Annual Report 2022

Landis+Gyr

About Landis+Gyr

A Global Industry Leader

Landis+Gyr is a leading global provider of integrated energy management solutions. We measure and analyze energy utilization to generate empowering analytics for smart grid and infrastructure management, enabling utilities and consumers to reduce energy consumption. Our innovative and proven portfolio of software, services and intelligent sensor technology is a key driver to decarbonize the grid. Having avoided more than 9.5 million tons of CO_2 in FY 2022, Landis+Gyr manages energy better – since 1896. With sales of USD 1.7 billion in FY 2022, Landis+Gyr employs around 7,800 talented people across five continents.

Our Mission

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

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

Together, we manage energy better.

Our Values

Customer Intimacy
We are a trusted partner and deliver on our commitments

Uncompromising Performance
We strive to deliver high quality on time, every time

Innovative Technology
We passionately innovate true differentiators for our customers

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

Sustainable Impact
We manage energy better for a more sustainable world

Performance Report 2022

Landis+Gyr

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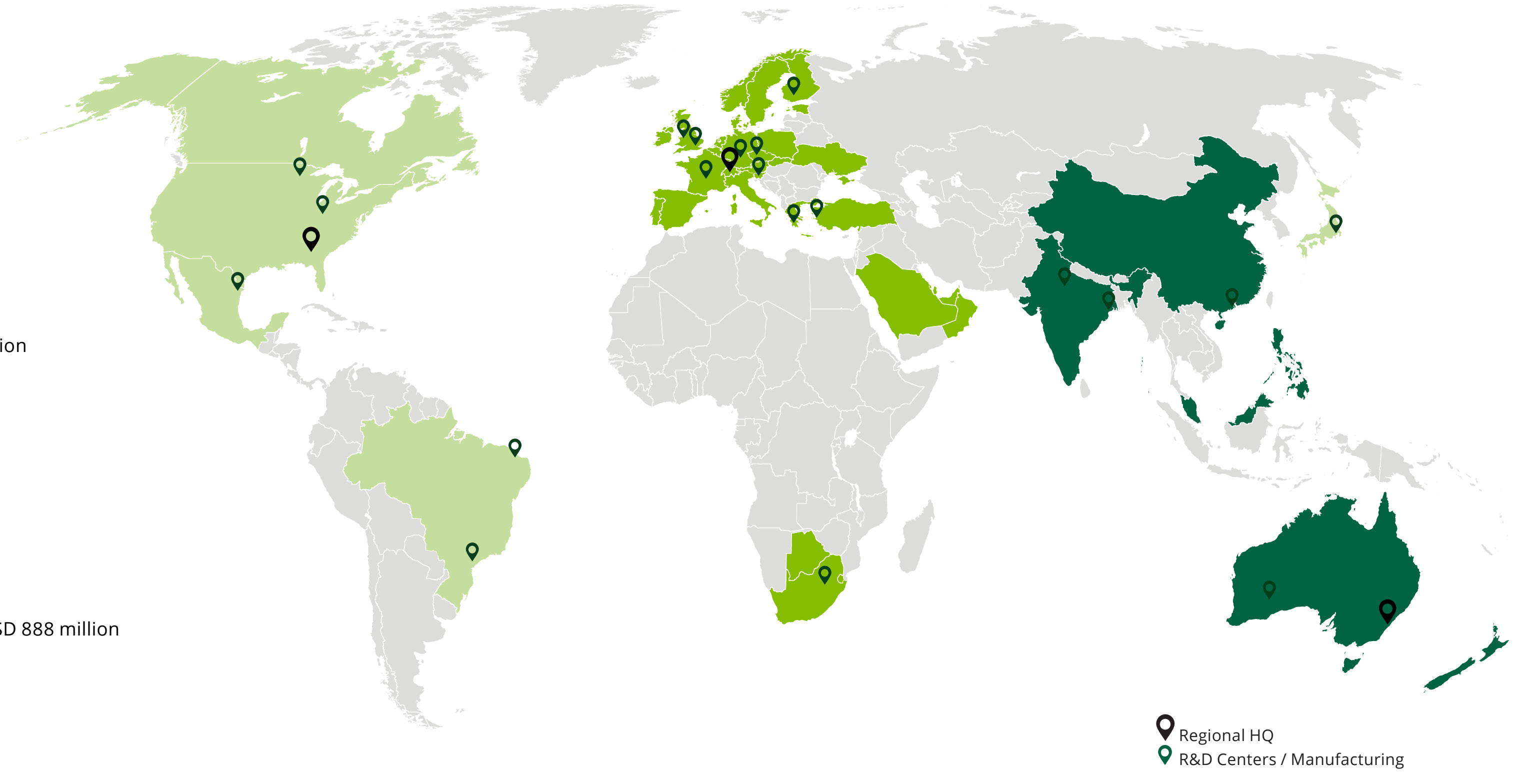
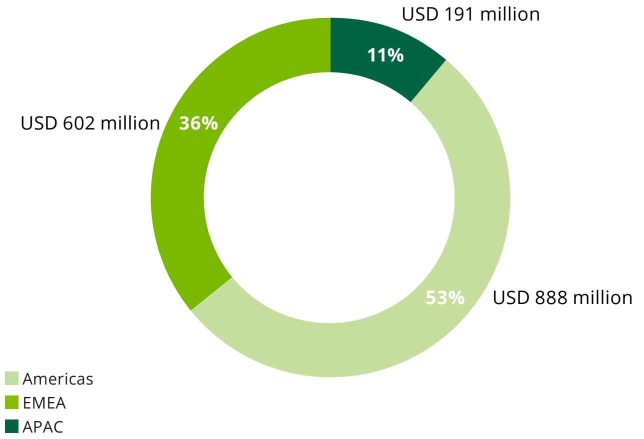
Introduction

FY 2022 at a Glance



Net Revenue Split



3,500+
Utilities Served Since 1896

150+
Million Connected Intelligent Devices

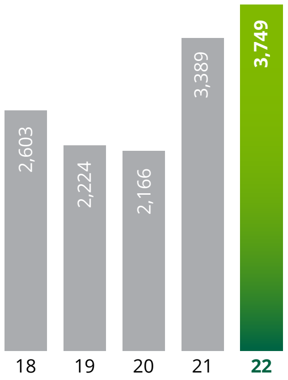
1.3+
Billion Reads per Day

#1
Global AMI Company of the Year 2022 by Frost & Sullivan

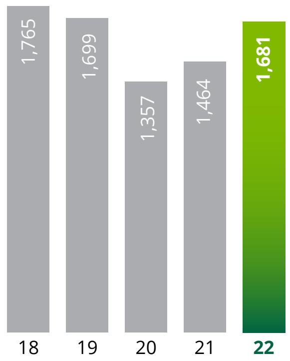
2022
Climate Leaders by Financial Times and Statista

FY 2022 Key Figures

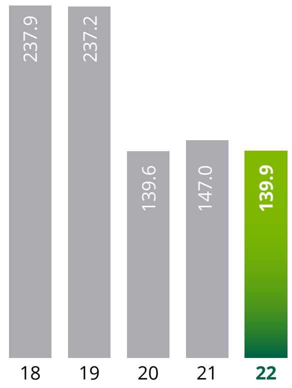
Committed Backlog
3,749
in million USD



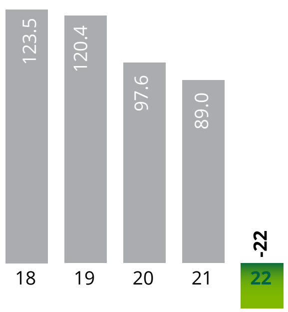
Net Revenue
1,681
in million USD



Adjusted EBITDA
139.9
in million USD

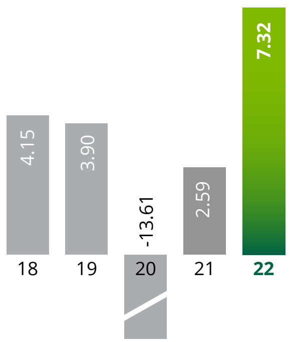


Free Cash Flow
(excluding M&A)*
–22
in million USD

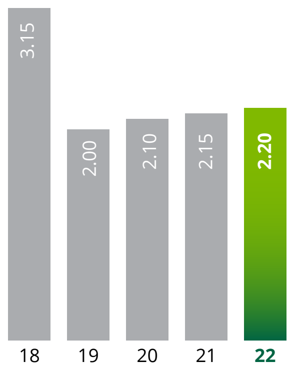


* Net cash provided by operating activities minus net cash used in investing activities, excluding merger & acquisition activities.

Earnings per Share
7.32
in USD

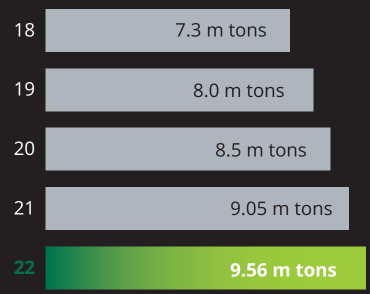


Dividend per Share
2.20
in CHF

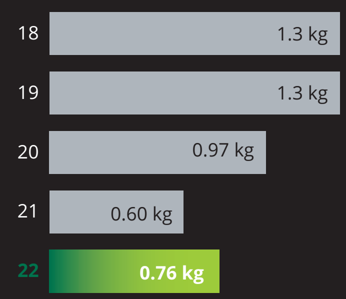


Carbon Neutral
by 2030 (for scope 1 and 2)

Direct CO_2 emissions avoided
9.56 million tons
CO_2 emissions avoided through Landis+Gyr's installed Smart Metering Base in 2022



Direct CO_2 emissions from Landis+Gyr operations
0.76 kg
CO_2 per USD 100 turnover*



* Turnover as reported in the Financial Report

Letter to Shareholders

Dear Landis+Gyr Shareholders,

In financial year 2022, we continued to drive our strategic transformation forward and saw an unprecedented demand for our energy efficiency solutions. Due to geopolitical tensions, energy prices rose, while the safety and security of critical infrastructure became more prevalent. As a result, the demand for energy efficiency solutions reached new heights, reflected in our record backlog of nearly USD 3.8 billion.

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

Innovating the Future of Energy

In January, we held our Capital Markets Day at the Google campus in Zurich, Switzerland. Presenting our vision for the future of energy management, we pride ourselves in offering the most comprehensive portfolio of solutions in the industry.

Historically, our industry has been tackling foundational aspects like customer affordability of energy and the reliability of the grid that distributes energy to customers. Landis+Gyr has partnered with utilities for more than a century to solve these challenges in the past and will continue to do so in the future.

Over the course of the last few years, and specifically growing in the post pandemic era, new trends have emerged. Utilities are faced with a new energy supply and demand equation due to consumer engagement expectations at unprecedented levels, energy transition toward more renewable and distributed generation and a huge demand due to transportation electrification at scale, investments in grid modernization with regulatory and government support, and increased need for data and digital technologies to manage these developments.

Solving these challenges requires new thinking, skillsets, and digital solutions that provide actionable insights. The main byproduct of this energy evolution is data, and the data is being created at an unprecedented pace, as new assets are introduced into the grid, and at a frequency never seen before. The challenge for utilities lies in leveraging new digital solutions to secure, process, and manage this data, and extract true value from it.

As a result, our core competencies and current portfolio of AMI (advanced metering infrastructure), Distribution Automation, Meter Data Management, EV (electric vehicle), and Load Management position us well to partner with our utility customers to optimize their grid operations as DER (distributed energy resources) integrations happen at scale.

In addition, we also see a significant shift in how utilities consume these solutions. Cloud-based SaaS (Software as a Service) delivery models are more prevalent and our expertise in providing software solutions, globally in Cloud and SaaS delivery models at scale, positions us well to grow and provide tangible benefits to our customers and end consumers. Our first customers in the Cloud are already benefiting from real-time data analytics, industry-leading cybersecurity features, and capabilities that allow utilities to run their grid infrastructure in the most efficient way and, thus, decarbonize the grid.

We have understood that these digital solutions and technologies will need to be innovative, operate at-scale and be secure, serve customers globally with delivery locally, and support multiple regulatory standards.

We have made significant investments to transform our portfolio to a fully integrated "Edge to Cloud" ecosystem that provides flexibility and choice to our customers from intelligent devices they want to manage at the edge, through various connectivity options based on the market needs, integrated into digital solutions enabled by the best-in-class Google Cloud platform.

This has enabled us to build out new products and expand into higher growth adjacencies like EV and Demand Flexibility solutions, which strengthens our competitiveness and allows us to grow our higher-value software and services business.

All of these efforts offer our customers a holistic solutions portfolio to drive their energy efficiency targets, enable the energy transition, and create a greener tomorrow together.

While Smart Metering remains the core of our business, we are increasingly driving innovation and enabling investments in Grid Edge Intelligence and Smart Infrastructure. We have temporarily increased our investments in R&D from 9% of revenue to 11% to drive our strategic transformation.

Smart Metering and Grid Edge Intelligence sensors are the foundation needed to modernize grid infrastructure globally, and the key enabler to offer true intelligence at the edge. Integrating EV solutions into the ecosystem and applying powerful AI (artificial intelligence) and ML (machine learning) analytics to the vast amounts of data our large installed base of intelligent connected devices generates, empowers not only utilities around the globe to drive energy efficiency, but also end consumers as part of our Smart Infrastructure offering.

We are bringing all of these solutions together, offering an end-to-end solutions portfolio to support customers with leading innovation and as a trusted partner, ready to solve any challenge together for a greener tomorrow.

Being able to balance power consumption and generation through flexibility management is a key advantage that we can offer our customers. Our large installed base of connected intelligent devices, paired with a rising number of EV chargers, gives us and our customers insights into consumption in real time. We apply powerful analytics from head-end-systems to charge point operator software, to consumer apps, which, in combination, allow utilities to gain an aggregated view of consumption on community, city, and service territory level, while end consumers are provided with a granular view of their own consumption, which they are now able to control and reduce through unprecedented consumer insights at their fingertips.

A pioneer in energy efficiency solutions that is leading the way toward a brighter energy future today and tomorrow, and with a successful track record that spans more than 127 years, Landis+Gyr continues to reinvent itself and scores at the top of the leaderboard. The Company is highly recognized in all countries it serves and has been pioneering breakthrough technologies across the globe for energy, gas, and water utilities for more than a century. Leveraging the latest technologies like data analytics, EV, and Flexibility solutions, we remain a true innovator.

