



MANAGE ENERGY BETTER

+ 125 Years

Annual Report 2020

Landis+Gyr

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.

Innovative Technology

We passionately innovate true differentiators for our customers.

Entrepreneurial Spirit

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

Uncompromising Performance

We strive to deliver high quality on time, every time.

Sustainable Impact

We manage energy better for a more sustainable world.

MANAGE ENERGY BETTER

+ 125 Years

Performance Report 2020

Landis+Gyr

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Introduction

Entrepreneurial Spirit

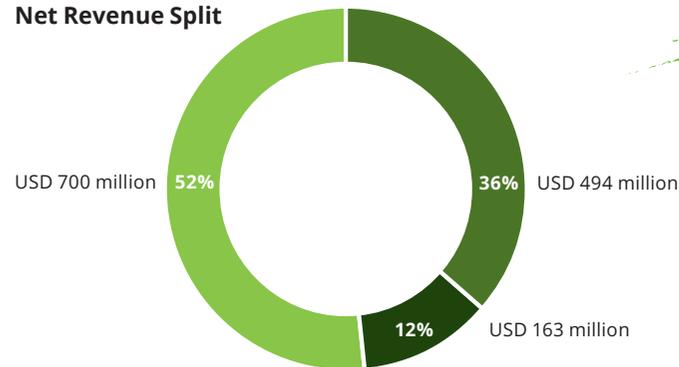
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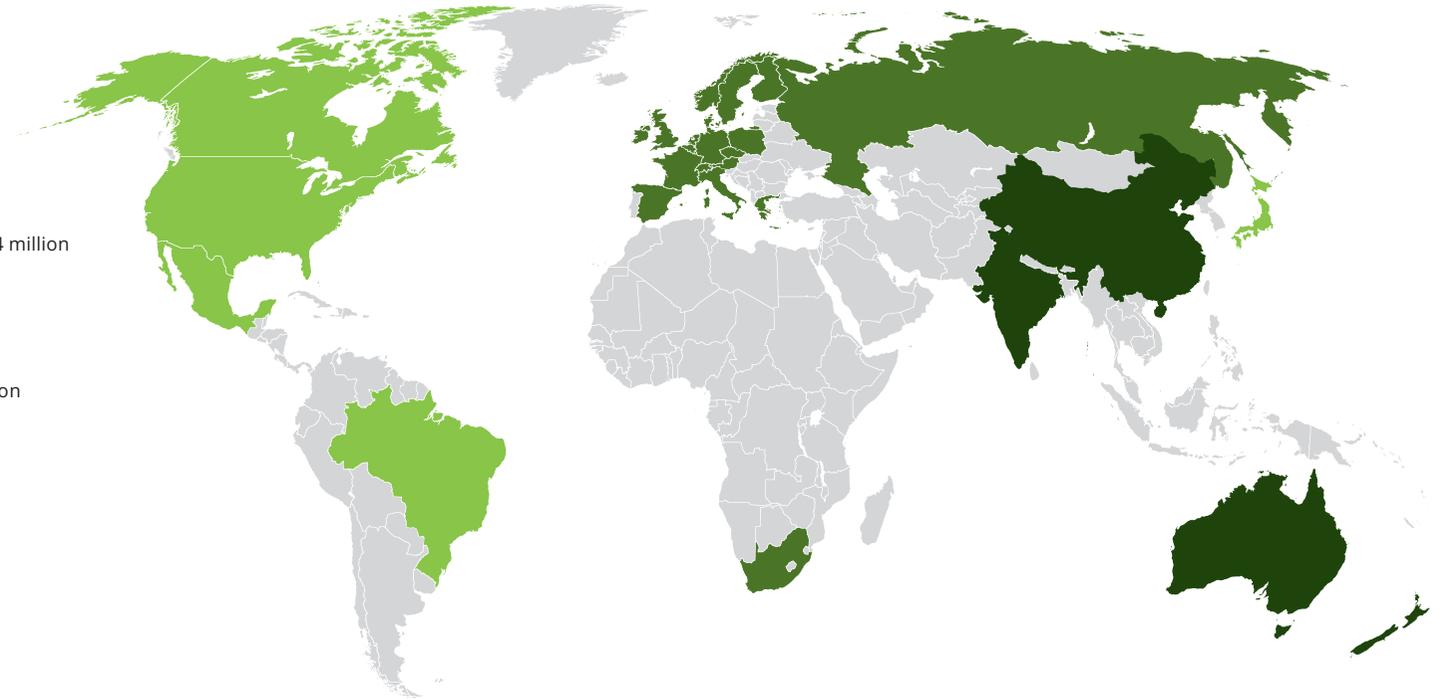


Global Reach – Local Presence

Net Revenue Split



■ Americas
■ EMEA
■ Asia Pacific



FY 2020 at a Glance

- + Global reach & local presence – Swiss HQ with locations in **over 30 countries** worldwide
- + Worldwide largest **IoT utility network**
1.3 billion reads per day with 99.99 % accuracy
- + **Smart Infrastructure**
Multi-year strategic partnership with Google
- + EcoVadis **Gold Medal 2020**
ranked top 5% of sustainable companies
- + Largest installed base **300+ million** devices globally
- + **Over 125 million** connected intelligent devices deployed
- + More than **15 million meter points** under managed services
- + 125 years of services to **3,500+ customers** as a trusted partner

FY 2020 Key Figures

Committed Backlog

2,165.9

in million USD



Net Revenue

1,357

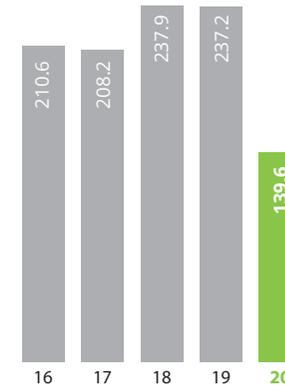
in million USD



Adjusted EBITDA

139.6

in million USD



Free Cashflow (excluding M&A)*

97.6

in million USD



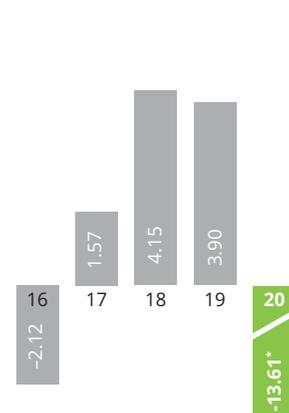
* Net cash provided by operating activities minus net cash used in investing activities, excluding merger&acquisition activities.

Earnings per Share

(13.61)*

in USD

* incl. Toshiba legacy goodwill impairment of USD 396 million or USD (13.74) per share.



Dividend per Share

2.10

in CHF

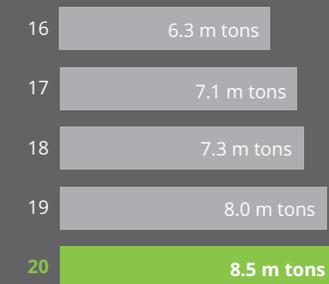


Carbon Neutral by 2030

Direct CO₂ emissions reduced by

8.5 million tons

CO₂ emission reduction through Landis+Gyr's installed Smart Metering base in 2020



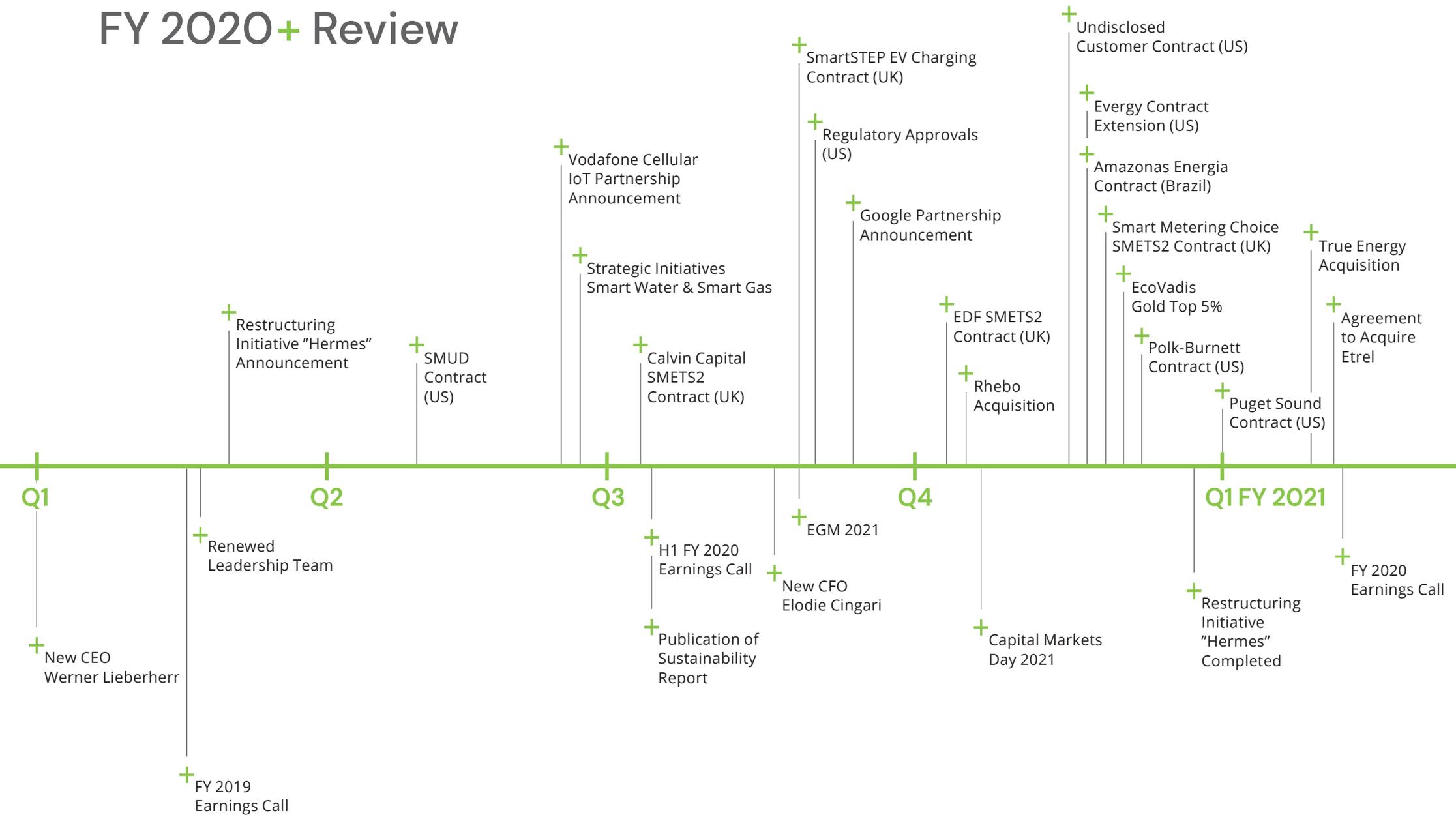
Direct CO₂ emissions from Landis+Gyr operations

0.97

kg CO₂ per USD 100 turnover



FY 2020+ Review



Consolidated Statements of Operations

USD in thousands, except per share data	FINANCIAL YEAR ENDED MARCH 31,	
	2021	2020
Net revenue	1,357,448	1,698,999
Cost of revenue	966,780	1,166,174
Gross profit	390,668	532,825
Operating expenses		
Research and development	148,717	157,705
Sales and marketing	69,603	88,158
General and administrative	107,230	113,468
Amortization of intangible assets	34,247	34,503
Impairment of intangible assets	396,000	-
Operating income (loss)	(365,129)	138,991
Other income (expense)		
Interest income	504	5,217
Interest expense	(7,515)	(6,784)
Non-operational pension (cost) credit	2,781	3,624
Gain on sale of investments	2,260	-
Income (loss) on foreign exchange, net	(1,502)	(2,626)
Income (loss) before income tax expense	(368,601)	138,422
Income tax expense	(19,422)	(19,469)
Net income (loss) before noncontrolling interests and equity method investments	(388,023)	118,953
Net loss from equity investments	(4,636)	(5,788)
Net income (loss) before noncontrolling interests	(392,659)	113,165
Net loss attributable to noncontrolling interests, net of tax	(267)	(583)
Net income (loss) attributable to Landis+Gyr Group AG Shareholders	(392,392)	113,748
Earnings per share:		
Basic	(13.61)	3.90
Diluted	(13.61)	3.90
Weighted-average number of shares used in computing earnings per share:		
Basic	28,824,039	29,169,434
Diluted	28,824,039	29,201,789

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

Consolidated Balance Sheets

USD in thousands, except share data	March 31, 2021	March 31, 2020
ASSETS		
Current assets		
Cash and cash equivalents	140,549	319,379
Accounts receivable, net of allowance for doubtful accounts of USD 6.7 million and USD 9.7 million	282,132	335,761
Inventories, net	110,550	147,456
Prepaid expenses and other current assets	65,642	59,695
Total current assets	598,873	862,291
Property, plant and equipment, net	118,514	117,532
Intangible assets, net	251,342	288,279
Goodwill	966,823	1,354,094
Deferred tax assets	18,039	17,017
Other long-term assets	205,828	145,059
TOTAL ASSETS	2,159,419	2,784,272
LIABILITIES AND EQUITY		
Current liabilities		
Trade accounts payable	127,758	175,859
Accrued liabilities	45,123	28,357
Warranty provision – current	37,255	31,628
Payroll and benefits payable	51,626	55,542
Loans payable	147,672	352,171
Operating lease liabilities – current	15,187	13,212
Other current liabilities	93,933	84,569
Total current liabilities	518,554	741,338
Warranty provision – non current	20,315	30,352
Pension and other employee liabilities	32,286	46,054
Deferred tax liabilities	14,543	25,034
Tax provision	32,109	20,598
Operating lease liabilities – non current	95,289	59,482
Other long-term liabilities	70,573	63,769
Total liabilities	783,669	986,627

USD in thousands, except share data	March 31, 2021	March 31, 2020
Commitments and contingencies – Note 24		
Shareholders' equity		
Landis+Gyr Group AG shareholders' equity		
Registered ordinary shares (28,908,944 and 29,251,249 issued shares at March 31, 2021 and March 31, 2020, respectively)	302,756	306,341
Additional paid-in capital	1,225,328	1,303,799
Retained earnings (Accumulated deficit)	(111,232)	289,393
Accumulated other comprehensive loss	(35,546)	(68,925)
Treasury shares, at cost (81,777 and 431,205 shares at March 31, 2021 and March 31, 2020, respectively)	(6,854)	(34,338)
Total Landis+Gyr Group AG shareholders' equity	1,374,452	1,796,270
Noncontrolling interests	1,298	1,375
Total shareholders' equity	1,375,750	1,797,645
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	2,159,419	2,784,272

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

Letter to Shareholders

Dear Landis+Gyr Shareholders,

As this year marks a special anniversary in our Company's history, we are proud to reflect on 125 years of excellence. We continue to serve our customers with unwavering dedication, leading-edge technology and the passion to *manage energy better*.

