability Report (see sections 'Performance / Statistics' and 'GRI Index'). We have been tracking GHG emissions related to Scope 1+2 since 2007, and subsequently incorporated business travel emissions (Scope 3) into our reporting. In 2022, our company conducted a comprehensive inventory, based on 2021 data, of Scope 3 emissions to establish its Science-Based Targets (SBTs). These targets were submitted to the Science-Based Target initiative (SBTi) for validation and were approved in July 2023. Our approved targets align with the highest ambition level of limiting global warming to 1.5 °C, as recommended by the Paris Climate Accord. For a detailed description of our SBTs, see the 'Energy Efficiency & Climate Protection' section.

Starting from FY 2023 a detailed inventory of Scope 3 emissions has been incorporated into Landis+Gyr's GHG disclosures within our annual sustainability report.

Besides absolute GHG emissions, the company tracks additional metrics to address its climate-related risks and lower its carbon footprint, including:

- Share of renewable electricity
- CO_2e per 100 USD turnover
- Water per employee
- Waste to landfill
- Share of products satisfying Eco-Portfolio criteria

Landis+Gyr has established FY 2025 targets for each of these metrics. These targets are cascaded down to Landis+Gyr's sites through our global 'Integrated Management System' (IMS). Data is collected using our environmental data capturing tool. Furthermore, we regularly monitor our progress towards achieving these targets and deliver reports to both Management and the Board of Directors, via the NGSC Committee.

The company has integrated ESG targets in its 'Short Term Incentive Plan', accounting for 20% of the total target incentive amount. In FY 2023, these targets included the increase of our renewable electricity usage, the amount of CO_2 savings enabled by our smart meter devices, and the share of products included in our Eco-Portfolio. Such targets focus our company's efforts on specific sustainability priorities and drive progress in these areas. For further information, see the company's 'Remuneration Report'.

B) Scope 1, 2 and 3 Emissions

The company measures its Scope 1, 2 and 3 emissions in line with the GHG Protocol. For a discussion of our Scope 1, 2 and 3 emissions, see the section 'Energy Efficiency and Climate Protection'. Additionally, see the sections 'Performance / Statistics' and 'GRI Index' for GHG emissions data.

C) Management of Climate-related Risks and Opportunities

Landis+Gyr establishes targets aimed at mitigating identified climate-related risks and capitalizing on emerging opportunities. In addition to our SBTs, we have designed a wide range of targets and actions to support these efforts. These objectives have been embedded into our global Integrated Management System, Business Continuity plans and some of our 3-year ESG roadmaps. For further information on our targets, see the 'Targets' section.

Furthermore, central to our strategy to manage climate-related risks and opportunities is our decarbonization roadmap. Landis+Gyr is currently developing a comprehensive decarbonization roadmap, outlining the path the company will pursue to deliver its SBTs. More details on the decarbonization roadmap can be found in the section 'Energy Efficiency & Climate Protection'.

On the opportunity front, we are conducting investments beyond our traditional metering business to further support decarbonization efforts – as evidenced by our recent acquisitions of EV charging company Etrel and EV service provider Thundergrid. Additionally, the company is investing in the development of its flexibility management offering, enabling utilities to operate their energy grids as efficiently as possible, while empowering end consumers to take control of their consumption and carbon footprint.

For further insights into how Landis+Gyr manages its climate-related risks and opportunities, please consult the sections 'Energy Efficiency & Climate Protection', 'Product Social Impact', and 'Resource Efficiency' in this report.