Consequently, Landis+Gyr will continue to build a profitable, successful business, partnering with our customers and providing attractive returns for our shareholders – by managing energy better – together.

Financial Year 2022 Results

As a leading provider of energy efficiency solutions, we are very pleased with our revenue growth of over 20%, and especially our record backlog of almost USD 3.8 billion, which highlights the trust our customers have in our longstanding partnerships and technological leadership. In light of the ongoing supply chain challenges, we were able to deliver a solid margin, while cash was temporarily impacted due to strategic investments in inventory to convert our record backlog.

The results of the 2022 financial year reflect the challenging supply chain situation with an easing of the component availability in the second half of the year. The continued strong order intake of USD 1,925.8 million, corresponding to a book-to-bill ratio of 1.15, was driven by major contract wins in the Americas and EMEA regions. This resulted in a 10.6% higher committed backlog, which reached a new record level of USD 3,748.6 million.

In FY 2022, net revenue rose by 20.8% in constant currency to USD 1,681.4 million from reported USD 1,464.0 million in FY 2021. The second half of the financial year was the strongest half year in the Company's history with USD 952.7 million in net revenues as the availability of components improved.

Overall, the Adjusted EBITDA in FY 2022 was USD 139.9 million (down 4.8%) and the Adjusted EBITDA margin was 8.3%, compared to 10.0% in FY 2021. Adjusted EBITDA decreased due to significantly higher supply chain costs of approximately USD 56 million year-over-year and higher adjusted operating expenses, partially mitigated by stronger volumes.

Considering the shortage of critical components, we made strategic inventory investments to be able to fulfill customer orders of recently won large contracts and support its growth trajectory. The inventory build-up, in large part temporary, of USD 139 million led to a significantly higher operating working capital, which in turn had a negative impact on Cash Flow. Free Cash Flow (excl. M&A) was USD (22.0) million compared to USD 89.0 million in FY 2021, mainly as a result of significantly higher operating working capital. When including the net proceeds from the Intellihub divestment, Free Cash Flow was USD 160.0 million in FY 2022.

As of March 31, 2023, the ratio of net debt to Adjusted EBITDA was 0.47 times, with net debt of USD 65.6 million after the divestment of the Intellihub minority stake and the dividend payment in June 2022.

Net income attributable to Landis+Gyr Group shareholders for the FY 2022 was USD 207.9 million compared to USD 79.4 million in the prior year. Diluted earnings per share (EPS) amounted to USD 7.32 compared to USD 2.59 in FY 2021. Net income includes a gain on the sale of the minority stake in Intellihub of USD 229.7 million pre-tax and USD 160.6 million after current and deferred taxes.

For FY 2022, a progressive dividend of CHF 2.20 per share paid entirely from statutory capital reserves will be proposed to the Annual General Meeting in June 2023, after a dividend of CHF 2.15 had been paid for FY 2021.

Outlook for Financial Year 2023

As already communicated at our Capital Markets Day in January 2023, we expect a continuation of the strong net revenue trend in FY 2023, resulting in a low double-digit growth compared to FY 2022. With an anticipated gradual improvement of the supply chain cost situation, an Adjusted EBITDA margin in the range between 9% and 11% is expected for FY 2023. We forecast Free Cash Flow (excl. M&A) to be between USD 60 million to USD 90 million as the elevated inventory situation is expected to partially normalize but will remain above historical averages to fulfill customer orders of large contracts won.

Our new mid-term targets through FY 2025, with net revenue growth of mid to high-single-digit CAGR relative to FY 2021, and Adjusted EBITDA margin between 12.0% and 14.0% of net revenues, and a strong focus on cash conversion, are confirmed. Regarding the distributions to shareholders, we will continue our progressive dividend policy approach.

Decarbonizing the Grid

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

In FY 2022, Landis+Gyr signed up to the Science Based Target initiative (SBTi), committing to achieve carbon neutrality by 2030 and carbon net zero by 2050 for Scope 1, 2 and 3. Through our state-of-the-art solutions, we were able to help avoid more than 9.5 million tons of CO_2 in 2022 through our installed base of smart devices, and strive to further increase our positive impact on the environment through consistently high investments in innovative technologies and solutions.

Changes to the Board of Directors

For the upcoming Annual General Meeting of Shareholders, there will be two changes to the Board of Directors. Søren Thorup Sørensen, representative of the Company's largest shareholder KIRKBI, has informed the Board of Directors that he will not stand for re-election after serving on the Board for four years. As the new representative of KIRKBI, the Board of Directors proposes the election of Peter Christopher V. Bason as new director. Peter Bason has been Head of Long-Term Equity at KIRKBI since 2020 with prior experience at Altor Equity Partners and at McKinsey & Company.

In addition, the Board of Directors proposes the election of Audrey Zibelman as a new independent director. Audrey Zibelman brings a wealth of experience in grid operations, power markets, and public service to the Board. During her long career she most recently served at Alphabet's moonshot factory X, was CEO of the Australian Energy Market Operator, and CEO of the New York Public Services Commission.

Passion and Commitment

Our teams around the world continue to drive leading-edge innovation, the strategic transformation of our portfolio, and the expansion of our offering in integrated energy management solutions.

Especially in light of a continued challenging supply chain situation, our employees have demonstrated a high level of resilience and shown an amount of dedication toward customers and each other that deserves recognition. Therefore, we would like to thank our 7,800 employees around the globe for their continued dedication, passion, and entrepreneurial spirit to solidify our leading position and ensure continuous leading-edge innovation, customer satisfaction, and speed to market.

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

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

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

Yours sincerely,

Andreas Umbach
Chair

Werner Lieberherr
Chief Executive Officer

Consolidated Statements of Operations

	FINANCIAL YEAR ENDED MARCH 31,	
USD in thousands, except per share data	**2023**	2022
Net revenue	**1,681,386**	**1,463,961**
Cost of revenue	1,206,169	981,231
Gross profit	**475,217**	**482,730**
Operating expenses		
Research and development	175,741	160,270
Sales and marketing	78,321	71,852
General and administrative	130,883	126,690
Amortization of intangible assets	39,237	35,147
Operating income	**51,035**	**88,771**
Other income (expense), net	7,249	3,261
Income before income tax expense	**58,284**	**92,032**
Income tax benefit (expense)	(80,882)	7,002
Net income (loss) before noncontrolling interests and equity method investments	**(22,598)**	**99,034**
Net income (loss) from equity investments	229,717	(19,596)
Net income before noncontrolling interests	**207,119**	**79,438**
Net income (loss) attributable to noncontrolling interests, net of tax	(815)	35
Net income attributable to Landis+Gyr Group AG Shareholders	**207,934**	**79,403**
Earnings per share:		
Basic	7.35	2.59
Diluted	7.32	2.59
Weighted-average number of shares used in computing earnings per share:		
Basic	28,843,658	28,831,212
Diluted	28,958,880	28,831,212

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

“Our record backlog of over USD 3.8 billion, paired with our solid balance sheet, positions us well to drive growth. We will continue to drive our strategic transformation forward, as outlined during our Capital Markets Day, while managing cost diligently to mitigate supply chain exposure.”

Elodie Cingari
Chief Financial Officer

Consolidated Balance Sheets

USD in thousands, except share data	March 31, 2023	March 31, 2022
ASSETS		
Current assets		
Cash and cash equivalents	117,370	84,850
Accounts receivable, net of allowance for doubtful accounts of USD 7.4 million and USD 6.2 million	351,379	323,612
Inventories, net	242,340	143,106
Prepaid expenses and other current assets	109,018	59,680
Total current assets	**820,107**	**611,248**
Property, plant and equipment, net	117,215	116,310
Intangible assets, net	216,312	270,593
Goodwill	1,048,508	1,048,404
Deferred tax assets	43,789	43,557
Other long-term assets	178,291	197,905
TOTAL ASSETS	**2,424,222**	**2,288,017**
LIABILITIES AND EQUITY		
Current liabilities		
Trade accounts payable	214,822	163,323
Accrued liabilities	47,638	34,928
Warranty provision – current	30,862	33,433
Payroll and benefits payable	66,076	62,017
Loans payable	180,661	228,831
Operating lease liabilities – current	13,504	13,068
Other current liabilities	102,037	90,910
Total current liabilities	**655,600**	**626,510**
Warranty provision – non current	15,404	14,892
Pension and other employee liabilities	24,729	29,157
Deferred tax liabilities	37,465	36,546
Tax provision	23,747	26,529
Operating lease liabilities – non current	82,088	90,588
Other long-term liabilities	55,995	66,239
Total liabilities	**895,028**	**890,461**
Redeemable noncontrolling interests	**6,358**	**11,969**
Commitments and contingencies – Note 26		

USD in thousands, except share data	March 31, 2023	March 31, 2022
Shareholders' equity		
Landis+Gyr Group AG Shareholders' equity		
Registered ordinary shares (28,908,944 and 28,908,944 issued shares at March 31, 2023 and March 31, 2022, respectively)	302,756	302,756
Additional paid-in capital	1,100,179	1,156,312
Retained earnings (Accumulated deficit)	176,105	(31,829)
Accumulated other comprehensive loss	(52,418)	(36,596)
Treasury shares, at cost (54,764 and 74,344 shares at March 31, 2023 and March 31, 2022, respectively)	(5,069)	(6,413)
Total Landis+Gyr Group AG Shareholders' equity	**1,521,553**	**1,384,230**
Noncontrolling interests	1,283	1,357
Total shareholders' equity	**1,522,836**	**1,385,587**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**2,424,222**	**2,288,017**

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

Foundation

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Performance Review – Group

As a leading provider of energy efficiency solutions, we are very pleased with our revenue growth of over 20% and especially our record backlog of almost USD 3.8 billion, which highlights the trust our customers have in our longstanding partnerships and technological leadership. As part of our strategic transformation, we are further expanding our reach in Grid Edge Intelligence and Smart Infrastructure, empowering our customers and end consumers with software, services and solutions that enable the energy transition. In addition, integrating our EV solutions offering with analytics, we are uniquely positioned to drive flexibility solutions needed now more than ever. As part of our expansive ESG efforts, we are proud to have enabled the avoidance of over nine million tons of CO_2 through our technology and to further drive positive impact as part of our commitment to the Science Based Target initiative.

Despite ongoing global supply chain constraints, Landis+Gyr delivered a strong performance in FY 2022 with a robust order intake of USD 1,925.8 million, corresponding to a book-to-bill ratio of 1.15. In addition, the Company saw a record committed backlog of USD 3,748.6 million – an increase of 10.6% year-over-year (YoY). Net revenues increased 20.8% YoY in constant currency, while Adjusted EBITDA decreased by 4.8% to USD 139.9 million, which is equivalent to a margin of 8.3%. During a transformative financial year, Landis+Gyr expanded its reach in Grid Edge Intelligence and Smart Infrastructure solutions.

The positive development in the order intake was driven by major contract wins in the Americas and EMEA regions but also Asia Pacific contributed positively. The Americas region recorded an order intake of USD 1,163.1 million (book-to-bill of 1.31) while recent wins in the U.S. led to an increase in the committed backlog of 17.5% to USD 2,860.9 million. The region delivered strong net revenue growth of 26.1% in constant currency to USD 887.9 million caused by conversion of the strong backlog in North America, Japan and Brazil. In EMEA, orders of USD 623.3 million (book-to-bill of 1.03) were booked leading to a 0.9% lower committed backlog of USD 773.9 million due to unfavorable FX developments. Business in the EMEA region also grew significantly compared to the prior year with net revenue up 13.8% in constant currency to USD 602.3 million. While unfavorable FX impacts remained significant, the businesses acquired in 2021 contributed approximately USD 53 million year-over-year in constant currency to EMEA's overall results. In Asia Pacific, order intake amounted to USD 139.4 million, (book-to-bill of 0.73), resulting in a 34.0% lower committed backlog of USD 113.8 million, due to the discontinuation of manufacturing activities in India. Net revenue in the Asia Pacific region was up 20.8% in constant currency to USD 191.2 million, driven by strong demand in Australia, New Zealand and continued AMI project execution in Hong Kong and the Indian sub-continent.

Werner Lieberherr
Chief Executive Officer

Continued Impact of Component Availability, Price Increases, and Heightened Freight Costs

In FY 2022, Landis+Gyr saw continued challenges in its supply chain. The pressure is mainly related to three topics – material non-availability, material price increases and heightened freight costs. Although the Company did not see any order cancellations, the EBITDA results include around USD 56 million supply chain costs in FY 2022. Landis+Gyr manages costs diligently, has comprehensive mitigation actions in place and works closely with its customers and suppliers. However, the Company expects the situation to improve during the second half of financial year 2023.

Addressing Industry Trends through Portfolio Expansion

In 2020, Landis+Gyr embarked on a strategic transformation. Since then, Landis+Gyr has invested heavily to expand Grid Edge Intelligence and Smart Infrastructure to address the evolving needs of our customers. From 2020 to 2022, the Company temporarily invested an additional 2% of revenues in R&D, for a total of 11%. In addition, the R&D investments shifted toward Grid Edge Intelligence and Smart Infrastructure.

This allows Landis+Gyr to address the needs of End Consumers in its Strategic Pillar Smart Metering, solve challenges on the Community Level in Grid Edge Intelligence and provide System Solutions in Smart Infrastructure – all connected by leading Cloud Solutions. As a result, the Company has expanded its portfolio and is well positioned to capture profitable growth going forward.

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

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

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

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

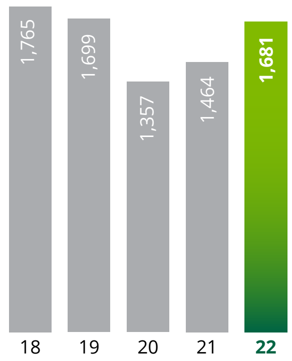
Outlook for the Group's Financial Year 2023

As communicated on January 25, 2023, and at the recent Capital Markets Day, Landis+Gyr expects a continuation of the strong net revenue trend in FY 2023 resulting in a low-double-digit growth compared to FY 2022. With an anticipated gradual improvement of the supply chain cost situation, an Adjusted EBITDA margin in the range between 9% and 11% is expected for FY 2023. Free Cash Flow (excl. M&A) is forecasted to be between USD 60 million to USD 90 million as the elevated inventory situation is expected to partially normalize but will remain above historical averages to fulfill customer orders of large contracts won. The progressive dividend policy is confirmed.