This past year has posed many challenges, but it also exemplified Landis+Gyr's strengths as the pandemic has demonstrated the relevance of our offering. As energy consumption patterns changed virtually overnight, we were able to successfully support our customers to ensure communities around the globe were able to adjust to a new normal quickly and efficiently.

In addition, our solid balance sheet with a substantial cash position has proven resilient throughout the pandemic and we have carefully managed cash and liquidity. Our restructuring and streamlining initiative Hermes was implemented swiftly, allowing us to remain nimble and ensure that we can act from a position of strength as we continue to manage the current crisis. As an essential business with mission-critical infrastructure equipment and services, we continue to be committed to our customers' success and we are pleased to say that, although some utilities had to suspend installations temporarily, we have seen no major project cancellations and software and services contracts continued uninterrupted. This allows us to look to the future optimistically as we believe that the downturn in the markets we serve is of temporary nature.

Furthermore, we are actively driving our Company's transformation to achieve profitable growth in our three strategic pillars *Smart Metering*, *Grid Edge Intelligence* and *Smart Infrastructure*. With increased focus on strategic initiatives, such as our seven-year partnership with Google, the development of Smart Water and Smart Gas as well as acquisitions like *Rhebo*, *True Energy* and soon also *Etrell*, we are strengthening our position in the market.

As a result, we ensure that we are well equipped to remain a leading force in the future of energy while doing so in a sustainable way as we continue to invest in efforts to decarbonize the grid and elevate our Environmental, Social and Governance (ESG) efforts.

Financial Year 2020 Results

The financial year 2020 results reflect the current challenging economic environment. Despite 20.8% revenue decline year-over-year in constant currency to USD 1,357.4 million, we were able to achieve a 10.3% Adjusted EBITDA margin of USD 139.6 million and produced a solid free cash flow of USD 97.6 million. In Asia Pacific we were able to slightly grow the topline, while the Americas and EMEA faced headwinds, impacted primarily by the COVID-19 crisis, further delaying regulatory project approvals in the Americas region, and temporarily suspending installations in other key markets, such as the UK. Order intake for FY 2020 was USD 1,298.7 million, a book-to-bill ratio of 0.96. Committed backlog was down 2.6% year-over-year at USD 2,165.9 million. The Americas and EMEA reported decreases in committed backlog compared to the prior year, while Asia Pacific rose slightly.

We have undertaken strict cost control measures throughout the organization, while maintaining key portfolio investments. This allows us to strengthen our position for the future and we are excited about the transformation we are driving to serve our customers even better and to create sustainable shareholder value.

For financial year 2020, a progressive dividend of CHF 2.10 per share will be proposed to the Annual General Meeting in June 2021, after a dividend of CHF 2.00 had been paid for FY 2019. The share buyback program remains suspended.

Fostering a Culture of Excellence

With a renewed leadership team, we are continuing to drive leading-edge innovation, the strategic transformation of our portfolio and the expansion of our offering in integrated energy management solutions.

On April 1, 2020, Werner Lieberherr was appointed as the Chief Executive Officer and his global leadership

experience in multiple industries is instrumental in our strategic transformation. On November 16, 2020, Elodie Cingari joined the Company as the new Chief Financial Officer, taking over from Jonathan Elmer who subsequently went into retirement.

Especially in light of the challenges presented by COVID-19, our teams across the globe have demonstrated a high level of resilience and shown an amount of dedication towards customers and each other that deserves recognition. Therefore, we would like to thank our over 5,000 global employees 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.

Creating the Future on a Solid Foundation

Reflecting on 125 years of excellence, we look to the future optimistically. With our focus on creating value for our customers and shareholders, we are excited about the transformation of Landis+Gyr. Our strategy is designed to broaden our core offering of *Smart Metering* and further expand our reach in *Grid Edge Intelligence* and *Smart Infrastructure* with the objective to transform the business and to position Landis+Gyr for mid- and long-term profitable growth.

Essential to this is solidifying our position with a sharp focus on execution and a commitment to continue investing in R&D, while recovering from COVID-19 effects. Additionally, we are proud to have joined forces with *Google Cloud* to combine their leading capabilities in data analytics, artificial intelligence and machine learning with our leading expertise in *Smart Metering* and *Grid Edge Intelligence*. This multi-year strategic partnership will position us well to remain at the forefront of technological advances. By enabling utilities to manage grid operations with increased visibility, while empowering consumers to utilize energy in a more informed and sustainable way, this partnership will advance our efforts in *Smart Infrastructure*, enabling smart cities and doing so in a secure and reliable way. By partnering with *Google Cloud*, this groundbreaking endeavor will drive our mission forward to *manage energy better* – together.

Furthermore, the acquisition of *Rhebo*, a leading technology start-up offering cyber-security solutions for Operational Technology (OT) and IoT networks in industry and critical infrastructure, enables anomaly and threat detection down to the grid edge, which is critical for utilities as they modernize the grids. As such, *Rhebo* elevates our cybersecurity offering and is therefore a perfect fit for our cybersecurity strategy.

In addition, the recent acquisition of *True Energy* at the beginning of financial year 2021 and the forthcoming acquisition of *Etel*, which we expect to close at the end of June, will drive growth through electric vehicle (EV) infrastructure technology. We can build on our strong market position and leverage our close relationships with the leading utilities in key markets by expanding our offering with EV charging hardware and smart charging software, including demand response and flexibility management to allow utilities to better manage the grid.

Outlook for FY 2021

For financial year 2021, we expect organic net revenue growth of between 7% and 11% predominantly driven by EMEA with inorganic growth coming on top. As announced at the Capital Markets Day 2021, we are making significant investments of approximately 2% of net revenues resulting in temporary higher expenses (incl. R&D) to foster future growth by supporting strategic initiatives, such as the partnership with Google, the organic development of ultrasonic Smart Water and Smart Gas portfolios, and the digital transformation of our Company.

Further, operating expenses are expected to increase due to the reversal of COVID-19 related effects, such as furlough, government schemes and travel & entertainment. Adjusted EBITDA margin is expected to be between 9.0% and 10.5% of net revenues. Free Cash Flow (excluding M&A) is expected to be between USD 80 million and USD 100 million.

Industry-wide supply chain constraints, in particular global shortages of electronic components and plastic resins as well as increased freight rates, pose challenges for cost and on-time delivery performance, especially in the first half of financial year 2021. Our teams are

committed to support customers and mitigate potential impacts through effective supply chain management.

In advance of this year's Annual General Meeting, we are pleased to announce that all current members of the Board of Directors, with the exception of Pierre-Alain Graf, who is no longer available for re-election as a member of the Board of Directors, stand for re-election at this year's Annual General Meeting. The Board of Directors proposes that the Annual General Meeting elects Laureen Tolson as a new Member of the Board of Directors for a one-year term of office until the conclusion of next year's Annual General Meeting. Laureen Tolson, a US citizen, currently holds the position of Chief Executive Officer at Tolson Consulting Company and is a Board Member at Delek US Holdings and at Fenix Marine Services. She is an International Institute for Management Development (IMD) graduate, Lausanne, Switzerland; and earned a Master of Business Administration at National University, San Diego, CA, USA and a B.A. in Business Administration and Economics, Minor Computer Science from Pt. Loma Nazarene University, San Diego, CA, USA.

Embracing Change for a Greener Tomorrow

Actively driving sustainable impact is not just what we do, but who we are. Our strategic vision is driven by the desire to provide unrivaled customer value as the leading partner for integrated energy and resource management solutions with sustainability at the heart of everything we do. Our comprehensive portfolio of products and services uniquely positions us to empower utilities, energy consumers and communities by helping them to reduce their CO₂ footprint. In addition, we have made the commitment to be Carbon Neutral by 2030. We are also proud to have signed up to the *UN Global Compact* and of reporting our sustainability initiatives according to the *GRI core* requirements for the first time in our most recent Sustainability Report. In financial year 2020, we introduced an ESG component of 10% in our short-term incentive for all bonus-eligible employees, driving sustainable progress in support of the *UN Sustainable Development Goals*. The weight of the ESG component was raised to 20% for financial year 2021. Further,

receiving the *EcoVadis* Gold Award, being rated in the top 5% of sustainable companies, fills us with pride and encourages us to passionately drive our ESG initiatives for lasting sustainable impact.

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



As we celebrate 125 years of success this year, we are excited about our transformational journey and continue to focus on offering leading innovative technology to our customers, expanding our strong partnerships, driving profitable growth and, thus, contributing to sustainable global development. On behalf of all of us at Landis+Gyr, we thank you, our shareholders, for your continued support and ownership in Landis+Gyr, and that you have joined us in driving our mission to *manage energy better*.

Yours sincerely,

Andreas Umbach
Chairman

Werner Lieberherr
Chief Executive Officer

125 Years of Excellence

Corporate Milestones



ESG Milestones



125 Years of Excellence

Landis+Gyr has a rich history and proudly reflects on 125 years of excellence. From the production of the first electricity meters at a time when the use of electricity was in its beginnings, to the events that impacted the way the Company operates and Landis+Gyr's social commitment and focus on sustainability, which has been part of the DNA since 1896.

In 1896, the entrepreneur and inventor Richard Theiler and the businessman Adelrich Gyr founded the Electro-technical Institute Theiler&Co. in Zug. They began producing induction-based three-phase electricity meters, and the following year later also telephone inductors and phonographs. The electricity meters were sought after at the time, and sales increased rapidly from 1899 onwards. As a result, after 1900, the Company discontinued the manufacturing of other devices and focused solely on the production of electricity meters.

Seven years later, engineer Heinrich Landis joined the company as a third partner. In 1904, after Adelrich Gyr had already withdrawn from the company, Richard Theiler sold the Company to Heinrich Landis. In the following year, Landis brought his school friend and chemist Karl Heinrich Gyr as a new partner to Zug and the previous partnership was converted into Landis & Gyr in 1905. K. H. Gyr recognized the promising business potential based on the rapid development of general usage of electricity, as it had to be measured to be able to manage consumption. At the same time,

the well-being of its employees was a special concern of the management. Therefore, in 1907, Landis & Gyr initiated the construction of apartment buildings for staff.

In 1911, another school friend of Gyr, Fritz Schmuziger, joined the Company, and three years later, the partnership was transformed into Landis & Gyr AG.

International Expansion, World War I and the Passing of Heinrich Landis

Landis & Gyr established national subsidiaries for the production of its most common meters; in 1912 with facilities in Berlin and Frankfurt, London and Vienna and in 1927 in Paris, which was moved to Montluçon during World War II, as well as sales companies in Melbourne and New York.

The beginning of the war in August 1914 commenced significant change in Landis & Gyr's operations. Production in the factory was completely shut down for a few days in order to mobilize staff for the factory army as well as in the uncertainty of the Company's economic development. However, the economic uncertainty did not endure. Despite challenges to purchase raw materials and semi-finished products, Landis & Gyr and the Swiss metal and machine industry in general experienced an economic boost. At Landis & Gyr, the limits of production capacity of 3,000 meters were reached as early as March 1915. The Company refrained from the conversion of its production to war material, although it would have been a profitable option at the time. The Company cared for its employees by establishing a welfare foundation and a compulsory company health insurance fund with family insurance. Further, the foundation included a fund for breakfast compensation, nursing, a kindergarten and the distribution of food.