Locations

Landis+Gyr Worldwide	
EMEA	114
APAC	114
North America	115
South America	115

Landis+Gyr Worldwide

Global Headquarters

	ISO 9001	ISO 45001	ISO 14001	ISO 22301	ISO 27001	ISO 17025	ISO 20000
Cham (CH)	✓	✓	✓	✓	✓	✓	

EMEA

Regional HQ

	ISO 9001	ISO 45001	ISO 14001	ISO 22301	ISO 27001	ISO 17025	ISO 20000
Cham (CH)	✓	✓	✓	✓	✓	✓	

R&D Centers

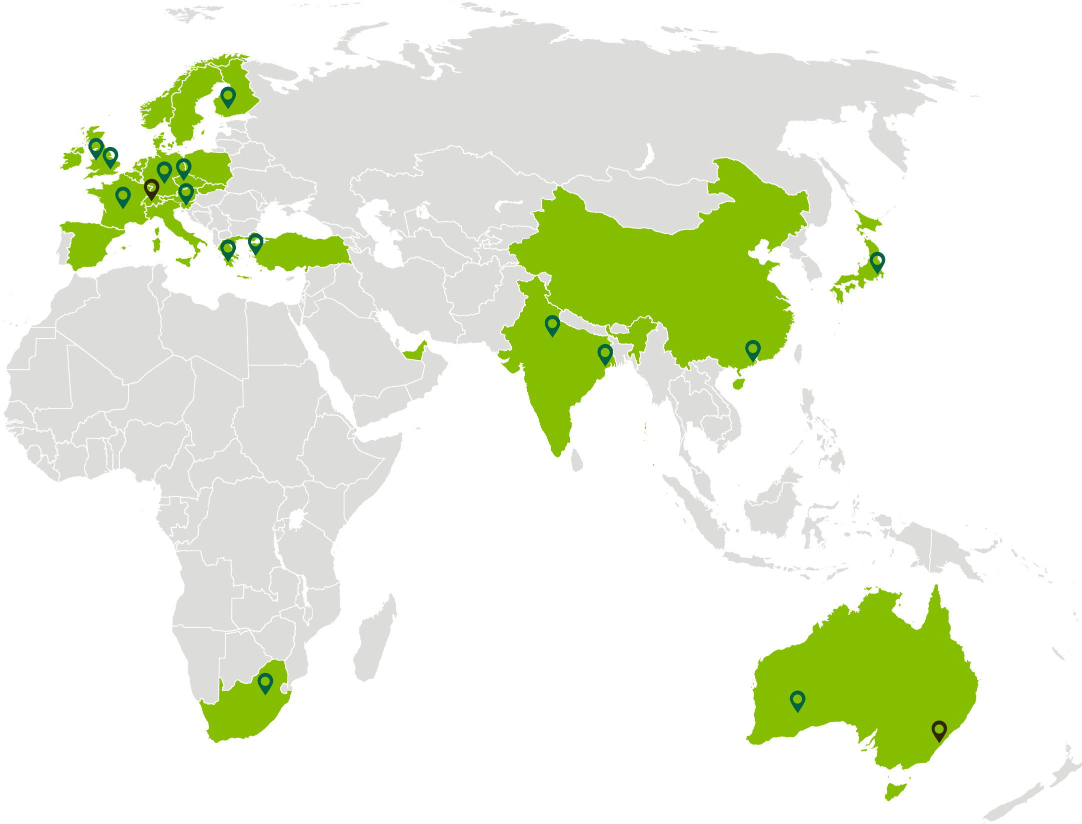
	ISO 9001	ISO 45001	ISO 14001	ISO 22301	ISO 27001	ISO 17025	ISO 20000
Cham (CH)	✓	✓	✓	✓	✓	✓	
Gauteng (RSA)	✓	✓	✓	✓		✓	
Grosuplje (SLO)	✓	✓	✓	✓	✓		
Izmir (TUR)	✓	✓	✓		✓	✓	
Kangas (FIN)	✓	✓	✓	✓	✓		✓
Manchester (GBR)	✓	✓	✓	✓	✓		
Montluçon (FRA)	✓	✓	✓	✓	✓	✓	
Peterborough (GBR)	✓	✓	✓	✓	✓		
Nuremberg (GER)	✓	✓	✓	✓			
Prague (CZE)	✓	✓	✓	✓	✓		