Net Revenue

1,681

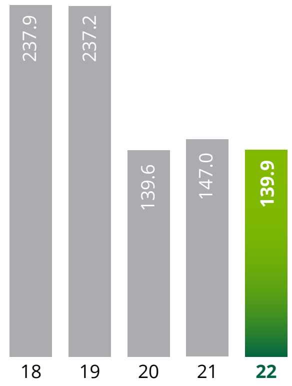
in million USD



Adjusted EBITDA

139.9

in million USD

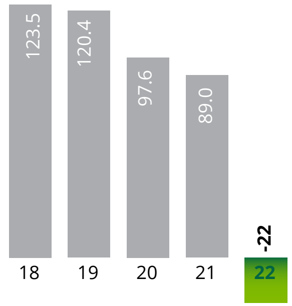


Free Cashflow

(excluding M&A)*

–22.0

in million USD



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

Performance Review – Americas

In the North American market, we see continued strong momentum and demand. We have both a strong backlog of over USD 2.8 billion and significant opportunities to further strengthen this position. The release of Revelo provides the capability for efficient orchestration of a variety of energy usage cases at the meter. We have developed both the innovation and the technology to support Flexibility Management, Distributed Energy Resource integration, and effective home energy management, underpinned by a Revelo scalable app ecosystem. These opportunities are supported by federal Government funding that understands and recognizes the need for grid innovation, grid security and resilience, and increased technology adoption within the context of increased market and customer demands.

In FY 2022, the Americas region delivered revenue growth of 26.1% in constant currency with net revenue of USD 887.9 million, compared to USD 706.7 million in FY 2021. Adjusted EBITDA increased by USD 9.6 million, from USD 109.4 to USD 119.0 million. In addition, the region achieved a record backlog of USD 2,860.9 million.

Despite the continuation of supply chain challenges, a stream of project signings drove significant backlog growth. Many of these wins required multi-year pursuits, focused on market development and intense regulatory approval processes. Landmark project signings with customers, including APS and AEP meter extensions, JEA managed services extension and EPCOR water award bolstered a record backlog of more than USD 2.8 billion.

The Inflation Reduction Act, CHIPS Act, and Infrastructure Investment & Jobs Act allocate funding for resiliency and smart grid R&D, and grants renewable energy tax credits, EV rebates, and energy efficiency programs, along with infrastructure objectives focused on enabling clean energy alternatives and preparing the US power grid for more distributed and clean energy alternatives. These developments indicate a strong commitment to the nationwide modernization of the power grid to ensure its resilience in the face of climate change, as well as to increase access to affordable and reliable clean energy amidst the rising electrification of transportation.

National Grid and Landis+Gyr Partner to Decarbonize the Grid

National Grid is the first North American utility to comprehensively install next-generation Grid Edge Intelligence technology capable of enabling sub-second data analysis, machine learning, and grid-edge applications. Landis+Gyr's Grid Edge Intelligence technology is being deployed across approximately 1.7 million electricity sensors and 640,000 smart gas meter modules, as part of a 20-year contract with National Grid for state-of-the-art grid modernization. In FY 2022, National Grid started deploying Landis+Gyr's Revelo® Grid Edge Intelligence sensor, the first and only residential electricity sensor to offer high-resolution sensing of streaming waveform data.

Sean Cromie
Executive Vice President
and Head of Americas

This advanced technology unlocks the potential to have real-time load disaggregation and decision-making at the grid edge, a key technology for giving customers more control and enabling a cleaner energy future. The National Grid contract is one of multiple notable customer partnerships, including AES Ohio, LG&E, PSE&G and Otter Tail Power, that have collectively affirmed the technology direction and trusted partnership of Landis+Gyr.

Landis+Gyr continues to serve a diverse set of communities through contracts with cooperative and municipal utilities. For utilities of all sizes, grid modernization is not limited to smart meters; this substantial investment is rationally justified with a multi-purpose platform that provides benefits beyond a traditional business case for AMI.

South America Market Gaining Traction on Cabinet Metering and Utility IoT Adoption

Landis+Gyr is leading the South American market in cabinet metering to address revenue theft with Magno®, which builds on the established uptake of cabinet metering solutions, demonstrated by major wins in South America as economic indicators move favorably with Equatorial, ENEL, and EDP for cabinet meters. Additionally, the adoption of Gridstream® Connect IP-based networks continues to expand in Brazil, through recent contracts to expand the platform in various utilities in the country. This trend toward AMI technology sophistication is also evident in the industrial and commercial metering arena where quality is a strong driver for premium commercial offerings.

Utility IoT Leadership in Japan Continues with TEPCO Contract Expansion

After announcing the continuation of a business partnership with Tokyo Electric Power Company in Japan in June 2021, on the world's largest utility IoT platform enabling 28.4 million smart meter endpoints, demonstrating unrivaled scalability and data processing capacity, in FY 2022, the project with TEPCO entered the next stage of development, including AMI software maintenance and the planned cycling of endpoints over a contract spanning the next seven years. The next generation of endpoint technology deployment is planned to begin in 2025.

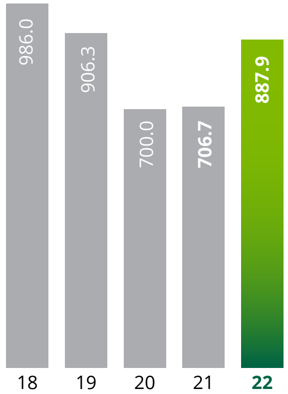
Outlook for FY 2023

Building on the success of FY 2022 while navigating the continued macroeconomic challenges will drive three primary themes for FY 2023 – delivering on market-defining customer projects, managing supply chain challenges, and achieving major technology portfolio milestones. Following the series of new customer contracts signed in FY 2021 and FY 2022, the Americas business will ensure that operational excellence remains a top priority across the organization, including efficient project management and streamlined product delivery. Additionally, the Company sees several opportunities to expand its reach through its EV Solutions portfolio, supporting customers with innovative technology that addresses the electrification of transportation and the integration of charging infrastructure into grid operations. Further, waveform data capabilities in Revelo deliver powerful clarity and insight, providing both utilities and energy consumers with precise and accurate usage data. Revolutionary technology advancements allow for flexible communication over multiple networks, and the use of pattern recognition to enable remote decision-making for real-time management of residential solar, EV charging and other loads.

Net Revenue

887.9

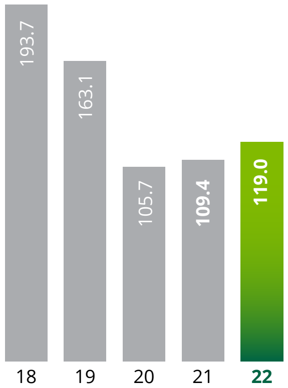
in million USD



Adjusted EBITDA

119.0

in million USD



Performance Review – Europe, Middle East and Africa

Grid operators are preparing for the energy transition, which is happening in the low voltage grid. We are providing them with the technology and the support they need to deal with the impacts of a growing number of electric vehicles, solar panels, and heat pumps. The EMEA region is well positioned to help them to monitor, detect and manage the low voltage grid with our end-to-end solution portfolio. Our smart metering solutions are proven at scale and fully integrated, secure, reliable, and address the needs of small and large customers. In addition, we are leveraging the scalability of Google Cloud to provide actionable insights based on leading data analytics solutions.

In FY 2022, the EMEA region delivered strong revenue growth of 13.8% in constant currency despite component shortages particularly in the first half of the year. Revenue increased to USD 602.3 million from USD 590.1 million in FY 2021. Profitability was impacted by significantly higher supply chain costs, investments in acquisitions, and continued investments in strategic initiatives. Several cost savings measures were initiated to counter margin pressure, which position Landis+Gyr well for the future.

Strong Momentum Driven by Energy Transition

Across the EMEA region, Landis+Gyr has seen strong momentum, driven by the energy transition, and further elevated by rising energy prices as a result of geopolitical tensions.

The Company continues to support the UK Smart Metering Implementation Programme (SMIP) and will continue to play a major role in the program. Landis+Gyr supports a full deployment of SMETS2 meters, even in hard-to-reach areas, with the delivery of at least one million bridge communication technology devices over a period of four years for the Alternative Home Area Network Company (Alt HAN Co), a regulated not-for-profit company owned and funded by all of Great Britain's energy suppliers.

Landis+Gyr continues to partner with Enedis to facilitate the massive rollout in France to cover 90% of the population, as well as overseas territories and medium utilities, in line with the regulatory timeline requirements. Landis+Gyr has significantly improved its market share in the last Linky tenders for the period from 2022 to 2026 with approximately 40% of the volume. The Company is also the number one supplier for Enedis' industrial electricity meters (PME-PMI), while being selected as one of Enedis' major partners for designing the next-generation industrial and commercial meter to be rolled out starting from 2026.

Bodo Zeug
Executive Vice President
and Head of EMEA

In Belgium, Landis+Gyr continues to partner with Fluvius System Operator to supply 2.5 million E360 residential smart electricity meters and 1 million residential smart gas meters, with installations starting in 2023, and will also provide 15 years of metering as a service as well as IoT connectivity as a Service.

The Nordics remain an important region for Landis+Gyr, with more than one million smart meters contracted in Sweden and Denmark and winning the majority of the KV alliance tenders in Finland for 500,000 metering points. With the acquisition of Telia's meter reading services business in FY 2021, Landis+Gyr further strengthened its leading position in the market and now delivers tens of millions of meter values to 63 utilities daily, covering approximately 2.5 million metering points.

The Swiss Smart Metering rollout is in full swing, driven by the regulatory obligation for the distribution system operators (DSOs) to deploy 80% smart meters by 2027. This is driving high order intake volumes for residential smart meters. Continued public tender activities throughout FY 2022 and beyond secure a sustainable opportunity pipeline, while the Company was able to win more than 300,000 additional metering points in FY 2022 and set a new benchmark with the introduction of E360 meters, integrated connectivity offering, and EV solutions.

Smart Ultrasonic Water & Heat Solutions

Landis+Gyr continues to strengthen its water and heat business, serving its customers with state-of-the-art metering capabilities, combined with comprehensive solutions and digital services. The Company has delivered a strong growth performance in its heat business and is well positioned to leverage the expected high growth in the water metering segment by supporting utilities in combating water losses.

EV Expansion to Address Rapid Electrification of Transportation

Starting with the acquisitions of Etrel and True Energy in FY 2021, Landis+Gyr has consistently expanded its reach and offering in the EV infrastructure market. The current portfolio ranges from hardware to software, and includes apps, load management, and charging management solutions. The Company's offering supports home, semi-public, public, and fleet charging applications, while providing reliable, recyclable, competitive, and configurable solutions, with charging monitoring and control options provided by its Ocean software. The portfolio is user-friendly and ensures simplicity, reliability, and scalability and, thus, positions Landis+Gyr well to capture growth going forward.

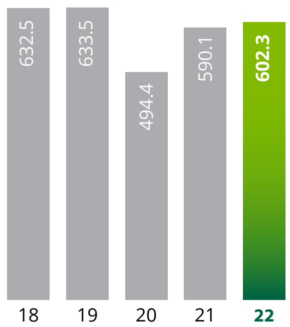
Outlook for EMEA's Financial Year 2023

Landis+Gyr expects to continue to capture growth through second-wave rollouts in the UK, Northern Europe, and upcoming first-wave rollouts in Central and Eastern Europe. With increased public tender activity in Switzerland throughout FY 2023, as well as a favorably changing regulatory environment in Germany, the Company expects continued strong momentum. In addition, the Company sees numerous opportunities in the EV Solutions markets and will continue to build on its expertise and expand its reach in the EV infrastructure market. The integration of Luna, a cost-efficient manufacturing platform in Izmir, Turkey, is progressing according to plan. Through technology transfers and capabilities expansion, Luna supports Landis+Gyr's growth trajectory in the region and allows it to capture new markets. As the global demand for electronic components is still at high levels, Landis+Gyr continued to monitor the situation and works closely with suppliers and partners to mitigate any risks.

Net Revenue

602.3

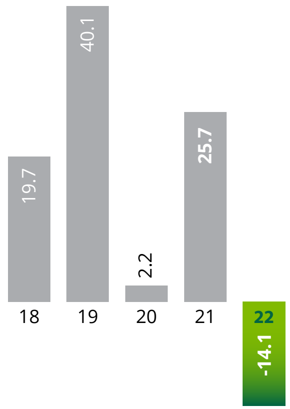
in million USD



Adjusted EBITDA

–14.1

in million USD



Performance Review – Asia Pacific

We have made significant progress on new growth areas as a result of our entrepreneurial spirit and strong collaborative efforts. In financial year 2022, we were able to deliver significant revenue growth, while we see a continuing positive trajectory with recent portfolio releases delivering new business in the future. With a tremendous number of opportunities in the Asia Pacific region, as emerging markets start to adopt smart metering technology, we also continue to expand our reach in smart water and see new opportunities emerging in the electric vehicle infrastructure markets.

In FY 2022, the APAC region was able to significantly increase net revenue by 20.8% in constant currency, from USD 167.2 million in the previous year to USD 191.2 million, driven by strong demand across Australia, New Zealand and continued AMI project execution in Hong Kong and the Indian sub-continent.

Across ANZ, Landis+Gyr experienced continued success in further strengthening its smart water metering offering with network leak detection technology. In FY 2022, the Company repositioned its business focus in India as a solution provider, offering software, communications, and services, while ceasing manufacturing activities. While supply chain challenges, particularly component availability constraints, eased, Landis+Gyr navigated through the remaining uncertainties by working very closely with its customers to minimize risks.

Continued Strong Momentum across Australia and New Zealand for Smart Water and AMI Technology

Landis+Gyr's smart ultrasonic water meter, integrated with Australia's South East Water (SEW) Sotto® network leak detection technology, continued to gain traction with a contract won with Watercare, New Zealand's largest water utility, deploying their first smart metering roll-out in Auckland in early October 2022. As the market transitions from pilot to deployment in Australia and New Zealand, Landis+Gyr is well positioned to capture growth with its second generation of ultrasonic and NB-IoT enabled smart water meter, developed according to the Company's Green Design Principles to meet utilities' commitments to sustainability goals.