Then Heinrich Landis fell seriously ill, left the company in 1916 and passed away in 1922. After his death, K. H. Gyr took over the sole management of the company, which he held until his death in 1946.



Staff of work at the Landis & Gyr plant in Gubelstrasse

(Source: Archiv für Zeitgeschichte ETH Zürich: IB LG-Audiovisuals / FA.04629)

World War II, Stock Exchange and the Passing of Karl Heinrich Gyr

In 1940, K. H. Gyr established a heat engineering department, focused on the production of heat pumps, which later would become another important business division of the company. In the following years, K. H. Gyr was confronted with the diagnosis of a rare blood disease. However, he led the company through the difficult period of the Second World War with dedication and prudence.

Before World War II, Switzerland imported around half of its provisions from abroad. To avert a food shortage during the war, the nation had to increase its agricultural production. The Company supported volunteer work and thus many employees were engaged in potato cultivation, supporting Switzerland's efforts to raise the level of self-sufficiency in food production from 52% to 70%.



Assembly of meters (Source: Archiv für Zeitgeschichte
ETH Zürich: IB LG-Audiovisuals / FA.03614)

On November 3, 1946, Heinrich Gyr died at the age of 67. His leadership principles, based on ethical treatment and behavior as well as responsibility towards fellow human beings and the general public, were respected and continued by Landis & Gyr as his legacy.

After the Second World War, additional meter factories for household meters were established in Spain and Greece, which also produced for export to emerging countries. To leverage significant growth opportunities for Landis & Gyr, which were associated with financial requirements to ensure the independence of the group, the Board of Directors took the decision to list the shares of Landis & Gyr AG on the stock exchange in 1956, by issuing a convertible bond from Landis & Gyr Holding AG (family holding).

900 Million in Sales, 15.5 Thousand Employees and the Period of Different Owners

In 1956, Andreas Brunner and Gottfried Straub took over management of the Company from their father-in-law, Karl Heinrich Gyr, and opened the Company to public shareholders. The annual turnover of the company reached 80 million Swiss Francs, while sales reached a new high of 900 million Swiss Francs. The combination of global expansion and the acquisition of US manufacturer Duncan Electronics grew the number of employees to 15,500 worldwide by 1976, consolidating the position of Landis & Gyr as the world's largest meter manufacturer at the time.

In 1959, a milestone in the history of Landis & Gyr was the introduction of an employee incentive plan, which distributed 50% of the annual income of the parent company – after deducting an imputed return on equity – to the staff, while the remaining 50% were available to shareholders and to finance new investments. At the same time, the Company also regularly employed a number of physically and mentally disabled people.

From the mid-1970s, but especially after the resignation of Andreas Brunner and Gottfried Straub in 1984, economic challenges made restructuring and redimensioning measures inevitable. In 1987, the heirs of Karl Heinrich Gyr sold their shares to the Swiss industrialist Stephan Schmidheiny, who sold his majority stake to Swiss Elektrowatt AG in 1996. In the year of the Company's centenary, Landis & Gyr was integrated into Elektrowatt AG and the listing on the stock exchange was discontinued.

In 1998, Siemens AG acquired the industrial activities of Elektrowatt AG and thus also the metering business of Landis & Gyr Utilities. However, economic challenges called for extensive restructuring measures in the years that followed. As a result, Siemens AG decided to withdraw from the metering business in 2002 and sold the company, now trading as Landis+Gyr again, to the US-based private equity company Kohlberg Kravis Roberts & Co. (KKR). Two years later, and after a successful turnaround, the Australian investment company Bayard Capital acquired Landis+Gyr to further expand the market leading position in Smart

Metering and to relist the Company on the stock exchange one day.

Between 2004 and 2011, Bayard invested USD 1.2 billion in a number of acquisitions to massively expand Landis+Gyr's portfolio, especially in the area of communications networks. Landis+Gyr thus set the pace for the global metering industry and subsequently transformed from a product business to a solutions provider. In 2008, Bayard Capital became Landis+Gyr Holdings and relocated from Sydney to Zug.

Whilst preparing for an IPO, Landis+Gyr Holdings decided to put up the Company for sale. Subsequently, in 2011, Toshiba Corporation and the Innovation Network Corporation of Japan acquired the shares to jointly develop the group as an independent growth platform. Six years later, Toshiba announced plans to relist Landis+Gyr on the Swiss stock exchange. As a result, the IPO on the SIX Swiss Exchange took place on July 21, 2017.



Stamping (Source: Archiv für Zeitgeschichte ETH Zürich: IB LG-Audiovisuals / FA.02442)

In 2021, Landis+Gyr’s First Priority Remains to Manage Energy Better

Today, Landis+Gyr proudly serves utilities around the globe as a critical infrastructure provider. With more than 300 million installed devices, of which 125 million are connected intelligent devices, the Company is a leading provider of integrated energy management solutions. Over the past 125 years, the Company has shaped the energy industry through constant change. Through continuous commitment to R&D, M&A, strategic partnerships and investments, the Company is transforming once again to meet the changing needs of its customers, provide stability to its employees and create shareholder value. Rooted in its shared values of Customer Intimacy, Innovative Technology, Uncompromising Performance, Entrepreneurial Spirit and Sustainable Impact, Landis+Gyr’s first priority remains to manage energy better for utilities, energy consumers and entire communities.



Manual deburring (Source: Archiv für Zeitgeschichte ETH Zürich: IB LG-Audiovisuals / FA.11225)



Apprentice instructor praises the work of one of his trainees (Source: Archiv für Zeitgeschichte ETH Zürich: IB LG-Audiovisuals / FA.11170)



New Landis+Gyr headquarters in Cham, Switzerland (Source: Landis+Gyr)



The E360 – a smart residential meter for the IoT world (Source: Landis+Gyr)



Revelo® – an industry game changer (Source: Landis+Gyr)

Foundation

Uncompromising Performance

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Performance Review – Group

The financial year 2020 results reflect the current challenging economic environment. Despite 20.8% revenue decline year-over-year in constant currency to USD 1,357.4 million, Landis+Gyr was able to achieve a 10.3% Adjusted EBITDA margin of USD 139.6 million and produced a solid free cash flow of USD 97.6 million.

In Asia Pacific, the Company was able to slightly grow the topline, while the Americas and EMEA faced headwinds, impacted primarily by the COVID-19 crisis, further delaying regulatory project approvals in the Americas region, and temporarily suspending installations in other key markets, such as the UK. Order intake for the financial year 2020 (“FY 2020”) was USD 1,298.7 million, a book-to-bill ratio of 0.96. Committed backlog was down 2.6% year-over-year at USD 2,165.9 million. The Americas and EMEA reported decreases in committed backlog compared to the prior year, while Asia Pacific rose slightly.

In FY 2020, Adjusted Operating Expenses were reduced by USD 37.7 million to USD 309.5 million, including temporary COVID-19 related benefits from furlough, government schemes and decreased travel & entertainment. R&D investments of USD 141.8 million remained high, representing 10.4% of revenues. Operating Income (loss) was USD (365.1) million, including a non-cash impairment of the legacy Toshiba goodwill attributed to its Americas business in the amount of USD 396 million – overall a decrease compared to the USD 139.0 million achieved in FY 2019. Reported EBITDA was USD 113.7 million versus USD 225.3 million in FY 2019.

The Americas region delivered net revenue down 21.9% in constant currency year-over-year. The decrease was primarily driven by US customers’ slowed deployments due to COVID-19 effects and delayed regulatory decisions. Committed backlog in the Americas region was USD 1,427.0 million, 3.6% lower year-over-year. Temporary installation suspensions due to COVID-19, particularly in the important UK market, drove net revenue in the EMEA region down 24.6% in constant currency. EMEA’s committed order backlog was 2.0% lower at USD 636.7 million at the end of FY 2020. Asia Pacific revenues were up 0.5% in constant currency as growth in Southeast Asia (incl. Hong Kong) offset declines in India and Australia / New Zealand. Committed backlog was USD 102.2 million, up 8.4% compared to the prior year.

COVID-19 Impact and Restructuring and Streamlining Initiative Hermes Concluded

Some of the Company’s and its vendors’ factories have been subject to temporary lockdowns and, with the exception of Joka, India, which was temporarily closed as a precautionary measure at the beginning of FY 2021, all are operational again. Social distancing and all necessary hygiene measures have been implemented in all facilities according to local regulations.

Landis+Gyr has not experienced any major project cancellations and software and service contracts continue unchanged. While some customers had suspended or slowed down meter installations, deployment rates continue to increase as countries impacted by COVID-19 recover. Regulators have granted project approval to several utilities in the US, confirming the recognized value of Smart Metering and Grid Edge Intelligence technology. However, as a result of previous delays as well as the general impact of COVID-19, the Company’s revenue fell significantly in FY 2020 and thus elevated the urgency of rightsizing the organization and improving the Company’s cost structure with a continued focus on lowering operating and capital expenditure to maintain technological leadership.

Project Hermes, the global initiative which aimed at restructuring and streamlining the organization to increase efficiencies and optimize its cost structure, was

Net Revenue

1,357
in million USD



Adjusted EBITDA

139.6
in million USD



Free Cashflow

(excluding M&A)*

97.6
in million USD



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

announced on August 5, 2020 and concluded according to plan at the end of FY 2020. As a result, the number of employees was reduced by 12.1%, representing 697 employees across all levels and regions of the Company.

Outlook for the Group's Financial Year 2021

For financial year 2021, the Company expects organic net revenue growth of between 7% and 11% predominantly driven by EMEA with inorganic growth coming on top. As announced at the Capital Markets Day 2021 in February, significant investments of approximately 2% of net revenues will result in temporary higher expenses (incl. R&D) to foster future growth by supporting strategic initiatives, such as the partnership with Google, Smart Water and Smart Gas, and the digital transformation of the Company.

Further operating expenses are expected to increase due to the reversal of COVID-19 related benefits, such as furlough, government schemes and travel & entertainment. Adjusted EBITDA margin is expected to be between 9.0% and 10.5% of net revenues. Free Cash Flow (excluding M&A) is expected to be between USD 80 million and USD 100 million.

Industry-wide supply chain constraints, in particular global shortages of electronic components and plastic resins as well as increased freight rates, pose challenges for cost and on-time delivery performance, especially in the first half of financial year 2021. Our teams are committed to support customers and mitigate potential impacts through effective supply chain management.

At the beginning of FY 2021, Landis+Gyr strengthened its position in the electric vehicle market by acquiring two companies which specialize in EV charging. The Company signed agreements to acquire 75% of the shares of Etrek d.o.o. from Slovenia for a mid-double-digit million purchase price, which is expected to close in June 2021, and 100% of the shares of True Energy A/S from Denmark for a single-digit million purchase price. Etrek provides interactive smart residential charging stations for home and public applications, complemented by an advanced software suite that enables utilities to manage load and demand response for optimized grid stability. True Energy offers scalable solutions for smart charging and demand response, covering

a large part of the value chain, including a smartphone app for smart charging, demand response to help utilities balance the grid as well as load aggregation and participation in flexibility programs with grid operators to sell flexibility enabling frequency stabilization. The two acquisitions enable Landis+Gyr to enter the electric vehicle ("EV") charging and infrastructure market and to build new business and revenue streams, leveraging its leading expertise in Smart Metering and Grid Edge Intelligence technology and building on pilot and proof of concept projects in the UK and France.



Werner Lieberherr, Chief Executive Officer

“We are proud to say that our technology investments, supported by global megatrends, a strong strategic vision, passionate people and a solid balance sheet, drive our business transformation for longer-term growth and sustainable impact.”

Interview with Werner Lieberherr

How would you describe our year in three words?

Transformation, Innovation, Resilience.

What was your proudest moment in FY 2020?

We were able to achieve a 10.3% Adjusted EBITDA margin of USD 139.6 million, despite 20.8% revenue decline year-over-year in constant currency to USD 1,357.4 million, and produced a solid free cash flow of USD 97.6 million. Also, our global teams have shown an incredible amount of resilience, dedication and passion in these challenging times. Together, we will continue to manage energy better and drive our transformation forward!

How do you drive innovation?

With a very talented global team, a clear strategic vision and by fostering a culture of excellence. We continue to drive innovation in our three strategic pillars Smart Metering, Grid Edge Intelligence and Smart Infrastructure through targeted investments in R&D, our multi-year strategic partnership with Google that will enable smart cities and the decarbonization of the grid, and our three recently announced acquisitions, Rhebo, True Energy and soon also Etrek, which is expected to close in June 2021, that elevate our cybersecurity offering and solidify our position in the EV infrastructure technology market.

What do you expect in FY 2021?

Our transformational journey is well under way and we see momentum in key markets. Our technology investments, supported by global megatrends, a strong strategic vision, passionate people and a solid balance sheet, will drive our business transformation for longer-term growth and sustainable impact.

FY 2021 will be an exciting year for us!