Manufacturing

	ISO 9001	ISO 45001	ISO 14001	ISO 22301	ISO 27001	ISO 17025	ISO 20000
Corinth (GRE)	✓	✓	✓	✓	✓	✓	
Gauteng (RSA)	✓	✓	✓	✓		✓	
Izmir (TUR)	✓	✓	✓		✓	✓	
Montluçon (FRA)	✓	✓	✓	✓	✓		
Nuremberg (GER)	✓	✓	✓	✓			
Preserje (SLO)	✓	✓	✓	✓	✓		

Sales Offices and Service Centers

	ISO 9001	ISO 45001	ISO 14001	ISO 22301	ISO 27001	ISO 17025	ISO 20000
Austria	✓	✓		✓			
Belgium	✓	✓		✓			
Czech Republic	✓	✓	✓	✓	✓		
Denmark	✓	✓	✓	✓	✓		
Finland	✓	✓	✓	✓	✓		✓
France	✓	✓	✓	✓	✓		
Germany	✓	✓	✓	✓			
Netherlands	✓	✓		✓			
Poland	✓	✓		✓			
Slovakia	✓	✓		✓			
Slovenia	✓	✓		✓			
South Africa	✓	✓		✓			
Spain	✓	✓		✓			
Sweden	✓	✓	✓	✓	✓		
Switzerland	✓	✓	✓	✓	✓	✓	
Turkey	✓	✓	✓		✓	✓	
United Kingdom	✓	✓	✓	✓	✓		



APAC

Regional HQ

	ISO 9001	ISO 45001	ISO 14001	ISO 22301	ISO 27001	ISO 17025	ISO 20000
Sydney (AUS)	✓	✓	✓	✓			

R&D Centers

	ISO 9001	ISO 45001	ISO 14001	ISO 22301	ISO 27001	ISO 17025	ISO 20000
Noida (IND)	✓	✓	✓	✓	✓ 1)		
Sydney (AUS)	✓	✓	✓	✓			
Tokyo (JAP)	✓	✓	✓	✓			

Manufacturing

	ISO 9001	ISO 45001	ISO 14001	ISO 22301	ISO 27001	ISO 17025	ISO 20000
Laverton (AUS)	✓	✓	✓	✓			
Zhuhai (CHN)	✓	✓	✓	✓ 2)			

Sales Offices and Service Centers

	ISO 9001	ISO 45001	ISO 14001	ISO 22301	ISO 27001	ISO 17025	ISO 20000
Australia	✓	✓	✓	✓			
China	✓	✓	✓	✓			
Hong Kong	✓	✓	✓	✓			
India	✓	✓	✓	✓			
Japan	✓	✓	✓	✓			
New Zealand	✓	✓	✓	✓		✓	
Singapore	✓	✓	✓	✓			

- ISO 9001 (Quality Management)
- ISO 45001 (Occupational Health and Safety)
- ISO 14001 (Environmental Management)
- ISO 22301 (Business Continuity)
- ISO 27001 (Information Security)
- ISO 17025 (Testing and Calibration Laboratories)
- ISO 20000 (IT Service Management)

1) Incl. CMMi Level 3
2) Incl. ISO 10012 (Measurement Management Systems)

■ Regional HQ
■ R&D Centers and Manufacturing

North America

Regional HQ
Alpharetta (USA)

R&D Centers
Alpharetta (USA)
Lafayette (USA)
Pequot Lakes (USA)

Manufacturing
Reynosa (MEX)