In addition, Landis+Gyr continues to build on its services offering, including Software as a Service (SaaS) across electricity, water, and gas segments. Yurika, part of Energy Queensland, is now in full deployment mode utilizing Landis+Gyr's latest generation of E360 smart meter, which leverages on the Company's Gridstream SaaS service.

Steve Jeston
Executive Vice President
and Head of Asia Pacific

Landis+Gyr has a significant gas business across Australia and New Zealand and is expanding the offering to smart gas residential. The Company has introduced a hybrid smart metering solution, comprising NB-IoT technology, that can be easily connected to more than 2 million smart-ready residential gas meters in the field across ANZ.

After divesting its stake in Intellihub, the transaction was completed in April 2022, amounting to a net income gain of USD 229.7 million pre-tax and USD 160.6 million after current and deferred taxes. Landis+Gyr continues to partner with Intellihub to supply meters across their Australia and New Zealand footprints. Their continued growth as the leading meter services provider in the Power of Choice market, which seeks to provide consumers with more opportunities to make informed choices regarding how they use electricity, has provided Landis+Gyr with the highest demand since the beginning of Victoria's smart meter rollout.

Hong Kong AMI Projects Continue at Full Pace and on-going rollouts in Southeast Asia and Bangladesh

In Hong Kong, CLP Power (CLP) and Hong Kong Electric (HEC) Gridstream solution projects continued at full speed throughout FY 2022 and are on track for completion, despite supply chain constraints.

In the Philippines, Landis+Gyr is seeing an increased interest for Smart Grid solutions, in which the Company deploys its Gridstream AMI solution deployed with the country's largest utility. Landis+Gyr sees an emerging awareness around the impact that larger scale EV penetration will have on the electrical grid, with many utilities seeking solutions to manage a balanced grid. The largest utility in the Philippines has a dedicated vertical for e-mobility, which has commenced an EV pilot program to expand its own understanding on the requirements of the future grid.

In other parts of Southeast Asia, AMI is progressing in different waves, with Indonesia taking a significant step forward and by awarding its first major AMI tender for 1.2 million end points under an OPEX model. Landis+Gyr is positioned as a technology and solutions provider, leveraging on strategic partners, where needed, to remain competitive.

Across the Indian sub-continent, Landis+Gyr continues to partner with Dhaka Power Distribution Company (DPDC) in Bangladesh to build on its Gridstream Solution after the Company had delivered 270,000 smart meters to the utility, which will enable prepayment billing.

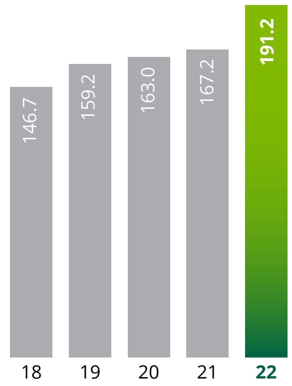
Stable Demand for Landis+Gyr's High Precision Meters in China

In China, Landis+Gyr continues to see investments in renewable power plants, which provide stable demand for the Company's high-precision grid meters. Landis+Gyr continues to hold a strong position in this segment and will invest in the Company's market offering to maintain and grow its current market position.

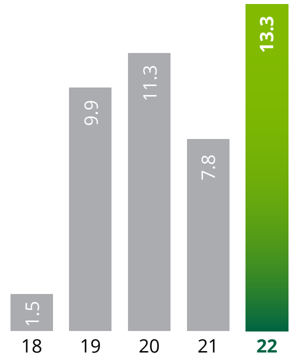
Outlook for APAC's Financial Year 2023

In FY 2023, demand for Landis+Gyr's products and services across the Asia Pacific region will remain strong. In Australia, Landis+Gyr expects the smart electricity meter demand to remain stable as a result of existing and new project wins. With the early signs of an increasing demand for electric vehicles, utilities will need to further strengthen the resilience and reliability of the electricity grid. This will spur the need for increased network management, enabled by the deployment of smart metering, including new growth opportunities for the Company's EV Solutions of smart fast AC chargers and grid flexibility applications. In addition, as the integrated smart water meter offering detects network leaks, it is expected to be in strong demand due to the increasing focus to reduce non-revenue water losses. The ongoing smart city transition in Hong Kong will continue to be an important contributor to Landis+Gyr's outlook. Furthermore, the Company expects to see existing pilots in Southeast Asia to progress toward the tendering stage, with deployments beginning shortly thereafter. On the Indian sub-continent, investments in Smart Metering projects will be significant and Landis+Gyr is well positioned to capture the opportunities as a solutions provider of integrated software, communications, and services.

Net Revenue
191.2
in million USD



Adjusted EBITDA
13.3
in million USD

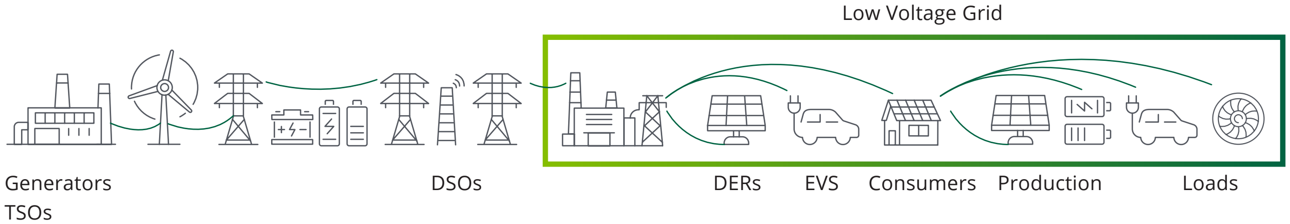


Value Drivers

Market Environment

Spearheading the energy transition for its utility customers, Landis+Gyr has established itself as a trust-worthy and innovative partner for measuring and analyzing energy utilization. The Company is a leader in the development of grid edge solutions and technologies. Global warming, the current energy crisis and unpredictable energy prices are driving customers' demand for Landis+Gyr's sophisticated energy efficiency and grid management solutions.

Energy Transition happens in Low Voltage Grid…
…bringing a number of new challenges for customers



To deal with these new challenges

our customers need observability at the Low Voltage grid level

and achieve controllability

Utilities face four main challenges today:
- End consumers' behavior is changing as consumers become prosumers, installing photovoltaic and on-site battery storage; energy consumption is increasing with the electrification of transportation and space heating.
- Sustainability efforts to combat climate change and reduce greenhouse emissions leads to the installation of more Distributed Energy Resources, or DERs, such as photovoltaic, windfarms, battery storage and EV charging infrastructure. The grid has become more decentralized and bidirectional; power generation is more volatile and requires careful planning and monitoring.
- Large investments in cleaner, safer, more reliable and modernized infrastructure are being made to support global efforts to decarbonize the grid, in particular increased investments in public charging infrastructure.
- All of these developments accelerate the digitalization of the grid and the increased demand for data and digital technologies, to generate actionable insights.

The energy transition happens at the Low Voltage grid and raises the question: Is there sufficient grid capacity and is the current infrastructure reliable and resilient? Therefore, utilities need visibility and certainty about the impact to their grid operations: Observability and Controllability are the two key aspects. On the residential side, with the energy prosumers, utilities need a very dynamic understanding of their network usage, power quality degradation, alarms and events, to maintain grid reliability. On the substation side, distribution system operators need real-time monitoring and sending this information to the control room, for grid operators to define their control schemes and manage the low voltage grid through peak shaving and congestion management.

Sustained growth in electricity consumption propels the need for integrated solutions, leveraging data analytics, AI & ML, and Demand Flexibility Solutions. The energy transition also generates a wealth of new data. And this data is being created at an unprecedented pace as new assets are introduced into the grid, at a frequency never seen before. The challenge for utilities will be leveraging new digital solutions to secure, process and manage this data and extract the true value from it. Cybersecurity solutions are also needed to keep the now connected critical infrastructures safe from attacks and ensure grid stability.

In summary, evolving customer challenges require actionable insights to enable grid orchestration and consumer engagement. Landis+Gyr is investing into new technologies to address and solve these challenges and empower our customers to operate their grids more efficiently.

Strategy & Business Model

As the need for grid visibility and reliability increases, as consumers get more engaged and as energy efficient solutions that provide a better foundation for the energy transition are needed, Landis+Gyr offers an end-to-end product stack that tackles these challenges.

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

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

Smart Metering

Landis+Gyr's smart meters are the key enablers of smarter grids. The company's portfolio of electricity meters has evolved over the years to respond to and anticipate the evolution of the market needs. Landis+Gyr's meters are the eyes and ears of the grid. They enable the monitoring of the complete low voltage grid and can observe at any time what is going on in terms of stability, power quality and voltage fluctuations. The data provided by smart devices is the foundation for analytics and Landis+Gyr's leading installed base of over 320 million devices, of which over 137 million are intelligent connected devices, is a strong enabler. Landis+Gyr continues to broaden its portfolio of intelligent sensing devices in the electricity, gas, water, and heat segments. With the market introduction of its ultrasonic water metering portfolio, Landis+Gyr is adding new sensing capabilities into the water infrastructures to monitor water flows and consumption patterns and help reduce non-revenue water.

Grid Edge Intelligence

Landis+Gyr's core competencies and current portfolio of AMI, Distribution Automation, Meter Data Management, EV and Load Management positions the company to partner with its utility customers to optimize their grid operations as DER integrations happen at scale. As cloud-based SaaS delivery models are becoming more prevalent, Landis+Gyr can leverage its expertise in providing software solutions globally in cloud and SaaS delivery models at scale. This data and analytics market, forecast to grow at a very healthy CAGR of 15% over the next few years, is a sweet spot for the Company to grow its software and solutions business. Leveraging the data gained with these grid edge sensors, applications like Power Quality detect weakness in the grid and enable a faster implementation of new elements in the grid, such as EV chargers, solar panels, and heat pumps. The increased penetration of DERs & smart appliances is pushing the need for Load Management, Demand Response, and overall Flexibility Management solutions. Landis+Gyr end-to-end product stack enables Demand Flexibility Management, with its Grid Edge Devices that collect and process data while its Connectivity Services ensure that these data sets are transmitted, in some cases in real time, to the Cloud Platform that enables analytics solutions to generate actionable insights for our customers and end consumers.

Smart infrastructure

Landis+Gyr smart infrastructure solutions range from the enablement of smart streetlights, smart cities, to EV charging infrastructure, built on a scalable and robust IoT platform. The electrification of transportation is driving the need for new solutions to allow a seamless integration of these assets. Landis+Gyr EV portfolio has grown to offer a comprehensive suite of chargers, charging management software, consumer applications to empower users and services to support utilities. The solution orchestrates charging management and load management.

In addition, cybersecurity is a growing concern for utilities, with regulatory framework updates driven in part by past attacks seen targeting critical infrastructure, as well as a realization by Governments that occurrence of cyberattacks on critical infrastructure is increasing, and current programs are not mature enough to properly defend against cyber threats. Increases in cyber risks are driving more focus on threat prevention, detection, and response. The smart infrastructure space will continue to evolve and expand, and as more smart devices are connected to the grid, more options for attacks will be seen along with an increase in impacts when an attack is successful. Landis+Gyr has further developed its cybersecurity solution suite to offer leading cyber and grid edge security solutions, across the entire portfolio and product lifecycle.

R&D, Innovation & Portfolio

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

In FY 2022, Adjusted R&D investments were USD 172.9 million, representing more than 10% of net revenues, to drive the Company's transformation. While smart metering remains a cornerstone of Landis+Gyr's business, it has expanded its reach in Grid Edge Intelligence and Smart Infrastructure to offer integrated solutions for every challenge utilities face on their journeys to modernize and decarbonize the grid. These temporarily higher expenses support strategic initiatives, including the partnership with Google, smart water and smart gas initiatives, the expansion of its EV Solutions business, and the digital transformation of the Company as a software and services provider.

Smart Metering

In FY 2022, Landis+Gyr continued to enhance the motorized service disconnect in the FOCUS AXe meter to meet the latest American National Standards Institute (ANSI) heat rise testing requirements, refreshed its water and gas retro-fit communication modules and made strides in the development of an ultrasonic gas meter, available for volume shipments in 2023. The Company also introduced Magno®, a cabinet grid-sensing solution, to the South American market. This technology combines 20 years of anti-tampering innovation with enhanced energy measurement and leading-edge communication technology.

In the important UK market, Landis+Gyr developed and introduced the latest SMETS2-compliant gas and electricity meters, and the unique AltHAN communication solution to support UK customers to enable communication to all customer devices. For industrial applications, Landis+Gyr launched the second generation of the grid edge sensor E660 to deliver precision insights on consumption, grid status and power quality. The E660 offers powerful capabilities for network monitoring and grid edge control, all in one device. Landis+Gyr has also introduced a new-generation heat and cooling meter, the T450, with state-of-the-art communication while the strategic project for smart water metering is ongoing and evolves as planned. The entire heat, cooling and water portfolio includes Internet of Things (IoT) communication technology.

Landis+Gyr has developed the next-generation Gridstream RF mesh IP radio, leveraging its own discrete Multi-Chip Module named MCM0, enabling cost-competitive RF communications for the Indian and Bangladesh markets. Additional benefits of this development were the reduction of the use of plastic material given the significantly smaller physical size and the reduction in the number of components. At the same time, the Company is seeing increasing demand for smarter and more precise data delivery in the power quality and grid metering segment, particularly in efforts to modernize substations. Landis+Gyr is well-positioned to capture this growing market with the newly launched E660 meter, enabling its Asia Pacific network customers to better manage a balanced grid.

In the emerging smart water segment in ANZ, Landis+Gyr has taken a leading role by partnering with industry leaders and introducing an advanced IoT smart water solution that includes a smart water meter, using NB-IoT communications technology and leak identification capability, with the option for cellular connectivity and device management in the form of SaaS. This business activity paves the way for the upcoming developments of a comprehensive Landis+Gyr smart water solution offering for the region.

Grid Edge Intelligence

Landis+Gyr deployed the first Revelo®, a grid-sensing meter, featuring high-powered edge computing, waveform sensing and edge applications for the North American market. The advanced technology unlocks the potential to have real-time load disaggregation and decision-making at the grid edge and led to Landis+Gyr's recognition as a Top 10 AI Vendor for DER Integration in the Guidehouse Leaderboard Report.