Performance Review – Americas

In FY 2020, COVID-19-related restrictions and regulatory delays led to a revenue decrease in the Americas region to USD 700 million, down 21.9% compared to FY 2019 in constant currency. Adjusted EBITDA was USD 105.7 million, compared to USD 163.1 million in the prior year.

After a slowdown in the first half-year of FY 2020, the second half showed signs of recovery with new projects won, signaling momentum into 2021. The pandemic slowed down activities in several areas including installations of various projects and purchasing decisions, as utilities shifted focus to intense operational challenges such as remote working, significant shifts in customer loads and cashflow impacts due to billing moratoriums. Additionally, multiple projects that concluded in FY 2020 were not replaced with new business of equal size. This created topline pressure due to the conversion cycle of orders and naturally long decision cycles for these large-scale investments.

Extension of Partnership, AMI System Upgrade and Smart Street Lighting in North America

Landis+Gyr serves many Investor-Owned Utilities (“IOU”) in North America, including over 21 million endpoints managed via cloud solutions. In February, Evergy, the Company’s customer of over 25 years, signed a contract to extend services for its Kansas Central and Central South utility operations through 2034, resulting in a 13-year contract extension. This includes the addition of advanced meters and a software & services extension that enables Evergy to better realize the benefits of their

AMI technology investments by improving customer experience while updating and expanding their grid management capabilities.

Multi-purpose benefits of smart grid investments continue to be a strong utility driver. Wisconsin-based utility Polk-Burnett is a prime example, currently replacing its metering system with Landis+Gyr’s Gridstream® Connect platform to enable AMI, distribution automation and customer engagement support. The two-year project includes the deployment of network infrastructure and more than 26,000 residential and commercial advanced meters. Concurrently, Puget Sound Energy selected Landis+Gyr as a partner to deploy 25,000 street light controllers over the next five years. The smart controllers will perform a variety of functions, including control of lighting intensity to boost energy efficiency and metered billing via controllers.

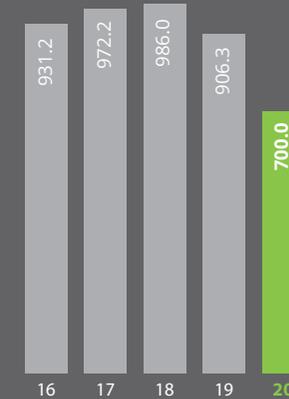
Finally, while the pandemic extended decision-making timelines for regulatory approvals which gate many utility projects, regulators approved two major projects for utilities in the northeast following months of delay and enabling projects to move forward.

Grid Modernization in Brazil while Utility IoT Project in Japan reaches New Stage

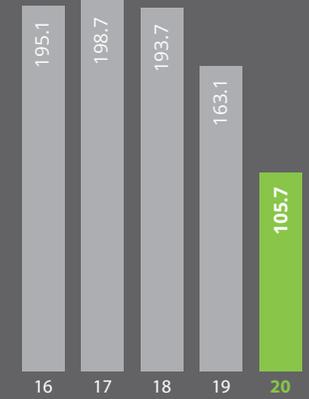
South America continues to be a growing market for Landis+Gyr, demonstrated by multiple wins, expanding existing and signing new customers including CEEE, EDP and Enel. Additionally, Amazonas Energia, a Brazilian energy distribution company, was announced as a new customer in February with plans to bring advanced metering technologies to the state of Amazonas. Landis+Gyr’s solution enables intelligent centralized metering and will be deployed to 100,000 customers, ensuring greater efficiency and safety in combating non-technical losses to create a modern energy distribution network.

In Japan, the world’s largest utility IoT platform is nearing completion with over 29 million smart meter endpoints, demonstrating unrivaled scalability and data processing capacity. This project with TEPCO is rapidly advancing to the next stage including foundational elements for the next generation of technology deployment planned to begin in 2025.

Net Revenue
700.0
in million USD



Adjusted EBITDA
105.7
in million USD



Market Share
31%

No. 1 for Smart Electricity Meters
(Source: Frost & Sullivan)



Number of Utilities Served
780+



Number of Connected Intelligent Devices
79+ million



Outlook for Americas' Financial Year 2021

The Landis+Gyr team has a long history of working proactively with government and regulators across partisan lines. The Biden-Harris administration brings potential for new investments – at both the state and federal levels – in clean energy and strengthening the nation's grid infrastructure. Clean energy is prominent in the new administration's priorities, which lays focus on associated job growth to help stimulate the US economic recovery and investment to achieve net-zero emissions by 2050.

Adoption of clean energy generation, flexible solutions for energy consumers and resilient distribution systems are among the top drivers for utility transformation. Landis+Gyr predicts the increased adoption of these new technologies as the benefits of AMI adoption are now recognized at scale. Policy development is expected to build on the current benefits of grid efficiency and consumer engagement with a broadening set of energy infrastructure requirements that enable the integration of more solar power and electric vehicles.

Together, this clean energy-focused administration and recent regulatory approval in New York and New Jersey signal strong momentum for 2021, putting into motion a new set of AMI projects that will begin in the northeast United States. The Americas offering and roadmap have generated strong interest from utilities seeking next wave benefits from AMI. Namely, innovation like Revelo® and Gridstream® Connect, and strategic partnerships like Google Cloud position Landis+Gyr favorably for upcoming opportunities.

Interview with Prasanna Venkatesan

How would you describe our year in three words?

Partnership, Resilience, Innovation.

What was your proudest moment in FY 2020?

Extending our partnership with Evergy to 2034 is a significant milestone, building on over 25 years of service. Also, our teams have demonstrated remarkable resilience in adapting to the challenges of COVID-19 and unifying with customers to find new solutions through adverse conditions, like an unprecedented storm season. Lastly, we remained resolute in our technology investments – like the Revelo grid sensor – that are foundational to utilities' energy transformation journey.

How do you drive innovation in your region?

We innovate by connecting the best and brightest ideas – joining customers and partners with our deep expertise developed over 125 years of utility service. Every day we push the bounds of how to 'manage energy better' by providing utilities and consumers tools to create resilient energy systems and enable sustainable communities for many years to come.

What do you expect in FY 2021?

Momentum. Regulatory approvals in 2020 show progress for utility decision-making and project development. Continued investment in game-changing offerings will redefine the technology platform needed to address the next wave of energy management challenges – from clean energy initiatives to providing safer, more flexible energy distribution.



Prasanna Venkatesan,
EVP and Head of Americas

“Every day we push the bounds of how to ‘manage energy better’ by providing utilities and consumers tools to create resilient energy systems .”

Performance Review – Europe, Middle East and Africa

Impacted by COVID-19-related restrictions, revenue in the EMEA region decreased to USD 494.4 million in FY 2020, down 24.6% compared to FY 2019 in constant currency. Adjusted EBITDA was USD 2.2 million, compared to USD 40.1 million in the prior year.

Deployment programs in several European countries were put on hold in the first half of the year due to the pandemic. Lockdowns in the UK and delays in France and the Netherlands were driving factors of a significant decline in sales. While EMEA saw some recovery in the second half of FY 2020, the overall sales were USD 139.1 million lower than in the prior year. Several cost savings measures were initiated to counter the lost margin which helped the region to achieve a break-even for the fiscal year.

UK Installation Rates Dropped, Smart Meter Rollout Extended

The pandemic has caused delays in various countries, either due to the slowdown of the installations or the postponing of the tenders. The UK was especially impacted, with installation rates dropping by 35% year-over-year. On the other hand, Brexit has had a limited impact so far, but the situation is constantly being monitored.

Due to COVID-19, the smart meter program in the UK has been extended until June 2025. In FY 2020, Landis+Gyr secured an additional major contract with

large supplier EDF for further 650,000 SMETS2 gas and electricity meters by June 2025.

The Company signed a contract enabling Calvin Capital, a leading investor of essential energy infrastructure assets, to procure between 400,000 and 2 million Landis+Gyr smart meters collectively for independent suppliers, thus responding to their increasing role.

Landis+Gyr signed a similar agreement with Smart Metering Choice Ltd. to supply over 120,000 SMETS2 smart meters. With approximately 23 million smart meters under contract in total and 12 million still to be delivered, Landis+Gyr will continue to play a major role in the rollout.

Landis+Gyr started to work with government and industry bodies in the UK to scope the potential of the SMETS infrastructure to support the UK's 2050 carbon zero targets. As an example, the Company is engaged in the so-called SmartSTEP project, which is part of the government's 'Beyond Off Street Electric Vehicle Charging' program to validate the use of smart meter-enabled EV charging.

Ongoing Rollouts in France and the Netherlands, New Project in the Middle East

The smart meter rollout in France is in full swing, with more than 31 million Linky smart meters already installed and a further 11 million to be deployed until 2026 to Enedis, overseas territories and medium utilities. As one of the three remaining suppliers, Landis+Gyr will deliver approximately 20% of the volume and will expect more in the new tender launched for 2022 to 2026. Enedis has selected Landis+Gyr as a partner for two strategic projects, both based on Linky technology.

In the Netherlands, as the rollout moves into the next phase at the beginning of FY 2021, the Company confirmed its leading position and extended its relationship and contract with major grid operators Stedin and Alliander to deliver at least 400,000 additional smart electricity and gas meters in FY 2021 and 2022.

In the Middle East, Qatar General Electricity & Water Corporation, KAHRAMAA, has started the rollout of smart meters and aims to deploy more than half a million devices over the next 3–4 years. Landis+Gyr has

Net Revenue
494.4
in million USD



Adjusted EBITDA
2.2
in million USD



Market Share

19%

No. 2 for Smart Electricity Meters
(Source: Frost & Sullivan)



Number of Utilities Served

1,300+



Number of Connected Intelligent Devices

40+ million



been selected as one of the few manufacturers for this rollout and is delivering smart meters for this key project.

Significant Opportunities in the Nordics and Switzerland, Infrastructure as a Service in Germany

Nordics remain a key region for Landis+Gyr, with more than 1 million smart meters contracted in Sweden and Denmark. Second Wave rollouts in the region expect to provide additional opportunities of approximately 8 million meters. The Company is also strengthening its leading position in managed services by extending several customer contracts in Finland and its customer base in Sweden and Denmark. Since 2014, Landis+Gyr has provided Metering as a Service for more than 30 distribution network operators in Finland.

In Switzerland, many utilities initiated procurement activities for their AMI rollouts. In this context, Landis+Gyr signed an agreement with e-sy, a cooperation company representing 44 Swiss utilities, to supply a Smart Metering solution consisting of smart residential and commercial meters, data concentrators and HES for 114,000 metering points. Landis+Gyr is well positioned to respond to the requirements of small and medium-sized utilities in the area Software as a Service.

In Germany, Landis+Gyr introduced Infrastructure as a Service, specifically targeted at supporting the smart meters rollouts of the smaller utilities and partners with software provider BTC and leasing company DAL.

Outlook for EMEA's Financial Year 2021

Landis+Gyr expects a market recovery in the UK in the short term, while the medium-term growth will be driven by Second Wave rollouts in Northern Europe and upcoming First Wave rollouts in Central and Eastern Europe. The Company also expects to continue to improve its EBITDA margin due to streamlining initiatives and product cost-outs.

As the global demand for electronics components is recovering fast, Landis+Gyr sees increasing lead times for some of the key components used in its products. While the Company is working together with its suppliers to mitigate the risks, supply chain constraints might have some impact on the deliveries in the first half of FY 2021.

Interview with Susanne Seitz

How would you describe our year in three words?

Determination, Rethinking, Together.

What was your proudest moment in FY 2020?

While the pandemic hit EMEA hard with installations coming to a halt in many countries, I'm very proud of how we rose to the challenge. We protected our workforce, stayed very close to our customers, swiftly adapted our cost base and continued to invest in innovation.

How do you drive innovation in your region?

For 125 years, our innovative spirit has been fueled by customer intimacy. This is how cybersecurity and asset protection appeared on our radar. With the acquisition of start-up Rhebo, we are ahead of the curve as this will become a significant topic for our industry. The 'distributed energy and Grid Edge Intelligence area offers great potential for innovations and with the Google partnership implementation speed is accelerating.

What do you expect in FY 2021?

In FY 2021, we continue to see uncertainties due to the pandemic and electronic component shortage. I expect the market to recover, driven by the UK rollout and by increasing tendering activities in the Nordics and CEE. We are well-positioned with newly launched innovative intelligent meters for the residential, commercial and industrial segments. With our software and service offering and our cybersecurity expertise, we will continue to support our customers on their digitalization journey.



Susanne Seitz,
EVP and Head of EMEA

“With our software and service offering and our cybersecurity expertise, we will continue to support our customers on their digitalization journey.”

Performance Review – Asia Pacific

Despite the impact of COVID-19 across the region, APAC grew its revenue year-over-year by 2.4% to USD 163 million in constant currency. Adjusted EBITDA grew from USD 9.9 million to USD 11.3 million.