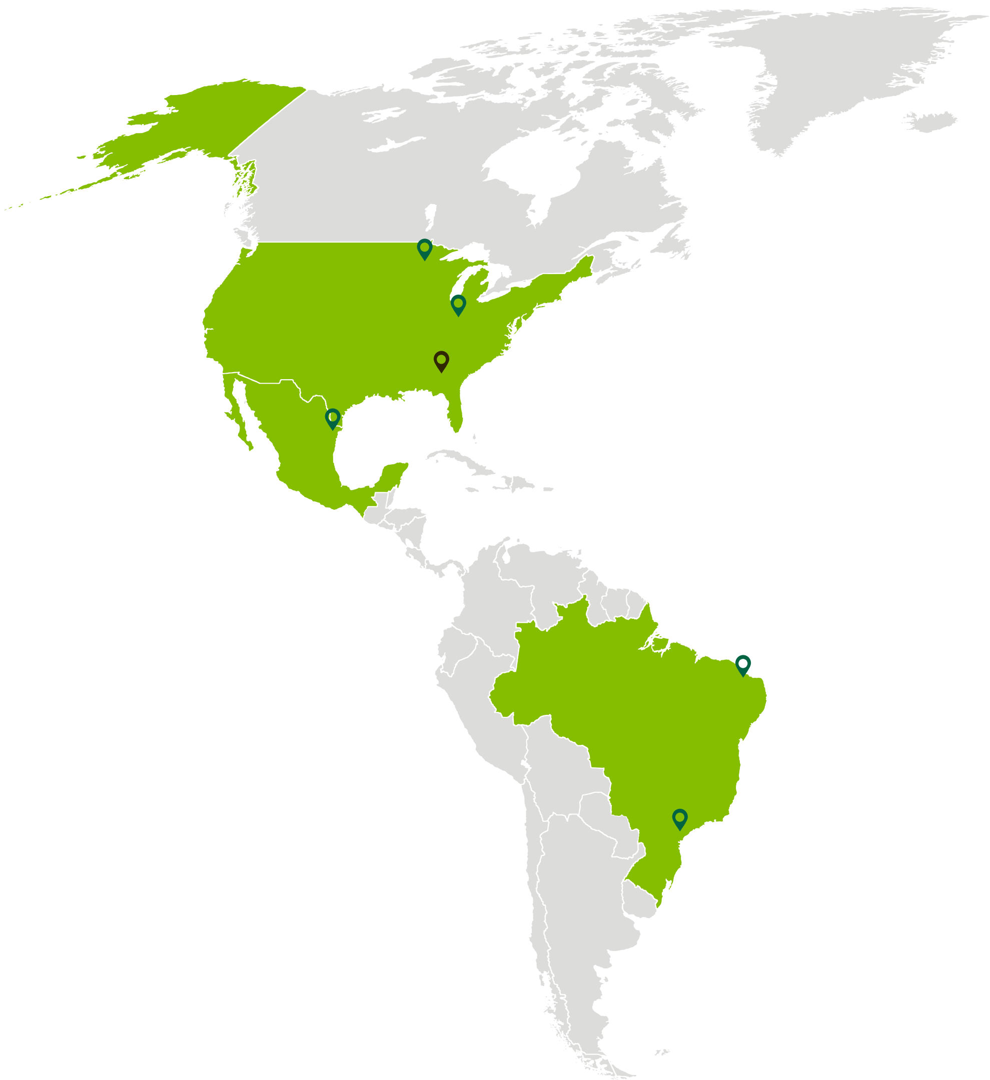
Sales Offices and Service Centers
Alpharetta (USA)
Austin (USA)
Bethlehem (USA)
Indianapolis (USA)
Jacksonville (USA)
Kirkland (USA)
Lenexa (USA)
Orange (USA)
Overland (USA)
Phoenix (USA)
Roseville (USA)
Waukesha (USA)

South America

R&D Centers
Curitiba (BRA)
Fortaleza (BRA)

Manufacturing
Curitiba (BRA)

Sales Offices and Service Centers
Curitiba (BRA)
Duque de Caxias (BRA)



ISO 9001 (Quality Management)
ISO 45001 (Occupational Health and Safety)
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1) Incl. CMMi Level 3
2) Incl. ISO 10012 (Measurement Management Systems)

Regional HQ
R&D Centers and Manufacturing

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