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

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

Smart Infrastructure

Highlights of Landis+Gyr's Smart Infrastructure portfolio include the release of the enhanced mesh router and technology upgrades to the smart street light solution. The router now features 15-year battery technology and onboard GPS. The updated street light management solution provides utilities and communities with safe, energy efficient illumination and flexible integration options with Landis+Gyr's street light management application, Smart Community Center.

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

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

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

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

INCH Home EV Charging Station

Connecting Data and Building a Digital Ecosystem with Google

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

Emerge, the new IoT AMI HES, provides "edge to cloud connectivity" using various communication technologies beyond smart meters to build future smart infrastructure and cities. In addition, Emerge offers choices for utilities, providing flexibility across public, private or hybrid deployment models, to align with their cloud strategy and investment while meeting industry-leading security standards and availability capabilities. The first release of Emerge was delivered in FY 2022, followed by the migration and onboarding of customers in the Americas region, as part of the pilot and migration phase.

At the same time, Landis+Gyr and Google have collaborated to build an advanced analytics solution that utilities can access flexibly, serving a broad range of use cases whose launch is planned in multiple phases. The first phase of use cases, which is currently piloted with a few existing customers, was released in FY 2022, and includes power quality, pattern detection, as well as EV identification, smart insights and edge intelligence integration. Subsequent use cases are expected to be released on a quarterly basis over the course of the next two years, prioritized based on market needs and customer opportunities.

Together with Google, Landis+Gyr has established an offering that provides a high degree of sophisticated automation and analytics needed to manage a system powered by an increasing variety of energy sources, and which creates a combination of power domain expertise with artificial intelligence (AI) and machine learning (ML) to deliver predictive and prescriptive insights, as well as distributed analytics at the edge, which are critical to analyze the energy demand and control the grid in an efficient way.

Flexible Solutions to Address Evolving Customer Challenges

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

The Company continues to expand its reach, both geographically and technologically. Combining its smart metering and grid edge capabilities with EV and analytics solution in smart infrastructure, Landis+Gyr is partnering with its network of customers, partners, and suppliers to introduce new interconnected solutions that deliver unprecedented insights and, thus, ensure continued grid stability, power quality, and the decarbonization of the grid. By bringing all of its capabilities together, Landis+Gyr is able to orchestrate demand and supply through flexibility management, enabling utilities to operate their grids as efficiently as possible, while empowering end consumers to take control of their consumption and carbon footprint.

Maintaining a Strong Brand

The Landis+Gyr brand is managed strategically as an intangible asset and represents a major part of its corporate identity. At the core of the corporate brand are Landis+Gyr's values that capture the essence and elements of how the Company is doing business: customer intimacy, innovative technology, entrepreneurial spirit, uncompromising performance, and sustainable impact. In addition to the corporate brand, Landis+Gyr maintains solution (i.e., Gridstream Connect) and product (i.e., Revelo, E360) brands for its integrated energy management portfolio. With the recent acquisitions, the Company is currently in the process of onboarding and integrating other brands as part of the Landis+Gyr family. Landis+Gyr's global portfolio includes granted patents and pending patent applications, filed in over 50 countries. These filings reflect innovation in a broad array of energy management technologies in Smart Metering, Grid Edge Intelligence and Smart Infrastructure, including additional inventions supporting growth in solar and other distributed energy resources. Landis+Gyr continues its long tradition of protecting a pipeline of new ideas that will further strengthen its position as a global innovator in future energy management. At the end of FY 2022, the overview of active, pending and granted patents was as follows:

	FY 2022	FY 2021	FY 2020
Active	1134	998	914
Pending	978	805	509
Grants	156	193	76

People

In FY 2022, people at Landis+Gyr demonstrated a high level of dedication, passion, commitment, and flexibility while ensuring the continued successful transformation of the Company. Landis+Gyr fosters a culture of open and transparent collaboration, empowerment, and team work to drive leading innovation and unrivaled customer service. Global initiatives and continuous learning activities further enhance and drive a culture of transparency, continuous improvement, and high performance across the Company.

FY 2022 was a transformational year for Landis+Gyr. Looking back at the past twelve months, which were characterized by the continued strategic transformation initiative, employees have demonstrated a high level of resilience and shown a great amount of dedication toward customers and each other, driving leading-edge technology, customer intimacy and speed to market. At the end of the financial year, Landis+Gyr employed 7,750 people across the globe.

Continuous Learning – A Habit that Drives Excellence

The world and the workplace are constantly evolving, and to stay ahead, Landis+Gyr must embrace a culture of continuous learning. The Company is committed to cultivating a workplace where learning is not just an occasional event, but a daily habit ingrained in the team's mindset. Through a range of initiatives, employees are encouraged to seek and share knowledge, acquire new skills, and expand their horizons.

The Company's commitment to continuous learning starts with providing access to a wide array of learning resources. From online courses and industry conferences to in-house training programs and knowledge-sharing sessions, Landis+Gyr ensures that team members have the tools they need to stay ahead of the curve. Landis+Gyr also promotes cross-functional collaboration, encouraging employees to share their expertise and learn from one another. The Company's employees dedicated more than 50,000 hours for personal development, out of which 74% represent hours spent on Online Learning platforms. In FY 2022, a total of six regional and functional learning weeks were held, all of which included a series of instructor-led, live learning events. These events, sponsored by the Executive Management Team, provided employees with the opportunity to engage with the business, explore technologies, and gain insights into the latest initiatives to address the emerging challenges and trends in a dynamic industry.

To further foster a learning culture, Landis+Gyr celebrates curiosity and recognizes innovation. Employees are encouraged to explore new ideas, challenge existing practices, and experiment with novel approaches. Landis+Gyr provides a supportive environment where mistakes are seen as opportunities for growth, and feedback is valued as a catalyst for improvement.

Recognizing that learning extends beyond formal training, the Company further promotes self-directed learning through mentorship programs and encourages individuals to set personal development goals and provide them with resources to pursue their learning journeys.

By making continuous learning a habit, the Company prepares team members to create change, leverage new technologies, and grow their career while growing the Company. Landis+Gyr's commitment to lifelong learning not only benefits individual growth but manifests itself in innovative technological developments, which benefit customers, society, and the Company. Learning enables the Company to remain at the forefront of innovation and deliver exceptional value to its manifold clients and stakeholders.

Transformational Leadership Program

Recognizing that traditional leadership skills alone are insufficient for success in today's rapidly evolving landscape, Landis+Gyr launched its second edition of the Transformational Leadership Program in 2022. Designed to equip senior managers with advanced complex and adaptive thinking abilities, this program aimed to empower them as agile leaders capable of driving the company's ongoing strategic transformation. Comprising three modules, the program delved into the crucial role of people-centered leadership in energizing teams, leading and managing change, achieving sustainable competitive advantages, and inspiring transformational coaching. By providing our leadership team with necessary tools and insights, the Transformational Leadership Program empowered them to effectively manage their teams' success amidst the company's ongoing transformation journey. With a focus on agile leadership and adaptive thinking, leaders are well-positioned to navigate the challenges of today's dynamic business landscape, driving innovation, and fostering a culture of continuous improvement at Landis+Gyr.

DEI Initiatives in FY 22 – Fostering Diversity, Equity, and Inclusion

In FY 22, Landis+Gyr took significant steps to prioritize Diversity, Equity, and Inclusion (DEI) across the organization. Embedding DEI criteria into mentorship and training programs, as well as succession planning, was a key focus. To enhance awareness and emphasize the importance of diversity and inclusion, comprehensive training initiatives were implemented, including a 'Code of Business Ethics and Conduct' training with a specific focus on Diversity & Inclusion.

The commitment to DEI extended beyond training, with initiatives such as supporting R U OK? Day and participating in events like International Women's Day and International Women in Engineering Day. Landis+Gyr also established affinity groups, including Women Invincible, to foster communication, collaboration, and growth opportunities for female employees. By aligning with organizations and associations affiliated with underrepresented groups, the Company aimed to increase diverse representation and recruitment. Landis+Gyr's commitment to DEI is further reflected in its commitment to equal pay and gender balance, as well as its Level 1 Black Economic Empowerment (BEE) certification in South Africa, which underscores the Company's commitment to the advancement of women of color.

Introducing the Employee Share Purchase Plan (ESPP) – Fostering Employee Ownership and Engagement

In FY 22, Landis+Gyr proudly launched its Employee Share Purchase Plan (ESPP), an initiative designed to increase employee ownership and strengthen engagement. The ESPP offers team members the opportunity to purchase company shares at a discounted rate, aligning their interests with the Company's long-term success. The launch was very well received, resulting in over 200 enrollments in 20 countries. By participating in the ESPP, employees not only have the potential to share in the financial rewards of the Company's growth, but also develop a deeper connection to Landis+Gyr's mission and goals. Ultimately, the ESPP underscores Landis+Gyr's commitment to building a thriving and inclusive work environment where everyone has a stake in the Company's continued success.

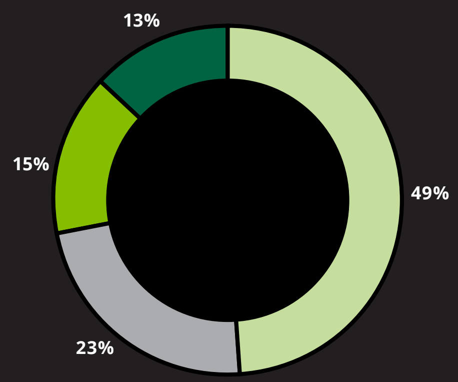
Energized

Every month, Chief Executive Officer Werner Lieberherr holds three Energized sessions, one for each region to accommodate different time zones and enable as many employees as possible to participate in these monthly employee dialogs. After providing an update on customer wins, challenges and focus areas, business news and strategic initiatives, employees have the opportunity to submit their questions directly or anonymously to the Chief Executive Officer. Energized fosters a culture of open and transparent communication, offering employees the chance to provide direct feedback and pose their questions directly to the highest level within the organization. These regular dialog sessions drive employee engagement and ensure complete alignment throughout the organization to ensure continued success as a team.

Looking Ahead

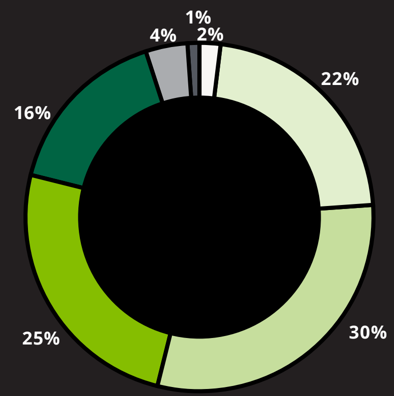
As the Company reflects on its achievements and the remarkable contributions of its people, it also looks to the future with great anticipation. Landis+Gyr remains committed to attracting and retaining top talent, fostering their growth, and ensuring that the Company continues to be an employer of choice. Landis+Gyr's employees are the cornerstone of its success, and the Company will continue to invest in their development, well-being, and satisfaction, as it strives for excellence in all that it does.

Employees by Function



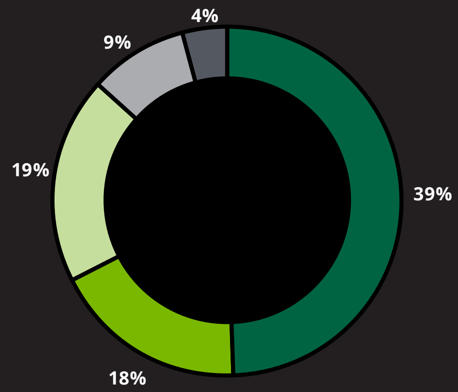
- SCM & Operations
- R&D
- Sales & Customer Operations
- Other

Employees by Age



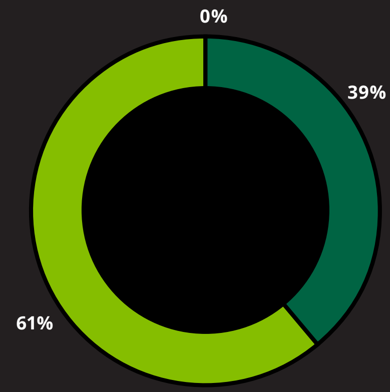
- Under 20
- 20–29
- 30–39
- 40–49
- 50–59
- 60–64
- 65+

Employees by Length of Service (in years)



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

Employees by Gender



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

Learning Hours 2022

16.8

Hours per Employee
Average Hours of Training

Workforce 2022

7,750

Employees
Total Number of Employees

Open Positions

300+

Available Jobs
Open Positions as of May 2023

Apply Today!

careers.landisgyr.com

Risk Management

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

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

Oversight by the Board of Directors

Landis+Gyr's Board of Directors has a total of three committees, of which the Audit, Finance and Risk Committee (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 2022, the Group Risk Report was reviewed with the Board of Directors at the March 2023 board meeting.

Risk Radar and Mitigation Actions at the End of FY 2022

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

Exposure to component market shortages and constrained global logistics improved overall but continues to pose challenges

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

Financial risk caused by inflation

- Review and adapt pricing strategy
- Negotiation on materials and components procurement
- Operational excellence measures to improve cost base

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

- Strengthen quality standards according to the House of Quality
- Implemented a global standardized supplier management process
- Continuous Improvement process from Global Zero-Defect and Quality Now Initiatives

Cyberattack or product hacking

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

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

- Significant investments in new product development in all three growth platforms to continually introduce new products to the market
- Systematic build / buy / partner evaluation to optimize resources and align time to market
- Expand into gas and water, reinforce software & services

Further information on risk management is provided in the Corporate Governance Report on pages 16/17.

Sustainability

For more than 127 years, Landis+Gyr has delivered innovation that enables the energy transition and empowers customers and consumers to utilize resources in a more informed and sustainable way and reduce their carbon footprint. Through leading Smart Infrastructure, Grid Edge Intelligence, and Smart Metering solutions, the Company supports global efforts to decarbonize the grid and create a greener tomorrow.