Growth was largely attributable to the continued execution of AMI projects in Hong Kong, which delivered higher revenues in FY 2020 together with the resilience of the business across Australia and New Zealand due to the continuing smart meter penetration in the National Electricity Market and Western Australia. Business in India was particularly impacted by the pandemic in the first half of FY 2020 where Landis+Gyr was forced to close its factory and suspend deliveries for several weeks. In the second half of the year, India recovered to pre-COVID-19 levels, but, year-over-year, the business declined by 23% in revenues. Southeast Asia remained subdued with revenues on par with the previous year as some Smart Metering projects initially expected to move were delayed due to the pandemic.

Despite some slowing of expected smart meter tender activity in FY 2020, there were also several positive shifts and Landis+Gyr expects this to continue into FY 2021.

Growth in Hong Kong, Progress in China and Slow Recovery in India

Landis+Gyr's smart meter programs with CLP and HEC, in Hong Kong continued and CLP will soon install its one millionth Landis+Gyr smart meter.

In China, the company continues to be the leader in the imported electricity GRID segment. In Heat meter-

ing, good progress towards rebuilding, a stronger position through improved distribution channels and expanding market offering was made in a stagnant market.

The central government in India reaffirmed its commitment to shifting the entire country to Smart Metering and Intellismart has emerged as an important, well-funded, quasi-government entity to drive this forward with greater certainty. Landis+Gyr won two significant projects in India that will deploy 330,000 smart meters in the states of Assam, as well as to Jammu and Kashmir.

Promising Trials and Smart Meter Rollouts across Southeast Asia

With growing interest in Narrowband Internet of Things ("NB-IoT"), a cellular technology that connects everyday objects to the internet, the Company is progressing a trial that will provide a valuable experience for the Company in terms of developing its NB-IoT offering for the region. Thailand, in particular the Provincial Electricity Authority, is showing a strong interest in NB-IoT, with plans of deploying 3 million smart meters over the next 5 years.

In April 2020, Landis+Gyr secured the first Smart Metering project with DPDC in Bangladesh. This was the culmination of three years of engagement in Bangladesh on its Smart Metering program. An initial pilot of 100,000 meters. Landis+Gyr expects DPDC to roll out an additional 750,000 smart meters in Dhaka, utilizing its RF mesh technology.

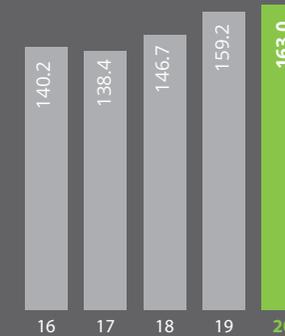
Towards the end of FY 2020, the Company received the final approvals necessary to deliver its smart meters to TNB, Malaysia's largest electricity utility. The first meters will be delivered in early FY 2021, which places Landis+Gyr well for the next tender expected later in the fiscal year.

In Indonesia, Landis+Gyr successfully completed an initial trial using Radio Frequency Mesh technology. PT Perusahaan Listrik Negara is now in the planning stage for a larger pilot project of 100,000 smart meters in FY 2021.

Net Revenue

163.0

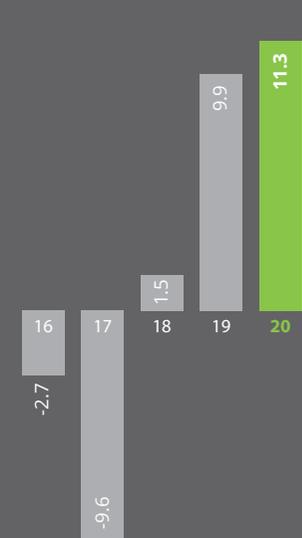
in million USD



Adjusted EBITDA

11.3

in million USD



Market Share

11%

Number 3 for Smart Electricity Meters

(excl. China & Japan, Source: Frost & Sullivan)



Number of Utilities Served

129



Number of Connected Intelligent Devices

4.8 million



Resilience across Australia and New Zealand Due to Ongoing Smart Meter Penetration

Residential solar penetration is now estimated at 25% in Australia. This is affecting network stability and Landis+Gyr expects to see new regulation that will likely drive further enablement of Grid Edge analytics and decisions making leading to better management of all types of distributed energy resources such as solar, batteries and electric vehicles. Landis+Gyr extended its supply contract with its partner Intellihub until 2026, ensuring smart meter supply continues across their Australia and New Zealand meter provision business.

Gas metering contracts were secured from key customers Jemena, APA and SP AUSnet. Smart offerings are being developed, initially a hybrid solution that takes advantage of the large installed base which is smart ready. These efforts are focused on providing lower-cost solutions for “hard to read” meters.

Landis+Gyr delivered its first smart water meters to a customer in Australia in late FY 2020. This was the culmination of almost 18 months of partner selection, product validation and fine-tuning.

Outlook for APAC's Financial Year 2021

Landis+Gyr expects the slow but steady shift to Smart Metering will continue in FY 2021 with a number of trials, pilots and new projects. Existing programs such as those in Hong Kong and Malaysia will continue while Australia's National Electricity Market will also move forward with its changeover to smart.

India will remain the largest opportunity given the size of that market in terms of volume and is expected to play an important role in Landis+Gyr's growth in APAC. A resurgence of COVID-19 in India is being monitored closely with regard to the potential impact on FY 2021. Other utilities in Bangladesh are likely to follow DPDC with at least one tender of significance expected in the new fiscal year. More activity is expected across other Southeast Asian countries in terms of pilots or small projects as utilities take some steps forward in their transformational Smart Metering journey.

Interview with Steve Jeston

How would you describe our year in three words?

Rewarding, Change, Agile.

What was your proudest moment in FY 2020?

Recently I attended a project review meeting which all key stakeholders from many functional areas, both junior and more senior, attended. I was truly impressed by the committed and coordinated effort being made involving R&D from APAC, Americas and partners, and the way the team was managing to address issues or develop workarounds to deliver this project to meet customer expectations. I felt very proud of all those involved.

How do you drive innovation in your region?

Being close to markets and customers is the key to uncovering new requirements whether by understanding changing market dynamics or understanding aspects of a customer's business where our products and services add value.

What do you expect in FY 2021?

Customer demand grows on the back of the continuing move to Smart Metering. The release of new products to meet current commitments as well as segment expansions will be an exciting aspect of 2021. Looking after the health and safety of our employees and ensuring we deliver high-quality products and services to our customers will remain at the forefront in 2021.



Steve Jeston,
EVP and Head of APAC

“Being close to markets and customers is the key to uncovering new requirements whether by understanding changing market dynamics or understanding aspects of a customer's business.”

Value Drivers

Innovative Technology

26

Market Environment	27
Strategy & Business Model	28
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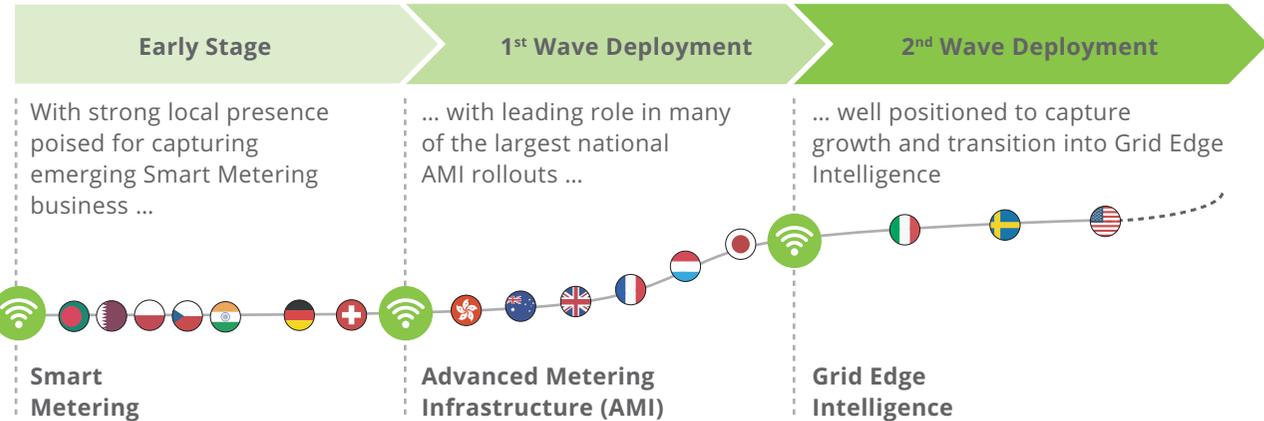


Market Environment

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.

On the one hand, there is a global need for more sustainable energy sources as a replacement for gas and oil in homes and businesses. This can be seen in the exponential adoption of solar panels, battery storage and electric vehicles. At the same time, regulators are increasingly demanding the possibility to capture the full range of AMI capabilities for the benefit of customers. Energy consumers demand more insights and transparency into their power consumption to save energy, optimize cost and improve sustainable behavior. These drivers will create challenges and opportunities for utilities in the areas of reliability, power quality and customer expectations.

On the other hand, utilities protect and continually improve their infrastructure, for example by ensuring it can withstand severe weather events such as wildfires, floods and extreme heat or cold, which occur with increased frequency and intensity. As a result, the need for transparency of the low voltage network increases to gain more visibility at the grid edge. In addition, cybersecurity is an increasing concern for utilities as operators of critical infrastructure systems and providers of essential services. There is a profound need to connect



a growing number of market participants to core utility systems and to protect private consumer data, which is fed into utilities' systems through Smart Metering and smart home applications.

Landis+Gyr's core offering, Smart Metering, is the foundation of future energy distribution systems and plays a significant role at the grid edge, where many new disruptive resources and their associated load dynamics are located. The Company benefits from the geographic diversity of its Smart Metering business, which is deployed across the globe. Therefore, Landis+Gyr is well-positioned to capture growth in new early-stage First Wave Deployments as well as upcoming Second Wave Deployment projects, which take full advantage of next-generation metering technology and Grid Edge Intelligence.

The Early Stage is characterized by very diverse markets and various drivers. These include energy theft prevention and revenue protection, in which Smart Metering plays a crucial role. They are also essential in grid modernization projects as the foundation of the smart energy future, enabling smart cities. Landis+Gyr deploys predominantly basic Smart Metering infrastructure.

First Wave Deployments include countries with nationwide ongoing rollouts, which are driven by regulation or by enabling business cases for utilities as Smart Metering offers a progressive way to modernize the grid. Countries moving to First Wave mass deployments install Advanced Metering Infrastructure systems ("AMI"), including software and central systems. These are progressing on schedule, with Landis+Gyr as a delivering partner to the largest utilities.

Countries with Second Wave Deployments were early Smart Metering adopters, currently in the process of replacing their First Wave Deployment of Smart Metering infrastructure and, therefore, migrate to infrastructure with enhanced capabilities towards Grid Edge Intelligence. These deployments are supported by a strong focus on use cases utilizing Smart Metering data to enhance consumer engagement and improve grid operations.

Strategy & Business Model

Landis+Gyr is responding to customer needs and provides solutions to their biggest challenges driven by industry trends and policies that shape the future of energy consumption. Already today, the Company's Smart Metering and Grid Edge Intelligence technology 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.

The Company defined three strategic priorities, Smart Metering, Grid Edge Intelligence and Smart Infrastructure. These build the foundation for Landis+Gyr to grow organically, to partner with industry leaders such as Google or Vodafone and to acquire companies with extended knowledge to solve utilities' complex challenges.

Smart Metering

Smart meters provide the basis of Advance Metering Infrastructure (AMI) networks as they deliver real-time data and advanced metrics and thus enable utilities to build modular communication platforms to create an ecosystem of connected intelligent devices. Next generation Smart Metering solutions offer new capabilities in analytics and connectivity, with faster response times for fault location, and predictive measures for grid-hardening. The company sees this as a smooth continuum of features and functionality, which bridges into Grid Edge Intelligence.

Landis+Gyr's priority is to strengthen its position as a true global partner for integrated energy management solutions. Therefore, it continuously invests in targeted enhancements of its Smart Metering offerings in electricity, gas, heat and water. This allows the Company to successfully partner in new rollouts and expand the penetration of Smart Metering globally with an enhanced portfolio of AMI products, solutions and services.

Grid Edge Intelligence

Landis+Gyr helps utilities to modernize and decarbonize the grid, while ensuring a seamless integration into existing networks. While utilities and retailers require aggregated decision-making at the head-end of their systems – in the cloud or on premise – emerging Second Wave Deployment use cases require distributed decision making and automation capabilities located at the grid edge.

By integrating more Grid Edge Intelligence in its Smart Metering, Grid Edge Intelligence sensors and connected endpoints, Landis+Gyr enables a broader set of use cases requiring flexible communications networks, enhanced system functionality and value-adding software and services.

Smart Infrastructure

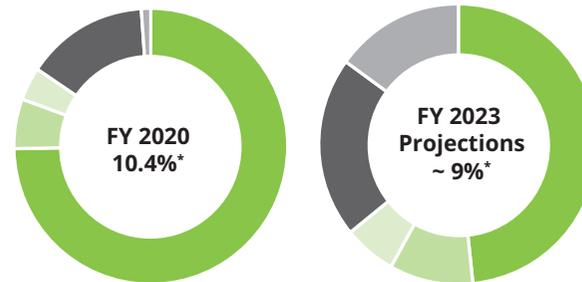
Landis+Gyr's Smart Infrastructure solutions are designed to deliver benefits for energy companies from the proliferation of intelligence beyond simple energy, to also include other urban infrastructure segments. A unique suite of open, scalable and robust solutions built on a utility IoT platform enables many related benefits. These include real-time data access and the integration of complementary services, such as street light management or charging of electric vehicles, which lay the foundation for Smart Infrastructure management.

R&D, Innovation & Portfolio

On Landis+Gyr's journey to becoming an integrated software and solutions business, the Company continues to make significant investments to foster future growth while building on its core offering around Smart Metering. In the years to come, Landis+Gyr expects to spend approximately 9% of its revenue in technology developments of products, software and services and the expansion of its comprehensive portfolio.

In FY 2020, R&D investments were USD 141.8 million, representing 10.4% of revenues compared to 9% in FY 2019, to drive the Company's transformation. Going forward, smart electricity will remain the core of Landis+Gyr's business, however, it will branch out into adjacent and complementary fields. These temporarily higher expenses support strategic initiatives, such as the partnership with Google, Smart Water and Smart Gas, and the digital transformation of the Company.

Technology Investment Shift towards Grid Edge Intelligence and Smart Infrastructure



* R&D expense as % of revenue

- Smart Electricity
- Smart Gas
- Smart Water/Heat
- Grid Edge Intelligence
- Smart Infrastructure

Smart Metering

Landis+Gyr drives future organic growth with targeted investments in new products and services. As an example, the Company launched its new industrial meter E660 for EMEA customers. With state-of-the-art metering, power quality measurement and advanced grid edge functionalities, it introduces a new approach to high-end industrial metering and analysis and is designed to meet the challenges of energy transformation.

As part of the partnership with Google, Landis+Gyr has started to unify its Head-End-Systems in the cloud, which will enable state-of-the-art, secure and reliable offerings to our customers. In addition, the Company is currently developing its own ultrasonic smart water and gas meters.

Ultrasonic Global Smart Water Meter

Landis+Gyr has seen continuing trends towards smart water metering across regions, as the industry seeks to leverage smart technologies to drive greater improvements in efficiency and conservation of water resources. The Company is investing in the development of its first smart ultrasonic water meter. Prototypes for EMEA will be developed, tested and certified in FY 2022, followed by the production setup and first field tests. Expected market introduction and delivery to selected EMEA countries will be a year later, in FY 2023.

Ultrasonic Global Smart Gas Meter

In parallel, Landis+Gyr started the development of its first smart ultrasonic gas meter for the North American market, leveraging its leading position and capabilities from the EMEA markets with positive utility customer feedback and strong customer engagement on product requirements and support for Narrowband Internet of Things (NB-IoT) implementation. Landis+Gyr will introduce prototypes in the first quarter of FY 2022 and start customer testing in the second quarter of the same year. Full market introduction is expected to take place in the first quarter of FY 2023.

Grid Edge Intelligence

Landis+Gyr further drives advanced load management, grid analytics and distribution automation solutions and empowers energy consumers through home analytics, real-time high energy usage and safety alerts. The Company's solutions, such as the Revelo™ grid edge sensor in the United States, offer additional high-resolution data and enhance applications, creating a cleaner, safer and more reliable energy future.

To meet the demands of utilities and end-consumers with increased needs in distributed energy resource management, Landis+Gyr partners with Google to accelerate digital transformation for utilities and increase the Company's offering in software and services. Furthermore, the partnership with Vodafone expands network options and simplifies the integration of grid edge devices. At the same time, the digital transformation adds more complexity to the grid, which increases the need for security. Part of Landis+Gyr's answer to that is the acquisition of Rhebo, announced in January, which adds threat detection and network monitoring capabilities down to critical endpoints at the grid edge.

Smart Infrastructure

The newly formed strategic partnership with Google allows Landis+Gyr to solidify its position as a leading partner for integrated energy and resource management solutions and Smart Infrastructure, by utilizing cloud-based technologies and combining the Company's leading Smart Metering and Grid Edge Intelligence expertise with Google's know-how in Artificial Intelligence, Machine Learning and data analytics.

Leveraging its expertise in Smart Metering, Grid Edge Intelligence and IoT, Landis+Gyr developed its Gridstream® Connect platform to add further devices, sensors, applications and services, such as smart street lighting, EV charging, smart water metering and other infrastructure opportunities. The Company is engaged in different Smart Infrastructure growth areas, built on in-house know-how, partnerships and previous acquisitions. In North America, Landis+Gyr has already celebrated notable success with smart street lighting in partnership with Washington-based utility Puget Sound Energy. In addition to street lighting, the Company has been selected as a partner in electric vehicle pilots in the UK, such as the SmartSTEP project, which brings smart EV charging to residential urban streets, and proof-of-concept activities in France to support customers in the development of future-proof technology.

In light of an increasing number of electric vehicles, which increase load on the grid, Landis+Gyr has strengthened its position in the electric vehicle market by acquiring two companies that specialize in EV charging. At the beginning of FY 2021, the Company signed agreements to acquire 75% of the shares of Etrek d.o.o. from Slovenia for a mid-double-digit million purchase price, which is expected to close in June 2021, and 100% of the shares of True Energy A/S from Denmark for a single-digit million purchase price. Both companies have a clear focus on environmentally friendly and smart charging and flexibility management solutions and are expected to provide promising growth opportunities for Landis+Gyr in the area of Smart Infrastructure. Etrek offers a complete range of smart residential charging stations for home and public use and a comprehensive suite of software solutions for charger management and smart charging. True Energy is a start-up, offering intelligent automatic power consumption software and services for electric vehicle charging infrastructure, home appliances and solar solutions.

Continued Growth in Patents

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. Recent patent filings affirm the Company's focus on 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 consumption.

	FY 2020	FY 2019	FY 2018
Active	914	803	708
Pending	509	389	149
Grants	76	114	59

People

FY 2020 was a transformational year for Landis+Gyr. Looking back at the past twelve months, which were characterized by changes driven internally, but also through the pandemic, employees have demonstrated a high level of resilience and shown a great amount of dedication towards customers and each other, driving leading-edge technology, customer intimacy and speed to market.

At the end of the fiscal year, Landis+Gyr employed 5,071 people worldwide, out of which 1,880 work in the EMEA region (including headquarters), 1,846 in the Americas and 1,345 in Asia Pacific. Their knowledge and experience are a key value driver and cornerstone on the journey to elevate the Company to the next level.

Temporary Lockdowns due to COVID-19, but Employees Showed Adaptability and Resilience

The pandemic has presented Landis+Gyr and its employees with a variety of challenges, including the shift to working from home across locations. However, the Company is glad to say that, thanks to the proactive measures taken, the teams around the globe have managed the crisis well and shown an incredible amount of resilience and dedication. Following local rules and regulations, Landis+Gyr continues to utilize home office policies and enforce strict adherence to safety measures. Efforts have paid off, with very few cases amongst employees.

At the beginning of 2020, Corona task forces were established on a global level as well as across regions and

in factories to monitor the situation closely and mitigate any risks. IT and HR provided the infrastructure that enabled a smooth shift to work from home globally during lockdowns to keep everyone connected and engaged. The Company made sure to provide up-to-date information and a platform to raise questions and concerns via monthly town halls and Q&A sessions, as well as via e-mail communication. A huge effort went into implementing and adhering to new social distancing and hygiene measures and procedures to ensure the safety, health and wellbeing of employees, customers and partners. Landis+Gyr's factories, except for India, which went into a temporary government-mandated lockdown in the first quarter of FY 2020, have essentially continued to operate with minimal disruption.

Due to the impact COVID-19 has had on Landis+Gyr's business in regions where installations have slowed down or been temporarily suspended, the Group Executive Management in October announced that it would reduce its base salary for six months. Likewise, the members of the Board of Directors reduced their base and committee fees by 10% for six months. In addition to the executive pay reduction, the pandemic caused the utilization of furlough in some locations as well as the implementation of short-time work for office functions in some locations.

As Landis+Gyr moves into financial year 2021, the Company continues to closely monitor the situation in each region as the safety, health and wellbeing of its employees, customers and partners remain Landis+Gyr's top priority.

Hermes Concluded, Resulting in Run-Rate Savings of approximately USD 30 Million

The global restructuring and streamlining initiative, announced in August 2020 and aimed at increasing efficiencies and optimizing our cost structure, has been concluded with the closure of this financial year. Wherever possible, natural attrition and retirements were used to achieve the targets. In addition, open positions were published and advertised internally across our locations, giving interested individuals the opportunity to apply to any open position.

As a result, the number of employees at year-end was 5,071, which represents a reduction of 12.1% or 697 employees across all levels, functions and regions of the Company compared to prior year.

Landis+Gyr expects Project Hermes to result in annual run-rate savings of approximately USD 30 million from FY 2021 onwards. Of this, about USD 14 million relates to manufacturing and supply chain personnel, which will help to offset the lower revenue and support gross profit margins. The remaining USD 16 million relates to Operating Expenses, both R&D and SG&A.

Energizing Internal Communications

In FY 2020, and despite a challenging year, Landis+Gyr addressed hundreds of action ideas that were identified in the employee survey, conducted in September 2019. Amongst other improvement areas, employees asked for more frequent provision of information and more transparency, paired with the need to have a platform to raise concerns and ask questions.

This was addressed with the introduction of monthly town halls called "Energized". In these meetings, Werner Lieberherr provides business updates and informs about the Company's market environment and strategy, but also ensures half an hour is dedicated to answer questions employees can submit directly or anonymously. Questions are answered directly in the call in a very transparent manner, which is the reason the Company saw a rapid growth in the number of questions submitted during the first six months since the introduction of "Energized".

New Corporate Values Defined for Landis+Gyr

The Company's culture is based on a set of values which define who we are, how we do things and why we do them. The culture also sets the framework for how Landis+Gyr's employees collaborate, support and respect each other and everyone they interact with and, ultimately, how they are perceived by others. It is embodied in the innovation the Company delivers and the impact it has on the communities it serves.

The culture is defined by the following corporate values:

- **Customer Intimacy** – We are a trusted partner and deliver on our commitments.
- **Innovative Technology** – We passionately innovate true differentiators for our customers.
- **Entrepreneurial Spirit** – We empower teams to drive results with a can-do attitude.
- **Uncompromising Performance** – We strive to deliver high quality on time, every time.
- **Sustainable Impact** – We manage energy better for a more sustainable world.

Internal Development Continued despite the Pandemic

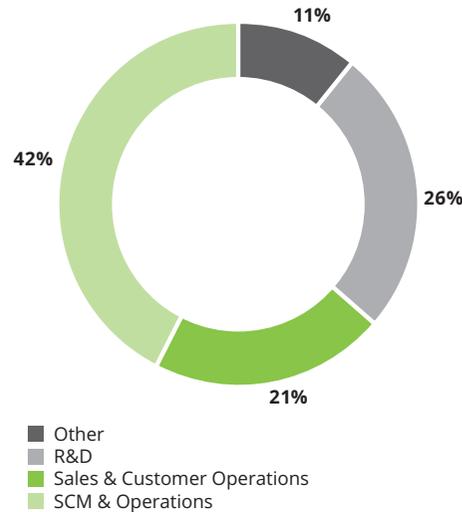
The shift to remote work driven by COVID-19 led to a drop of overall learning hours in FY 2020. However, employees dedicated more than 30,000 hours for personal development, out of which half represent hours spent on the LinkedIn Learning platform. The most popular LinkedIn Learning courses in the last twelve months focused on leadership, unconscious bias, change and time management, as well as different courses in the technology area.

As a result of Landis+Gyr’s partnership with Google, the Company launched a Google Cloud platform training program to support employees in improving their technical skills required for the transformational journey. The training program offers unlimited access to on-demand courses and role-based learning paths, from introductory level to expert. Since the start of the program, several hundred employees have already spent thousands of hours strengthening their cloud technology skills and advancing their careers.