Sustainability is at the core of Landis+Gyr's innovation, operations, and culture. The importance of sustainability is expressed in Sustainable Impact being one of the Company's shared values, as well as by incentivizing all bonus eligible employees with 20% ESG related targets as part of the Company's short-term incentive targets. Landis+Gyr is proud to be a part of the global effort to decarbonize the grid and continues to be committed to the UN Global Compact and its ten principles in the areas of human rights, labor, environment, and anti-corruption. In addition, Landis+Gyr joined the Science Based Target initiative (SBTi) in March 2022 and targets submitted in November 2022 are currently undergoing validation. The Company continues to contribute to the Sustainable Development Goals (SDGs), particularly SDG 7 (Affordable and Clean Energy) and SDG 13 (Climate Change). Further, Landis+Gyr improved its ESG rating scores, including EcoVadis and Prime Status (top decile) in ISS ESG.

The Company is proud of its achievements and convinced that it is driving the right priorities to continue to support sustainable resource management all over the world, while at the same time fostering a culture of integrity and responsibility – today and tomorrow.

With this Annual Report, Landis+Gyr provides an update on the material topics, ambitions, actions, and achievements for the current ESG Cycle, which started in financial year 2022. While this chapter provides an overview of Landis+Gyr's ESG strategy and activities, the Sustainability Report offers a more detailed perspective.

Material Topics and Achievements ESG Cycle FY 2022–24

The materiality assessment is fundamental to Landis+Gyr's ESG strategy. As a global energy management solutions leader, Landis+Gyr focuses on its resources and efforts related to the most strategic ESG areas and topics. The materiality assessment conducted in FY 2021 confirmed Landis+Gyr's strategic positioning and ESG approach.

Landis+Gyr is focussing its resources and efforts on the topics that are considered most strategic to its business and offer the greatest potential in terms of impact. This updated materiality assessment resulted in a final list of ten material topics for the current ESG cycle from FY 2022 to 2024.In FY 2021, Landis+Gyr refreshed its FY 2018 materiality assessment and engaged a diverse group of stakeholders to identify material topics most relevant for Landis+Gyr's ESG cycle from FY 2022 to 2024, the Company's business and its stakeholders. Members of the Board of Directors, investors, suppliers, customers, NGOs, government authorities, business partners, employees (in their capacity as stakeholders, as well as local communities and a diverse group of internal subject matter experts were invited to participate in interviews and a survey, where the significance of potential topics along three dimensions were explored: relevance, impact, and trend. This updated materiality assessment resulted in ten material topics for the next ESG cycle from FY 2022 to FY 2024.

Final List of Material Topics:

1) Product Social Impact
2) Resource Efficiency
3) Energy Efficiency and Climate Protection
4) Employee Engagement
5) Fair Labor Practices
6) Occupational Health and Safety
7) Community Engagement
8) Strategic Responsible Sourcing
9) Security and Data Privacy
10) Business Integrity and Fair Taxes

The topics were ranked by level of stakeholder concern and potential impact on the Company. More than 70 activity items were defined and have been implemented along with a central global roadmap.

In FY 2022, Landis+Gyr's global Smart Metering base ensured the avoidance of 9.56 million tons of CO_2 emissions. At the same time, the percentage of products shipped as part of the Company's Eco-Portfolio increased to 78%.

In the past financial year, Landis+Gyr was able to increase its portion of renewable electricity to 59 percentage points and its CO_2 emissions amounted to 0.76 kg) per USD 100 turnover, while water usage decreased to 12.4 m^3 per employee, and proportion of waste to landfill was reduced to 6.17%.

In addition, the Company maintains a high rate of average hours of training for employees and increased the percentage of suppliers who signed Landis+Gyr's Supplier Code of Conduct and green procurement policy. In the area of governance, Landis+Gyr updated its Anti-Bribery & Corruption Policy and ensured committment to the anti-corruption policies.

Targets

Relying on our materiality assessment (see 'Stakeholder engagement and materiality assessment' section below) as the basis for its ESG strategy, Landis+Gyr has identified ten key material topics within four dimensions.

Products & Solutions

- Product Social Impact
- Resource Efficiency

Climate & Environment

- Energy Efficiency & Climate Protection, incl:
  - GHG emissions
  - Water
  - Waste

People & Wellbeing

- Occupational Health & Safety
- Fair Labor Practices
- Employee Engagement
- Community Engagement

Business Ecosystem

- Business Integrity
- Strategic Responsible Sourcing
- Security & Data Privacy

Further Information

Share Information

Key Stock Exchange Figures

	FY 2022 (1.4.22 – 31.3.23)	FY 2021 (1.4.21 – 31.3.22)
Share price period end (CHF)	70.05	58.70
Share price high (CHF)	73.15	74.50
Share price low (CHF)	48.88	55.60
Market capitalization period end (excl. Treasury shares, CHF million)	2,021	1,693
Average daily trading volume on SIX Exchange (number of shares)[1]	55,753	82,226
Number of issued shares	28,908,944	28,908,944
Number of treasury shares (period end)	54,764	74,344
Nominal value per share (CHF)	10.00	10.00

1) Data source: SIX Swiss Exchange

Key Per Share Figures

	FY 2022 (1.4.22 – 31.3.23)	FY 2021 (1.4.21 – 31.3.22)
Earnings per share – diluted (USD)	7.32	2.59
Dividend per share (CHF)	2.20	2.15

Shareholder Structure

As of March 31, 2023, 8,926 shareholders were entered in the share register. The following shareholders held 3% or more of the outstanding share capital of Landis+Gyr Group AG (as per notifications received).

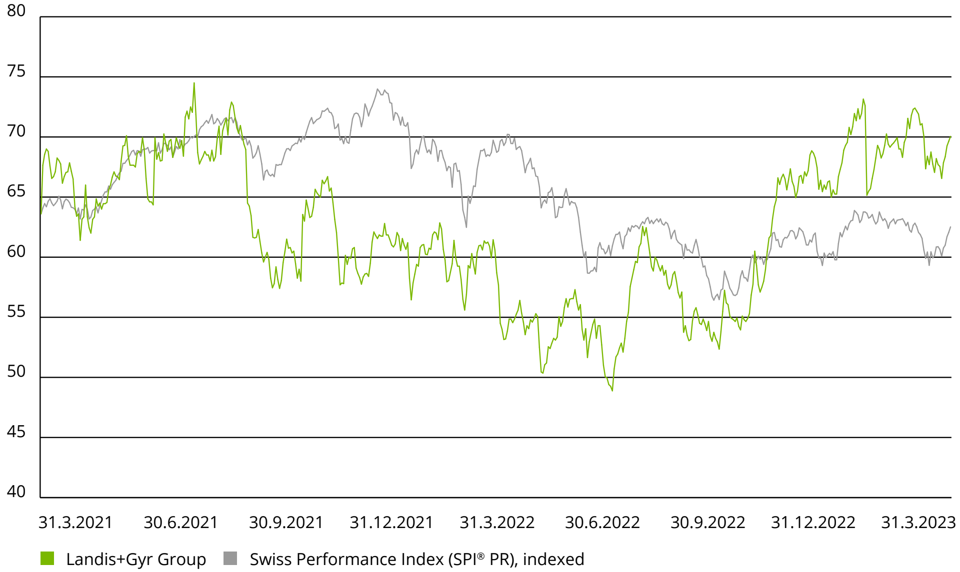
	Number of Shares	% of share capital
KIRKBI Invest A/S, Denmark	4,445,265	15.38%
Rudolf Maag, Switzerland	3,000,000	10.38%
PGGM Vermogensbeheer B.V., The Netherlands	890,700	3.08%

Corporate Calendar

Annual General Meeting 2023	June 22, 2023
Dividend Payment Date	June 26, 2023
Publication of Half Year Results 2022	October 25, 2023
Release of Results for Financial Year 2023	May 8, 2024

Share Price Landis+Gyr Group AG

in CHF



Landis+Gyr Group AG Registered Shares

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

Contacts

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

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This Annual Report includes forward-looking information and statements, including statements concerning the outlook for Landis+Gyr Group AG's businesses. These statements are based on current expectations, estimates and projections about the factors that may affect the Company's future performance, including global economic conditions, and the economic conditions of the regions and industries that are major markets for Landis+Gyr. These expectations, estimates and projections are generally identifiable by statements containing words such as "expects", "believes", "estimates", "targets", "plans", "outlook", "guidance" or similar expressions. There are numerous risks, uncertainties and other factors, many of which are beyond Landis+Gyr's control, that could cause the Company's actual results to differ materially from the forward-looking information and statements made in this announcement and which could affect the Company's ability to achieve its stated targets. The important factors that could cause such differences include, among others: the duration, severity, geographic spread and potential after effects 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, any of the Company's operations and those of its customers and suppliers; global shortage of energy or supplied components as well as increased freight rates, business risks associated with the volatile global economic environment and political conditions, including wars or military actions; costs associated with compliance activities; market acceptance of new products and services; changes in governmental regulations and currency exchange rates; estimates of future warranty claims and expenses and sufficiency of accruals; and other such factors as may be discussed from time to time in Landis+Gyr Group AG filings with the SIX Swiss Exchange. Although Landis+Gyr Group AG believes that its expectations reflected in any such forward-looking statement are based upon reasonable assumptions, it can give no assurance that those expectations will be achieved.

Corporate Governance Report 2022

Landis+Gyr

Contents

Corporate Governance Report 2022

Purpose of this Report

This Corporate Governance Report contains the information required by the Directive on Information relating to Corporate Governance issued by the SIX Swiss Exchange, as in force on March 31, 2023 (the "DCG") and is structured in accordance with the DCG. In addition, Landis+Gyr follows the recommendations of the Swiss Code of Best Practice for Corporate Governance.[1] The Company continues to develop its corporate governance by reference to leading international standards. Good corporate governance is an essential and core element of the vision and values of the Landis+Gyr Group.

1 Group Structure and Shareholders

1.1 Group Structure

1.1.1 The Group's Operational Structure

Landis+Gyr is a global provider of integrated energy management solutions for the utility sector. Its solutions help utilities solve their challenges in Smart Metering, Grid Edge Intelligence and Smart Infrastructure by improving their operations, protect their assets, lower their operating costs, and provide better customer service with a focus on quality, reliability and innovation. Landis+Gyr employs around 7,800 people in over 30 countries across five continents.

Landis+Gyr is organized as a group of companies. The ultimate parent company of the group is Landis+Gyr Group AG (the "Company"), a holding company governed by the laws of Switzerland.[2] The Company is headquartered in Cham in the Canton of Zug, Switzerland, with its registered address at Alte Steinhauserstrasse 18, 6330 Cham. As of March 31, 2023, the Company's share capital amounted to CHF 289,089,440.00, divided into 28,908,944 registered shares at a par value of CHF 10.00 each.

The general meeting of shareholders of the Company (the "General Meeting") is the supreme corporate body and, amongst other competences, elects the Company's board of directors (the "Board of Directors" or the "Board", each member of the Board a "Director"). The Board of Directors, while entrusted with the ultimate direction of the Company as well as the supervision and control of management in accordance with art. 716b of the Swiss Code of Obligations (the "CO") and art. 16 of the Company's articles of association (the "Articles")[3], has, via the Company's organizational regulations (the "Organization Regulations")[4], delegated certain aspects of the day to-day management of the Group to the Chief Executive Officer (the "CEO"), who is in turn supported by the group executive management (the "Group Executive Management") and the extended executive management.[5]

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

Americas

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

EMEA

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

Asia Pacific

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

1.1.2 Listing and Capitalization

The only listed company of the Group is the Company itself.[6] The shares of the Company are listed on SIX Swiss Exchange (ISIN: CH0371153492, ticker symbol: LAND, valor number: 37115349). On March 31, 2023, the market capitalization (excluding treasury shares) of the Company's shares amounted to CHF 2,021,235,309. There are no other listed companies belonging to the Group.

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

1 As in force on March 31, 2023.
2 As used in this report, references to the "Company" or to "L+G" are to Landis+Gyr Group AG, and references to "we", "us", "our" or the "Group" are to Landis+Gyr Group AG and its consolidated subsidiaries, unless context requires otherwise.
3 The Company's Articles are available on www.landisgyr.com/about/executive-management-and-board/.
4 The Company's Organization Regulations are available on www.landisgyr.com/about/executive-management-and-board/.
5 See Section 3.6.1 below for further descriptions regarding the duties of the Board.
6 See Section 1.1.1 above for information regarding the Company's full company name, seat, and registered address.

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

The Company's only shareholding is in Landis+Gyr AG, which in turn directly or indirectly owns the other companies in the Group. The table below sets forth, as of March 31, 2023, the name, place of incorporation, ownership interest and share capital of all direct and indirect subsidiaries which belong to the Company's consolidation scope.

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

Company name	Registered office	Country	Interest %	Share capital in thousands	Currency
Landis & Gyr Pty Ltd	Mascot, NSW	Australia	100	50,587	AUD
Landis & Gyr Holdings Pty Ltd	Mascot, NSW	Australia	100	45,587	AUD
Bayard Metering Pty Ltd	Mascot, NSW	Australia	100	45,587	AUD
Landis+Gyr GmbH	Vienna	Austria	100	300	EUR
Landis+Gyr N.V.	Huizingen	Belgium	100	116.6	EUR
Landis+Gyr E.d.M. Ltd.	Curitiba	Brazil	100	31,543	BRL
Landis+Gyr Canada, Inc.	Quebec	Canada	100	n/a	CAD
Landis+Gyr Meters & Systems Co. Ltd.	Zhuhai	China	100	65,000	HKD
Landis & Gyr Ltd.	Hong Kong	China	100	32,000	HKD
Landis+Gyr s.r.o.	Prague	Czech Republic	100	5,000	CZK
True Energy A/S	Hørsholm	Denmark	100	493	DKK
Landis+Gyr OY	Jyväskylä	Finland	100	16,819	EUR
Landis+Gyr S.A.S.	Montluçon	France	100	2,460	EUR
Landis+Gyr GmbH	Nuremberg	Germany	100	1,023	EUR
Rhebo GmbH	Leipzig	Germany	100	279	EUR
Landis+Gyr S.A.	Corinth	Greece	100	7,950	EUR
Landis Gyr Ltd.	Kolkata	India	100	457,400	INR
Landis+Gyr S.p.A.	Milan	Italy	100	1,500	EUR
Landis&Gyr Japan KK	Tokyo	Japan	100	20,000	YEN
Landis+Gyr S.A. de C.V.	Reynosa	Mexico	100	50	MXN
Landis+Gyr Mexico S.A. de C.V.	Reynosa	Mexico	100	10	MXN
Landis+Gyr B.V.	Gouda	Netherlands	100	90	EUR
Landis & Gyr Ltd.	Auckland	New Zealand	100	300	NZD
Landis+Gyr Sp. z o.o.	Warsaw	Poland	100	5,000	PLZ
Landis+Gyr Pte. Ltd.	Singapore	Singapore	100	7,023	SGD
Etrel d.o.o.	Grosuplje	Slovenia	75	8	EUR
Landis+Gyr d.o.o.	Sencur	Slovenia	100	200	EUR
Landis and Gyr (Pty) Ltd	Kosmosdal	South Africa	69	2,000	ZAR
Landis & Gyr SA	Seville	Spain	100	3,000	EUR
Landis+Gyr AG	Cham	Switzerland	100	29,700	CHF
Caligyr AG	Cham	Switzerland	100	100	CHF
Ampy Holdings Ltd, UK	Manchester	United Kingdom	100	42,306	USD
Bayard Metering (UK) Ltd	Manchester	United Kingdom	100	6,986	GBP
Generis Technology Ltd.	Manchester	United Kingdom	100	0.747	GBP
Landis+Gyr Ltd.	Manchester	United Kingdom	100	2,800	GBP
Landis+Gyr (Stockport) Ltd.	Manchester	United Kingdom	100	n/a	GBP
Luna Elektrik Elektronik Sanayi ve Ticaret A.Ş.	Çiğli/Izmir	Turkey	100	250	TRY
Landis+Gyr Investments, LLC	Lafayette	USA	100	0.1	USD
Landis+Gyr Technologies Canada, Inc.	Pequot Lakes	USA	100	0.03	USD
Landis+Gyr Technology, Inc.	Alpharetta	USA	100	0.01	USD
Landis+Gyr Midwest, Inc.	Alpharetta	USA	100	0.01	USD

1.2 Significant Shareholders

The number of registered shareholders registered in the Company's share ledger as of March 31, 2023, amounted to 8,926, holding a total of 18.6 million shares, which equals approximately 64.3% of the Company's total shares. A total of 10.3 million shares, equaling approximately 35.7% of the Company's total shares, were held by unregistered shareholders. As of March 31, 2023, the Company held 54,764 treasury shares (which are registered), which represents 0.19% of the Company's share capital. The sources of the Company's treasury shares are explained in more detail in Section 2.3.1 below.

To the best of Landis+Gyr's knowledge, the following shareholders had holdings reaching or exceeding 3% or more of the voting rights in the Company as of March 31, 2023, as notified in accordance with art. 120 of the Swiss Federal Act on Financial Market Infrastructures and Market Conduct in Securities and Derivatives Trading (the "FMIA"):[7]

Shareholder (Beneficial owner / legal shareholder)	Number of shares	% of voting rights
Kjeld Kirk Kristiansen, Thomas Kirk Kristiansen, Sofie Kirk Kristiansen, Agnete Kirk Thinggaard / KIRKBI Invest A/S	4,445,265	15.38%
Rudolf Maag	3,000,000	10.38%
PGGM Vermögensbeheer B.V.	890,700	3.08%

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

Notifications made in accordance with art. 120 FMIA during the 12 months preceding March 31, 2023, can be viewed at: www.ser-ag.com/en/resources/notifications-market-participants/significant-shareholders.html/.

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

2 Capital Structure

2.1 Capital
On March 31, 2023, the Company's ordinary share capital as registered with the Commercial Register of the Canton of Zug amounted to CHF 289,089,440.00, divided into 28,908,944 fully paid-in registered shares with a nominal value of CHF 10.00 per share. The shares are limited in transferability and non-assessable.

On March 31, 2023, the Articles provided for two types of conditional capital (arts. 3a and 3b of the Articles) as well as an authorized capital (art. 3c of the Articles). According to art. 3a of the Articles, the Company's share capital may be increased by up to CHF 4,500,000 through the issuance of up to 450,000 fully paid-in registered shares with a nominal value of CHF 10.00 each (the "Conditional Capital for Employees"). According to art. 3b of the Articles, the Company's share capital may be increased by up to CHF 28,908,940 through the issuance of up to 2,890,894 fully paid-in registered shares with a nominal value of CHF 10.00 each (the "Conditional Capital for Financing and Acquisitions"). According to art. 3c of the Articles, the Board may increase the Company's share capital by up to CHF 28,908,940 by issuing a maximum of 2,890,894 fully paid-in registered shares with a nominal value of CHF 10.00 each (the "Authorized Capital").

2.2 Conditional Capital and Authorized Capital of the Company

2.2.1 Conditional Capital

2.2.1.1 Conditional Capital for Employees

According to art. 3a of the Articles, the Company may increase its share capital by up to CHF 4,500,000 by issuing up to 450,000 fully paid-in registered shares with a nominal value of CHF 10.00 each, upon the exercise of option rights or in connection with similar rights regarding shares (including performance stock units (the "PSUs") and/or restricted stock units (the "RSUs")) granted to officers and employees at all levels of the Group. Pre-emptive rights and advance subscription rights of shareholders do not apply, and the shares may be issued at a price below the market price. If fully utilized, the maximum amount of this conditional capital (CHF 4,500,000) would equal approximately 1.6% of the existing share capital. The time period for an increase of the Company's share capital pursuant to art. 3a of the Articles is unlimited.[8]

2.2.1.2 Conditional Capital for Financing and Acquisitions
According to art. 3b of the Articles, the Company may increase its share capital by up to CHF 28,908,940 by issuing up to 2,890,894 fully paid-in registered shares with a nominal value of CHF 10.00 each, through the exercise or mandatory exercise of conversion, exchange, option, warrant or similar rights for the subscription of shares granted to shareholders or third parties alone or in connection with bonds, notes, loans, options, warrants or other securities or contractual obligations of the Company or any of its Group companies (the "Financial Instruments"). The pre-emptive rights of shareholders are excluded in connection with the issuance of registered shares upon the exercise of any Financial Instruments. The then current owners of such Financial Instruments are entitled to acquire the new registered shares issued upon conversion, exchange or exercise of any Financial Instruments. The Board of Directors is authorized to restrict or withdraw advance subscription rights of shareholders in connection with the issuance of Financial Instruments by the Company or one of its Group companies under certain terms and conditions. Certain further terms and conditions apply in case advance subscription rights are neither granted directly nor indirectly by the Board of Directors. If fully utilized, the maximum amount of this conditional capital (CHF 28,908,940) would equal approximately 10.0% of the existing share capital. The time period for an increase of the Company's share capital pursuant to art. 3a of the Articles is unlimited, provided that certain terms and conditions as described in art. 3b of the Articles may impose time limitations on the conversion, exchange or exercise of the Financial Instruments.[9]

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

2.2.2 Authorized Capital

According to art. 3c of the Articles, the Board of Directors may increase the Company's share capital by up to CHF 28,908,940 by issuing up to 2,890,894 fully paid-in registered shares with a nominal value of CHF 10.00 each, whereas increases in partial amounts are permissible. The Board of Directors determines the issue price, the type of contribution, the date of issuance, the conditions for the exercise of pre-emptive rights and the beginning date for dividend entitlement. If fully utilized, the maximum amount of the authorized capital (CHF 28,908,940) would equal 10.0% of the existing share capital. The authority of the Board of Directors to increase the Company's share capital by issuing shares out of the Company's authorized capital according to art. 3c of the Articles lasts until June 24, 2024.[10]

2.2.3 Common Limitations to Conditional and Authorized Capital Pursuant to the Articles

Pursuant to art. 3b of the Articles, the aggregate number of registered shares issued until June 24, 2024 (1) out of the Authorized Capital with the limitation or exclusion of pre-emptive rights of existing shareholders, and/or (2) out of the Conditional Capital for Employees, and the Conditional Capital for Financial Instruments with the limitation or exclusion of advance subscription rights of existing shareholders, may not exceed 2,890,894 registered shares of the Company.

2.3 Changes in Share Capital

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

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

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

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

On January 29, 2019, the Company announced that its Board of Directors had approved a share buy-back program in the total amount of up to CHF 100 million or a maximum of 8% of the Company's outstanding shares (the "Share Buy-Back Program"). The Share Buy-Back Program opened on January 30, 2019, was suspended on March 27, 2020, and expired on January 28, 2022 (while still suspended). A total of 601,056 shares (2.04% of shares outstanding when the Share Buy-Back Program was announced) had been repurchased under the program. The shares were repurchased for the purposes of cancellation subject to approval of the corresponding capital decrease by the Company's shareholders in accordance with Swiss corporate law.[11]

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

2.3.2 Treasury Shares

Besides treasury shares stemming from the Share Buy-Back Program (see Section 2.3.1 above), which, as of March 31, 2023, have all been canceled, the Company regularly purchases additional shares for the purposes of compensation of the Board of Directors, and to serve the Company's Long-Term Incentive Plan. As of March 31, 2023, the Company held 54,764 treasury shares, which represents 0.19% of the Company's share capital.

2.4 Shares and Participation Certificates

As of March 31, 2023, the Company's share capital amounted to CHF 289,908,944.00, divided into 28,908,944 registered shares with a nominal value of CHF 10.00 each, all fully paid in. Pursuant to art. 11 of the Articles, each share carries one vote at a shareholders' meeting. The shares rank pari passu in all respects with each other, including, in respect of entitlements to dividends, to a share in the liquidation proceeds in the case of a liquidation of the Company. The Company issues its registered shares as uncertified securities (Wertrechte) and registers them as book-entry securities within the meaning of the Swiss Federal Act on Intermediated Securities (the "FISA"). In accordance with art. 973c of the CO, the Company maintains a register of uncertificated securities (Wertrechtebuch).

The Company has not issued any participation certificates.

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

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

2.6 Limitations on Transferability and Nominee Registrations[12]
Art. 5 of the Articles contains restrictions on a shareholders' possibility to be entered in the Company's share register as a shareholder with voting rights and on the registration of nominees (the "Nominee").[13]

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

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

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

2.6.2 Exceptions Granted in the Period Under Review
As of March 31, 2023, no exceptions under art. 5 of the Articles had been granted during the period under review.

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

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

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

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

2.7 Convertible Bonds and Options
The Company has not issued any bonds or options regarding its shares outstanding as of March 31, 2023.

12 This Section 2.6 works as a summary of the limitations on transferability of the Company's shares and nominee registrations. See art. 5 of the Articles for more information.
13 Legal entities or partnerships or other associations which are linked through capital ownership or voting rights, through common management or in a similar manner, as well as individuals, legal entities or partnerships which act in concert with the intent to circumvent the entry restriction, are considered as one shareholder or Nominee.

3 Board of Directors

3.1 Members of the Board of Directors

3.1.1 Overview and Selection

The Board of Directors is entrusted with the ultimate strategic direction of the Company as well as the supervision of the management. Accordingly, candidates for the Board of Directors are carefully selected to ensure qualified, committed members who are skilled and will devote the effort and time necessary to effectively carry out their governance responsibilities. In selecting members, the Board of Directors looks for a diversity in gender, competences, age, origins, backgrounds (current members represent six nationalities), and experience, as well as for expertise relevant for the specific role they will play on the Board of Directors, including their memberships on the three committees, as applicable, i.e., the Audit, Finance and Risk Committee (the "AFC"), the Remuneration Committee (the "RemCo") and the Nomination, Governance and Sustainability Committee (the "NGSC"). The NGSC currently works with the Board on identifying individuals who are qualified to become members of the Board and of the Committees with the target to reach at least 30% female directorship.

Pursuant to Swiss corporate law and the Articles, all Directors are elected annually. The Board of Directors consists of currently seven non-executive members (five of which are independent) and no executive members. As the current Chair of the Board (the "Chair") formerly served as the Company's CEO, the Board of Directors has a Lead Independent Director whose role is further described in Section 3.5.2.1 below. As of March 31, 2023, the Directors of the Company were:

Name	Role	First Election	Expires	Committees
Andreas Umbach	Chair, not independent[14]	2017	2023 AGM	NGSC (Chair)
Eric Elzvik	Lead Independent Director	2017	2023 AGM	RemCo (Chair); AFC; NGSC
Peter Mainz	Independent	2018	2023 AGM	RemCo; NGSC
Søren Thorup Sørensen	Not independent; representative of largest shareholder	2019	2023 AGM	None
Andreas Spreiter	Independent	2017	2023 AGM	AFC (Chair)
Christina Stercken	Independent	2017	2023 AGM	AFC; NGSC
Laureen Tolson	Independent	2021	2023 AGM	RemCo

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

Dave Geary did not stand for re-election at the 2022 AGM and is therefore not listed above as an active Director of the Company.

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

3.1.2 Selection and Skills

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

Board Skills Matrix

	General					Governance					Technical / Functional						Industry Experience			
Board Member	Independence	Financial Proficiency	Global / International / Emerging Markets Experience	ESG Leadership Mindset and Track Record	Leadership, General Management and P&L Experience	Understanding Fiduciary, Legal and Ethical Duties	Board Experience	Governance Experience	Risk Management and Oversight	Environmental / Anti-Corruption / Health and Safety	Strategy Development and Execution	Growth and Innovation	Operational Excellence	Financial Expertise	Digitalization incl. Cybersecurity	Transformation and Restructuring	Utility Markets and Regulation	Utility Operations	Solutions, Software & Services in Energy Management	M&A Expertise
Andreas Umbach		■	■	■	■	□	■	■	□	□	■	■	■		□	■	■	□	■	■
Eric Elzvik	◆	■	■	□	□	■	■	■	■	■	■	□	■	■	■	■	□	□	□	■
Laureen Tolson	◆	□	■	■	■	□	□	■	□	□	■	■	■		■	■	□	□	■	□
Peter Mainz	◆	■	■	□	■	■	■	■	□	□	■	■	■	■	□	■	■	□	□	■
Søren Thorup Sørensen		■	■	■	□	■	■	■	■	■	■	□	□	■	□	□				■
Andreas Spreiter	◆	■	■	□	□	■	■	■	■	□	■	□	□	■	□	□	□		□	■
Christina Stercken	◆	■	■	■	□	■	■	■	■	□	■	□	■	■	□	■	□		□	■

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

The Board of Directors conducts an annual self-assessment based on a comprehensive and anonymous questionnaire which is reviewed and adjusted on an annual basis, dependent on the current focus area, i.e., in financial year 2022 (April 1, 2022, to March 31, 2023), among others, regarding the Board composition and an individual assessment of the respective members. The Chair conducts individual feedback and performance reviews with each director. The Lead Independent Director conducts the Chair's performance review with the Board of Directors and in absence of the Chair. Finally, the full Board of Directors jointly reviews the results of the self-assessment and defines any relevant changes or improvement actions.