Learning Hours 2020

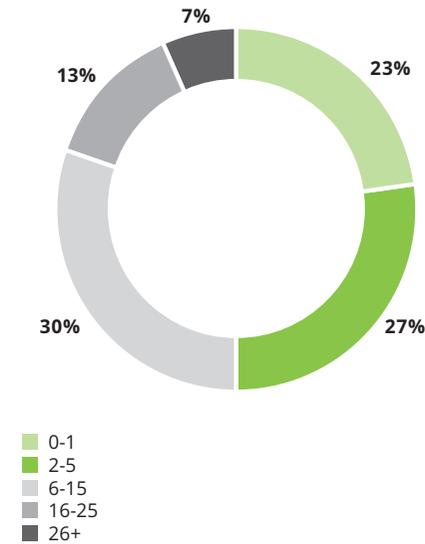
Compulsory Learning Hours: **15,218 hours**

Employees by Function

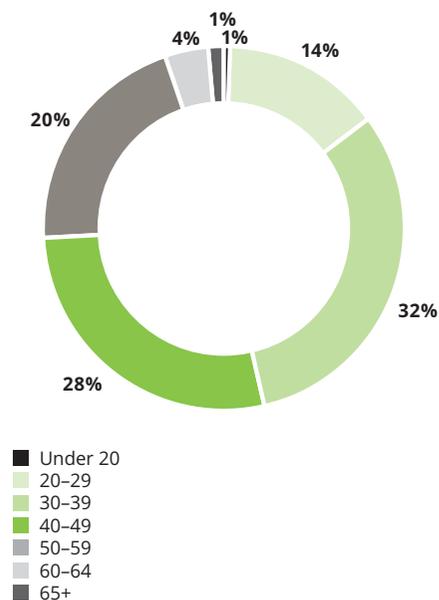


Development Learning Hours: **31,581 hours**

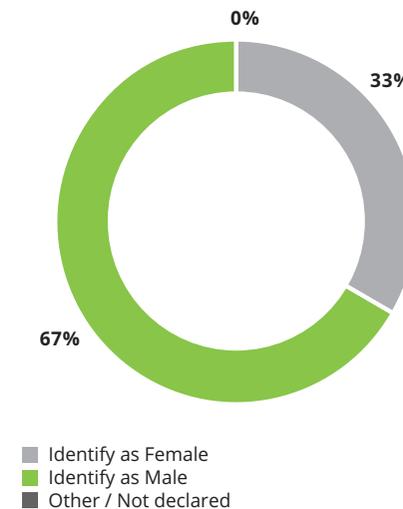
Employees by Length of Service (in years)



Employees by Age



Employees by Gender



Risk Management

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

Landis+Gyr tracks its risk exposure across the spectrum of 72 unique operational, strategic, financial and compliance categories. Other considerations include the potential impact of important business-related aspects such as sustainability, 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 measures.

Oversight by the Board of Directors

Landis+Gyr's Board of Directors has a total of three committees, of which the Audit and Finance Committee ("AFC"), which is 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 AFC regularly consults with the Group's CEO as well as the Executive Management. At least once a year, the Board of Directors, via the AFC, is briefed by the Group Executive Management of any significant changes in risk management. In financial year 2020, the Group Risk Report was reviewed with the Board of Directors at the February board meeting.



Risk Radar and Mitigation Actions at the End of Financial Year 2020

Amongst the top material risks on the Company's risk radar are Supply Chain, Quality, Infectious Diseases, Portfolio and Technology, as well as Foreign Exchange. The overview describes these risks in more detail and shows mitigation actions implemented by Landis+Gyr.

Exposure to component market shortages as well as limited capabilities of suppliers and increased freight rates

- Identify and qualify alternative sources and purchase certain (critical) components from multiple suppliers
- Maintain an inventory on important components
- Maintain close collaboration with contract manufacturers

Potential failure of suppliers and contract manufacturers or inadequate processes to meet quality requirements

- Global standardized supplier management process
- Global Zero Defect Quality Initiative
- Adopted quality management system standard from the automotive industry

Risk for Landis+Gyr, customers and suppliers to be impacted by COVID-19 longer than anticipated

- Implement emergency contingency plans as defined in business continuity plans
- Cooperate with customers to understand changes in client and market conditions, confirm the impact of resumption

Risk of not having the right portfolio of offerings which addresses customer needs and is superior to the offering of competitors

- Significant investments in new product development in all three growth platforms
- Continually develop and introduce new products, e.g. next generation electricity metering
- Extend the gas and water portfolio and strengthen the partner program to develop new offerings

Financial risk caused by fluctuations in exchange rates

- Hedging contracts in place
- As consequences of the BREXIT situation, expanded hedging program for GBP/USD in place

Purpose

Sustainable Impact

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Manage Energy
Better – Together

Vodafone

Since September 2020

Etrell

Closing expected in
June 2021

Google

Since December 2020

Rhebo

Since January 2021

True Energy

Since April 2021

Manage Energy Better – Together

As a global provider of Smart Metering, Grid Edge Intelligence and Smart Infrastructure solutions, Landis+Gyr plays an essential part in utilities' and people's journey to build a greener tomorrow – one grid at a time. Simultaneously, Landis+Gyr needs to ensure that it reaches the ambitious goals set for the Company for which the 17 United Nations Sustainable Development Goals ("UN SDGs") build the foundation. The Company is currently defining the ESG targets for the next three-year cycle and has announced its goal to become carbon neutral by 2030. In addition, the Company is expanding its portfolio of products, services and solutions through strategic partnerships and target acquisitions to ensure the implementation of its ambitious targets through collaboration with the goal to manage energy better – together.

Google Partnership

On December 17, 2020, Landis+Gyr has signed a multi-year strategic partnership with Google. This agreement allows the Company to transform both its internal IT and OT operations as well as its solution strategy and product portfolio moving forward. As a result, Landis+Gyr will be able to create unique value for customers and for the Company, driving efficiencies, innovation and transforming the future of energy together. Further, the partnership with Google will enable cloud-readiness for Landis+Gyr's software solutions. The Company sees tremendous potential to grow and develop new services, leveraging its Smart Metering and Grid Edge Intelligence expertise in combination with Google to drive Smart Infrastructure technology. The first step, subject to contract, is to migrate all business and customer systems to the Google Cloud Platform. This reduces Landis+Gyr's operational costs and business risks, while at the same time improving business efficiency and cybersecurity posture.

Customer Benefits

Working together with Google, Landis+Gyr offers utilities increased planning security, ensuring network stability, cybersecurity and increased efficiency. Due to the higher dynamics of EV charging, solar or microgrids, the load on the grid and its complexity increases, especially for low-voltage networks. Utilities need to ensure that the network runs efficiently and without interrupting operations. Landis+Gyr will enable speed, security and updates without disruption while protecting previous investments by offering choices to its customers, providing native cloud services and enabling multi-cloud strategies.

End Consumer Benefits

For end consumers, new analytics applications will provide more control over electricity consumption in a user-friendly and transparent way. Increased usage of electric vehicles or other new applications will raise questions such as "When do I charge my car?" or "When is electricity most cost-efficient and climate-friendly?", which can be answered by providing more transparency and insight into homeowners' electricity usage. At the same time, the increasing influence of the prosumers with photovoltaic systems is a key element and can be managed more efficiently through Smart Infrastructure applications. Landis+Gyr will be providing apps to the Google Marketplace in financial year 2021, aimed at increasing the visibility of electricity usage, allowing consumers to manage their power consumption in a more informed and sustainable way.

Vodafone

In September 2020, Landis+Gyr announced a global partnership with Vodafone and shortly thereafter launched its IoT connectivity service offering. Using Vodafone Business' IoT services, utility customers can benefit from Landis+Gyr's Gridstream® Connect solution, providing reliable and secure service, accessing multiple carrier networks without the hassle of needing to manage multiple subscription contracts. The global nature of the agreement ensures seamless access to more than 400 networks in over 180 countries, using a single subscriber identity profile.

The progress in Cellular IoT technology development offers a compelling alternative to low-power radio frequency ("RF") and power-line communication ("PLC"). While cellular devices offer the advantage of being able to be installed anywhere, they have the disadvantage of depending on local telecom operators, which adds complexity to set up and operate end-to-end-solutions with a third party, the telecom operator, acting in the middle. In addition, telecom operators' technologies, coverage and tools are not fully harmonized worldwide, and very few single operators can offer the expected level of ser-

vice required by utilities that manage critical infrastructures. Landis+Gyr's end-to-end solutions and services benefit from Vodafone's global IoT infrastructure. This infrastructure operates over the largest number of local telecom operators worldwide, with a single SIM managed by a single IOT platform.

By partnering with Vodafone Global Enterprise, Landis+Gyr is the first and only provider in the industry to deliver its cellular devices with embedded connectivity, over their lifetime, with premium quality of services, by using multiple local operators to increase coverage and performance. This significantly improves the setup and operation of connectivity for the Company's customers.

Rhebo

The more complexity is added to the grid, the greater the need for security becomes. Part of Landis+Gyr's answer to that is the acquisition of the German company Rhebo. Rhebo's technology allows utilities to detect hacker attacks and anomalies in networks in real time down to critical endpoints at the grid edge and is, therefore, a perfect addition to the Company's portfolio.

To date, utility cybersecurity has been underutilized and underfunded, with a lack of education and awareness of the criticality of the emerging threat landscape, as cyber-attacks are a top disaster concern for utilities around the globe. This is driving Landis+Gyr's strategic objective in leveraging Google's Artificial Intelligence and Machine Learning capabilities and push targeted acquisitions in data analytics and cybersecurity. Rhebo's innovative technology ensures real-time reporting of cybersecurity threats and other anomalies in network control systems, enabling utilities and other customers to react immediately to cyber threats.

FY 2021 – True Energy and Etrek

At the beginning of FY 2021, Landis+Gyr has strengthened its position in the electric vehicle market by acquiring two companies which specialize in EV charging. The Company signed agreements to acquire 75% of the shares of Etrek d.o.o. from Slovenia for a mid-double-digit million purchase price, which is expected to close in June 2021, and 100% of the shares of True Energy A/S from Denmark for a single-digit million purchase price. Both companies have a clear focus on environmentally friendly charging and flexibility management and provide promising growth in the area of Smart Infrastructure. Etrek offers a complete range of smart residential charging stations for home and public use and comprehensive software for charger management and smart charging. True Energy is a start-up, offering intelligent automatic power consumption software and services for electric vehicles charging infrastructure, home appliances and solar solutions.

Manage Energy Better – In a Changing World by 2030 ...

Carbon Neutral

Landis+Gyr is committed to be Carbon Neutral by 2030 and works actively to create a greener tomorrow by contributing to the 17 UN Sustainable Development Goals.

13%

13% of the global car fleet is electric according to the Sustainable Development Scenario.

59%

59% of the world population are expected to live in urban areas.

2°C

Emissions would need to be 25% lower than in 2018 to put the world on the least-cost pathway to limiting global warming to below 2°C.

8.5 billion people

Global population is expected to grow to 8.5 billion people.

Manage Energy Better – In a Changing World

Landis+Gyr has identified six megatrends that form the foundation for how the Company will shape the way resources are being managed through Smart Infrastructure technology even more effectively and efficiently, creating value for utilities, consumers and ultimately the Company's shareholders and employees. The Company's strategy is designed to address the changing landscape to continue to offer leading innovation and to manage energy better – in a changing world.

First, the estimated **global population growth** is expected to reach 8 billion by 2024, 8.5 billion by 2030 and a staggering 9.7 billion by 2050. More humans on the planet results in an increased demand for a reliable energy supply across regions and countries. In addition, resources need to be managed in a more conscious way. At the same time, there is a rapid trend towards **urbanization**. Current projections estimate that by 2050 more than two thirds of the world's population will live in urban areas, which will further increase the need for technology to enable smart resource management in future smart cities.

Overall, an increased **focus on sustainability** can be observed, as both the public and the private sectors are highly focused on reducing climate change and incentivizing the utilization of renewable energy, supported by several major initiatives driven by the global community. As part of that, **decarbonization** is a significant factor and as such set to materially change energy generation and consumption, resulting in an increased need for related intelligent technologies and Smart Infrastructure. The rising trend of renewable energy sources increases the demand for a flexible and reliable power grid, as renewable energy sources such as wind or solar energy are impacted by weather conditions and therefore offer only intermittent power generation.

At the same time, much of the current power grid infrastructure is still based on a centralized generation and one-way distribution model. Utilities seek ways to better monitor and control grid operations at generation, transmission and distribution levels. Intelligent and connected sensors and devices can exchange data both with each other and with a central system. Increasing **digitalization** and convergence of information and communication technologies offer effective solutions for utilities to address resulting challenges by facilitating more accurate energy usage data collection and analysis, allowing for more efficient supply resource planning and providing more value added and transparency to end-consumers. In addition, the way energy is consumed changes towards more informed and **empowered consumers**. Consumers have higher expectations for service delivery, more devices connected to the grid and a higher awareness of and commitment to sustainable impact. As a result, consumers are increasingly capable of and motivated to play a more active role in the way energy is used and produced. These efforts include an increased opportunity and ability to contribute to power generation through photovoltaic installations, improved technological capabilities to manage and control their energy consumption and a willingness to embrace their evolving role as a key stakeholder in the emerging utility ecosystem.

Electric Vehicles Play an increasingly Crucial Role in Meeting Environmental Goals

The International Energy Agency (IEA) Sustainable Development Scenario outlines investments in electric vehicles as one of the key contributors to decarbonizing our energy future. According to the IEA Global EV Outlook 2020 report, sales of electric cars topped 2.1 million globally in 2019, surpassing 2018 – already a record year.

Electric cars, which accounted for 2.6% of global car sales and about 1% of global car stock in 2019, registered a 40% year-over-year increase. IEA estimates that by 2030, the number of EVs will reach almost 250 million. Consequently, EVs are quickly becoming one of the largest flexible loads on the grid in many countries. To capture digital transformation opportunities EVs can offer, utilities need to get much better visibility of EVs and their charging patterns as they will play a critical role in the deployment of EV charging infrastructure and managing smart charging. Landis+Gyr has deep customer relationships and a strong market position to become a partner in their EV journey.

Manage Energy Better – For a Greener Tomorrow

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Affordable and Clean Energy



9

Industry, Innovation and Infrastructure



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Sustainable Cities and Communities



13

Climate Action



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Peace, Justice and Strong Institutions



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Responsible Consumption and Production



8

Decent Work and Economic Growth



By 2030

Landys + Gyr to Become Carbon Neutral

Manage Energy Better – For a Greener Tomorrow

As a global provider of Smart Metering and infrastructure solutions, Landis+Gyr considers itself to be an essential part of utilities' and people's journey to building a greener tomorrow – one grid at a time. Simultaneously, Landis+Gyr needs to make sure that it reaches the ambitious goals set for the Company for which the 17 United Nations Sustainable Development Goals build the foundation. The Company is currently defining the Environmental, Social and Governance (“ESG”) targets for the next three-year cycle and has set its goal to become carbon neutral by 2030. This chapter represents an overview of the ESG activities the Company was able to implement in the fiscal year 2020. These efforts enable Landis+Gyr to support its customers and partners to reach their ambitious goals and to manage energy better – for a greener tomorrow.

Climate



SDG 7 – Ensure access to affordable, reliable, sustainable and modern energy for all.

The emergence of new technologies holds opportunities for Landis+Gyr to provide increasingly smart and energy-efficient products and solutions. Smart Meters enable meaningful energy efficiency gains and the integration of renewable resources into the supply network, which, in turn, makes it possible for utilities and end consumers to reduce their CO₂ emissions substantially. In the past financial year, Landis+Gyr's installed smart meter base reduced direct CO₂ emissions by an estimated 8.5 million tons – enough to provide electricity to San Diego homes for a year. At the same time, the Company has been working together with partners to provide software that enables more transparent insights of the energy use that allows end consumers to consume energy outside of peak hours, and therefore, at lower rates.

In the past financial year, Landis+Gyr reduced the overall energy usage, while at the same time enhancing the portion of green energy in its offices and plants, which is further described in the SDG 13 section.



SDG 9 – Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation.

Landis+Gyr benefits from the geographic diversification of its Smart Metering business and its capabilities to support customers on each level of their transformational journey. Furthermore, the Company continues to develop intelligent system solutions in a network of top-level scientists and universities, testing on the use cases of the future. Landis+Gyr plays a leading role in some of the most important national Advanced Metering Infrastructure rollouts in countries such as the United Kingdom and Japan.

New opportunities emerge as additional markets begin to undergo a technological advancement process: Smart meters with enhanced functionality allow for advanced load management, enabling end consumers to

better steer and manage their own energy consumption and cost. At the end of FY 2020, Landis+Gyr signed a contract with Puget Sound Energy, Washington state's largest utility, to add street light control capabilities to their smart grid and AMI program. The smart controllers will perform a variety of functions, including control of lighting intensity to boost energy efficiency and metered billing of street lights using the metrology in control.

The Company continuously leverages its platforms to add further devices, sensors, applications and services, such as smart street lighting, electric vehicle charging, smart water metering and other infrastructure opportunities.



SDG 11 – Make cities and human settlements inclusive, safe, resilient and sustainable.

As an industry leader in Advanced Metering Infrastructure, Landis+Gyr provides Grid Edge Intelligence solutions to create an ecosystem of connected intelligent devices. This builds the foundation for value-added process automation and business applications in Smart Grid, Smart Cities and beyond. The transformation of the energy grid continues apace: Population growth urbanization, the decarbonization and the shift to renewable energy resources, empowered consumers and the digitalization of grid operations – these trends drive the transformation of the energy industry and shape the way how energy is produced and used in the future. Utilities have already started embracing new business models. They adjust to the continually changing regulatory environment and respond to new demand patterns. These are driven by the changing needs and expectations of consumers who become “prosumers”, not only consuming but also producing energy. To be successful in this new reality, utilities partner with Landis+Gyr by offering flexible, reliable and secure solutions with a high degree of automation.



SDG 13 – Take urgent action to combat climate change and its impacts.

In FY 2020, Landis+Gyr emitted 13.297 tons of CO₂. This is 47% less than the year before. The pandemic had a significant impact on CO₂ reduction, however, the Company also performed energy audits in its most important production sites, set targets for energy consumption savings and identified actions. This helped Landis+Gyr to not only reduce the overall energy usage but also to considerably enhance the portion of green energy in its offices and plants, specifically in Corinth, Lafayette and Pequot Lakes.

The carbon footprint of Landis+Gyr is measured in accordance with the Greenhouse Gas Protocol (“GHG”) Corporate Accounting and Reporting Standard and verified by an external partner. As described already in the contributions to SDG 7, the Company plays an important role in mitigating climate change on a global scale by developing state-of-the-art technologies and solutions. These helped to enable a reduction of 8.5 million tons of direct CO₂ emissions in the past business year through the installed smart meter base.

Resources



SDG 12 – Ensure sustainable consumption and production patterns.

The Company contributes to the circular economy where value once created from raw materials and resources is preserved at the highest level possible. At Landis+Gyr, resource efficiency applies across internal business processes and considers the full lifecycle including recycling.

In 2020, Landis+Gyr introduced a green design manual that specifies best practice approaches to exploit the potential of designs needed to develop green products. It takes into consideration different design principles, including the overall reduction of material usage, the use of more sustainable materials and avoidance of hazardous materials, disassembly of the final product and the management of self-consumption. The manual applies across all products globally and needs to be adhered to with every newly developed or redesigned product.

An integrative part is the avoidance of harmful materials, responsible use of water and strict waste management. That is why Landis+Gyr implemented vigorous measures to promote the effective and practical use of resources, in terms of both products and service offerings.

The Company implemented additional waste segregation efforts in various of its facilities around the world, with significant results obtained at two of its largest production sites (Corinth and Reynosa). This led to an overall 44% reduction in landfill waste from 386 tons in FY 2019 to 216 tons in FY 2020 and a reduction in landfill ratio which represents landfill as a percentage of total waste from 11% in FY 2019 to 7% in FY 2020.

Trust & Equality



SDG 8 – Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.

Landis+Gyr employs more than 5,000 employees across all continents and their Occupational Health and Safety (“OHS”) is a top priority. It is the Company’s goal to maintain safe work environments that reduce the risks of accidents, injuries and illnesses, which is why it provides employees with regular training and activities to integrate job safety into daily work. As part of its efforts to raise safety awareness and promote incident reporting, Landis+Gyr has implemented the recording of Near Miss data into its Global OHS reporting system. This generates a transparent environment and a stronger safety culture.

Landis+Gyr’s fair labor practices are aligned with global standards and guidelines such as the Declaration on the Fundamental Principles and Rights at Work of the International Labor Organization and the United Nations Global Compact. They focus on the implementation of a set of internal guidelines and control measures within the entire organization and supply chain to ensure compliance with local laws and international standards. A central requirement is a guarantee of equal employment opportunities without discrimination

and harassment based on age, gender, religion, sexual orientation or ethnicity. In 2020, the LinkedIn learning training course “Unconscious Bias” was the number one course taken by Landis+Gyr’s employees with 1,858 participants.



SDG 16 – Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels.

Landis+Gyr conducts business in many countries in which business practices may vary greatly. Due to the nature of its industry, many of the Company’s customers are government-owned or highly regulated. Being active in more than 100 countries, all of which have different legal requirements and expectations, Landis+Gyr is exposed to a variety of risks such as bribery, corruption, fraud and anti-competitive behavior. Therefore, the Company’s employees, agents, contractors and other intermediaries are expected to conduct business with the utmost integrity.

Landis+Gyr’s stringent integrity standards are showcased in its Company Code of Business Ethics and Conduct, which was updated in the last financial year. Various chapters, including environmental practices and fair labor standards, have been added to be fully aligned with the requirements of the UN Guiding Principles and International Labor Organization and prohibit corruption, violations of fair competition and human rights infringements. All employees were asked to acknowledge receipt of and compliance with the enhanced Code of Business Ethics & Conduct and to date, 99.7% of all employees completed an annual compliance training.

At the same time, the Company updated its Supplier Code of Conduct to include more detailed sections about human rights, environmental practices and information security. To date, over two thirds of global spend from suppliers of direct materials is covered under Landis+Gyr’s Supplier Code of Conduct and the Company continues to work with its key suppliers to raise this number.

Further Information

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Share Information

Key Stock Exchange Figures

	FY 2020 (1.4.20 – 31.3.21)	FY 2019 (1.4.19 – 31.3.20)
Share price period end (CHF)	63.60	66.60
Share price high (CHF)	79.70	105.20
Share price low (CHF)	48.44	57.30
Market capitalization period end (excl. treasury shares, CHF million)	1,833	1,939
Average daily trading volume on SIX Exchange (number of shares) ¹⁾	152,056	140,716
Number of issued shares	28,908,944	29,251,249
Number of treasury shares (period end)	81,777	431,205
Nominal value per share (CHF)	10.00	10.00

1) Data source: SIX Swiss Exchange

Key Per Share Figures

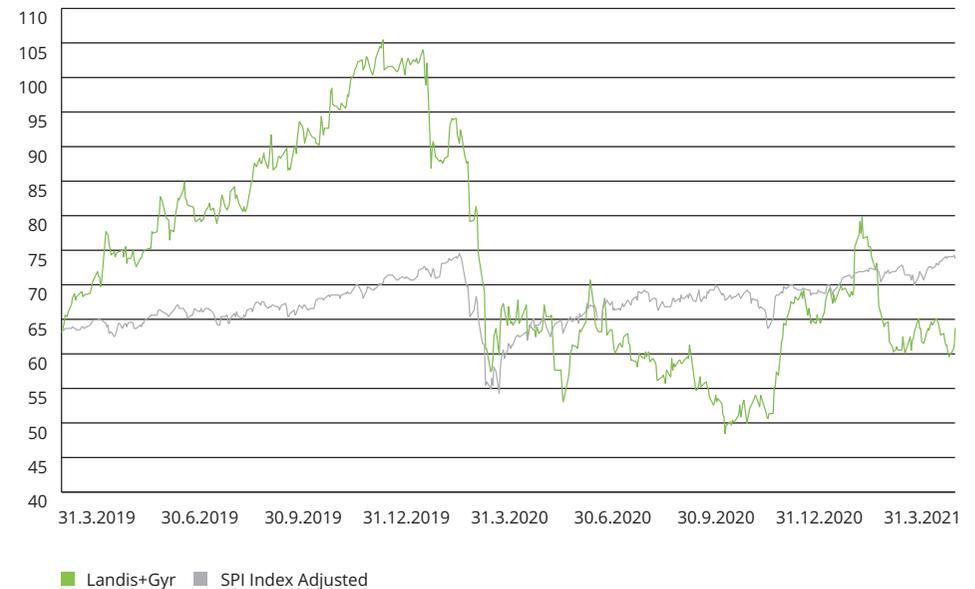
	FY 2020 (1.4.20 – 31.3.21)	FY 2019 (1.4.19 – 31.3.20)
Earnings per share – basic and diluted (USD)	(13.61)	3.90
Dividend per share (CHF)	2.10	2.00

Shareholder Structure

As of March 31, 2021, 7,612 shareholders were entered in the share register. The following shareholders held 3% or more of the outstanding share capital of Landis+Gyr Group AG.

	Number of Shares	% of share capital
KIRKBI Invest A/S, Denmark	4,445,265	15.38%
Rudolf Maag, Switzerland	3,000,000	10.38%
Franklin Resources, Inc., USA	931,580	3.22%
BlackRock, Inc., USA	920,642	3.18%
PGGM Vermogensbeheer B.V., The Netherlands	890,700	3.08%

Share Price Performance Landis+Gyr Group AG



Share Price Performance Landis+Gyr Group AG

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

Corporate Calendar

Annual General Meeting 2021 (virtual)	June 24, 2021
Publication of Half Year Results 2020 and Sustainability Report	October 28, 2021
Release of Results for Financial Year 2021	May 11, 2022

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 Landis+Gyr Group AG and Landis+Gyr group ("Landis+Gyr"). These statements are based on current expectations, estimates and projections about the factors that may affect Landis+Gyr's 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 generally identifiable by statements containing words such as "expects", "believes", "estimates", "targets", "plans", "outlook", "guidance" or similar expressions.

All forward-looking statements are based only on data available to Landis+Gyr at the time of preparation of this Annual Report. Landis+Gyr does not undertake any obligation to update any forward-looking statements contained in this Annual Report as a result of new information, future events or otherwise. There are numerous risks, uncertainties and other factors, many of which are beyond Landis+Gyr's control, that could cause Landis+Gyr's actual results to differ materially from the forward-looking information and statements made in this report and which could affect Landis+Gyr's ability to achieve its stated targets.

The important factors that could cause such differences include, among others: the duration, severity and geographic spread of the COVID-19 pandemic, government actions to address or mitigate the impact of the COVID-19 pandemic, and the potential negative impacts of COVID-19 on the global economy, the company's operations and those of its customers and suppliers; global shortage of supplied components as well as increased freight rates; business risks associated with the volatile global economic environment and political conditions; 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 such other 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.