3.1.3 Independence

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

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

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

3.1.4 Information regarding Directors

Andreas Umbach

Chair, not independent[15]
Since July 19, 2017
Born: 1963

Nationality: Swiss/German

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

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

Current positions at not publicly traded companies other than Landis+Gyr:
Chairman of the Board of Directors of Rovensa SA (2020 to present); Chairman of the Supervisory Board of Techem Energy Services GmbH (2018 to present)

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

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

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

Eric Elzvik

Lead Independent Director
Since July 19, 2017
Born: 1960

Nationality: Swiss/Swedish

Prior positions at Landis+Gyr:
None

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

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

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

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

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

Peter Mainz

independent
Since June 28, 2018
Born: 1964

Nationality: Austrian, USA permanent resident

Prior Positions at Landis+Gyr:
None

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

Current positions at not publicly traded companies other than Landis+Gyr:
Chairman of the Board at Metasphere Ltd. (2019 to present); Member of the Board at Metron Farnier (2019 to present)

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

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

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

[15] Andreas Umbach, as of March 31, 2023, qualifies as an independent Director according to the DCG and the Swiss Code of Best Practice for Corporate Governance. For purposes of consistency of this Corporate Governance Report with previous versions, he continues to be assessed as not independent.

Søren Thorup Sørensen

Not independent; representative of largest shareholder
Since June 25, 2019
Born: 1965

Nationality: Danish

Prior Positions at Landis+Gyr:
None

Current positions at publicly traded companies other than Landis+Gyr:
Board member at ISS A/S (CO: ISS) (2020 to present)

Current positions at not publicly traded companies other than Landis+Gyr:
Chief Executive Officer of KIRKBI A/S (2010 to present); Board member at KIRKBI Invest A/S, including Board membership for subsidiary companies (2010 to present); Deputy Chairman and Chairman of audit committee at LEGO A/S (2010 to present); Board member at Koldingvej 2, Billund A/S (2010 to present); Board member and Chairman of Audit Committee at Merlin Entertainments Ltd. (2013 to present)

Current outside mandates at non-profit-oriented organizations:
Ole Kirk's Foundation, Board member; ATTA Fonden, Board member; K2 Fonden af 2023, Board member

Prior other positions:
Group Chief Financial Officer at A. P. Møller-Mærsk Group (2006 to 2009); Partner at KPMG (1987 to 2006)

Education:
State Authorized Public Accountant; M. Sc. (Aud.) from the Copenhagen Business School, Denmark; Advanced Management Program at Harvard Business School, USA

Andreas Spreiter

independent
Since July 19, 2017
Born: 1968

Nationality: Swiss/British

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

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

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

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

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

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

Christina Stercken

independent
Since July 19, 2017
Born: 1958

Nationality: German

Prior Positions at Landis+Gyr:
None

Current positions at publicly traded companies other than Landis+Gyr:
Board member of Ansell Ltd. (ASX: ANN) (2017 to present)

Current positions at not publicly traded companies other than Landis+Gyr:
China Strategy Advisory Board Member of Hoerbiger Holding AG (2019 to present)

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

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

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

Laureen Tolson

independent
Since June 24, 2021
Born: 1960

Nationality: USA

Prior Positions at Landis+Gyr:
None

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

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

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

Prior other positions:
Board member of Fenix Marine Services (2020 to 2021); chief digital officer of Wabtec / GE Transportation (2017–2020); CEO/ Global Product Head, Enterprise Software (2016–2017) and EVP Product Strategy, ABB Enterprise Software of ABB Inc (2012–16); Vice President Systems Management Software of Dell, Inc. (2008–2012); Vice President, Java Software Group (2005–2008)

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

3.2 Other Activities and Vested Interests

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

3.3 Mandates Permitted Outside of Landis+Gyr

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

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

a) up to 4 (in the case of the Chair of the Board of Directors up to 3) mandates as member of the board of directors or any other superior management or administrative body of publicly traded companies pursuant to art. 727 para. 1 number 1 CO; and, in addition,
b) up to 10 mandates as member of the board of directors or any other superior management or administrative body of legal entities that do not meet the above-mentioned criteria; and, in addition,
c) up to 10 mandates in associations, charity foundations and employee assistance foundations.

With respect to the additional activities of both the members of the Board of Directors and the executive management, mandates in companies that are under uniform control or the same beneficial ownership are deemed one mandate.

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

3.4 Elections and Terms of Office

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

As prescribed by Swiss law and the Ordinance in particular, members of the Board of Directors, including the Chair, are elected individually by the General Meeting for a one-year term. In accordance with art. 15 of the Articles, re-election is possible for all Directors provided that at the time of election or re-election, the relevant Director has not reached the age of 70.[16] The members of the Remuneration Committee as well as the independent proxy (the "Independent Proxy") are also elected by the General Meeting for a one-year term.

16 For more information on the terms of office of Board members, see art. 4 of the Organization Regulations, available at www.landisgyr.com/webfoo/wp-content/uploads/2022/06/LandisGyr-Articles-of-Association-June-2022.pdf

3.5 Internal Organizational Structure

3.5.1 Allocation of Tasks Within the Board of Directors

3.5.1.1 General

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

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

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

The Board of Directors has established an Audit, Finance and Risk Committee, a Remuneration Committee and a Nomination, Governance and Sustainability Committee. The members of the Committees are shown in the table under Section 3.1.1 above. The Board of Directors may, in accordance with art. 7.1 of the Organization Regulations, define other temporary committees or define temporary delegation of certain matters to a group of members of the Board of Directors. Please see Sections 3.5.2.1 et seqq. for the specific tasks and areas of responsibility of the Committees.

3.5.1.2 Tasks and Area of Responsibility of the Lead Independent Director

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

3.5.2 Tasks and Areas of Responsibility of the Committees

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

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

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

Comprising three independent Board members (whereas the minimum number of members amounts to two per the Organization Regulations), the AFC in particular evaluates the work of the internal control functions (e.g., Internal Audit and Compliance) and of the external auditor, making proposals to the Board on the choice of the external auditor and, on request of the Chief Financial Officer (the "CFO"), approving the budget for auditing and other fees from the external auditors.[17] The AFC also assesses the yearly business expenses of the members of the Group Executive Management. The organization, detailed responsibilities and reporting duties of the AFC are stipulated in art. 7.2 of the Organization Regulations.

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

The RemCo supports the Board of Directors in ensuring that executives and employees are paid in accordance with Landis+Gyr's remuneration principles, which incentivize and reward performance in alignment with shareholder interests, and which help the Company to attract and retain the talent it needs to achieve its business goals.

Comprising three independent Board members[18] which is the minimum number of members as set forth by the Articles, the RemCo establishes and reviews the remuneration strategy and prepares the annual proposals to the shareholders' meeting regarding the maximum aggregate remuneration of the Board of Directors and the Group Executive Management, as well as the Remuneration Report. Further, the RemCo regularly reviews the remuneration system, the remuneration-related targets for the Group Executive Management and other members of senior management, and proposes the individual remuneration of the CEO, as well as reviews the individual remuneration of other members of the Group Executive Management. The RemCo also reviews and proposes the individual remuneration of the Chair of the Board and other members of the Board. The organization, detailed responsibilities and reporting duties of the RemCo are stipulated in art. 7.3 of the Organization Regulations.

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

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

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

Comprising four members of the Board of Directors (three is the minimum number of members as set forth in the Organization Regulations), of which the majority is independent, the NGSC supports the Board of Directors with respect to matters involving (i) the nomination of the members of the Board and the Group Executive Management, (ii) the corporate governance of the Company and the Group and (iii) sustainability matters (incl. ESG matters) of the Company and the Group. More particularly, the NGSC supports the Board in assessing the members of the Board, the CEO and the other members of the Group Executive Management with regard to (i) the nomination process, (ii) the succession planning, (iii) the performance review as well as (iv) the self-assessment of the Board and the Board Committees. The NGSC is further responsible for corporate governance matters, including, but not limited to the review of the effectiveness of the Board, its Committees and individual members, the review of the size and composition of the Board and the review of the Corporate Governance report. In addition, the NGSC is responsible for sustainability matters practices and procedures including review of the Sustainability Report, setting of and monitoring compliance with the Company's ESG targets and sustainability goals. The organization, detailed responsibilities and reporting duties of the NGSC are stipulated in art. 7.4 of the Organization Regulations.

3.5.3 Working Methods of the Board of Directors and the Committees

3.5.3.1 Meetings of the Board of Directors and the Committees

The Board of Directors meets as often as necessary to fulfill its duties and responsibilities, usually monthly or bi-monthly in person or via conference call. The Organization Regulations stipulate that meetings take place at the request of the Chair or Lead Independent Director, or of any other member if done in writing and justifying the reason for such request.

The AFC typically meets once every two to three months. Comprising independent Directors, the AFC regularly reports to the Board on its findings and recommendations and the minutes of the meetings are made available to the members of the Board. The overall responsibility, including for approving recommendations, remains with the Board of Directors. The Head of Global Internal Audit reports to the AFC. The Chief Compliance Officer and the Group Data Privacy Officer provide regular, independent reports to the CEO and to the AFC and ad hoc reports whenever appropriate or requested by the AFC. The reports cover the compliance and data privacy programs and relevant issues and risks. In addition, the Chief Compliance Officer and the Data Privacy Officer provide independent, ad hoc reports to the Board/AFC regarding any significant Group compliance or data privacy issues or risks.

The RemCo typically meets once every two to three months. The Chair of the RemCo reports to the Board on the RemCo's findings and recommendations after each meeting, and the minutes of the meetings are made available to the members of the Board. The overall responsibility, including for approval of recommendations, remains with the Board of Directors.

The NGSC typically meets once every two to three months. The Chair of the NGSC regularly reports to the Board on its activities, resolutions and contemplations and the minutes of the meetings are made available to the members of the Board. The overall responsibility, including for approval of recommendations, remains with the Board of Directors.

In the 12 months preceding this Corporate Governance Report, the Board of Directors held eight meetings. Five out of those eight meetings were in-person meetings, whereas the remaining three meetings were either hybrid meetings with some Directors attending in person and others via video conference, or full video conferences. The in-person meetings lasted for approximately eight hours on average, whereas the strategy session was conducted over two days in October and which involved all Directors and some management members, including the Group Executive Management and the Extended Executive Management attending in person and other management members attending certain sessions via video-conference. The meetings of the Board held via conference calls had an average duration of approximately four hours.

As of April 1, 2022 through March 31, 2023	Number of meetings (attendance)	Average duration (hours)
Board of Directors	8 (100%)	7
AFC	7 (100%)	4[19]
RemCo	5 (100%)	3.5[19]
NGSC	4 (100%)	2

3.5.3.2 Meeting Attendance

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

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

Meetings of the Board of Directors as of April 1, 2022 through March 31, 2023:

Dates	04.05.22	27.05.22	23/24.6.22	3/4.10.22	26.10.22	21.12.22	18.01.23	15.03.23
Andreas Umbach	√	√	√	√	√	√	√	√
Eric Elzvik	√	√	√	√	√	√	√	√
Dave Geary[20]	√	√	√	n/a	n/a	n/a	n/a	n/a
Peter Mainz	√	√	√	√	√	√	√	√
Søren Thorup Sørensen	√	√	√	√	√	√	√	√
Andreas Spreiter	√	√	√	√	√	√	√	√
Christina Stercken	√	√	√	√	√	√	√	√
Laureen Tolson	√	√	√	√	√	√	√	√

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

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

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

3.6.1 Board of Directors

The Board of Directors is entrusted with the ultimate strategic direction of the Company as well as with the oversight of the management. This includes determining the strategy of the Group upon recommendation of the CEO and appointing the CEO and the other members of the Group Executive Management, as well as the Head of Global Internal Audit.

Although pursuant to the Articles and the Organization Regulations, the Board may, to the extent permitted by law, delegate various responsibilities to the CEO and the Group Executive Management, in line with arts. 16 and 17 of the Articles and the Organization Regulations, it retains certain duties, such as the determination of the risk profile of the Group, monitoring risks and ensuring that fundamental policies and controls are in place for compliance with applicable law and regulations.[21] Resolutions of the Board of Directors require the affirmative simple majority of the votes cast. Resolutions may also be taken by circular resolutions provided no Director requests an actual Board meeting. In the case of a tie on any issue, the Chair has the casting vote.

20 Board member up to the 2022 AGM.
21 The detailed description of these retained responsibilities and duties are stipulated in arts. 16 and 17 of the Articles.

3.6.2 Group Executive Management *(Konzernleitung)*

The Group Executive Management consists of the CEO, the CFO, the executive vice president America, and the executive vice president EMEA as well as any other member (if any) appointed to the Group Executive Management by the Board of Directors.[22] The CEO, in his/her duties,[23] is assisted by the Group Executive Management and the Extended Executive Management. He is appointed and removed by the Board of Directors. The other Group Executive Management members are appointed and removed by the Board of Directors upon recommendation of the CEO. The Extended Executive Management is a larger group comprising key functional leaders and direct reports to the CEO. The Group Executive Management and the Extended Executive Management generally meet on a weekly basis.

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

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

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

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

22 See art. 10.1 of the Organization Regulations.
23 The CEO exercises those duties which the Board of Directors has delegated to management in accordance with the Company's Organization Regulations and Swiss law.

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

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

In order to achieve these objectives, Group companies in scope for external audit are determined annually. Hence, it is ensured that approximately 68% of revenue and 80% of total assets of the Group are covered. The external audit confirms the existence of the ICS in connection with the year-end audit. Additionally, the external auditor submits improvement suggestions on a yearly basis, which are implemented in the following year.

The internal audits are conducted by the internal audit function in accordance with an annual plan approved by the AFC. A distinction is made between regular and special engagement audits. The latter consist of limited reviews, compliance audits and other special engagements that are incident-specific and upon request of senior management, the AFC or the Board. In all cases, internal audit engagements are approved by the AFC. Regular audits, defined as part of the risk-based annual internal audit plan, focus on the larger entities and higher risk areas. Detailed reports of identified deficiencies are prepared (with deficiencies classified as either high, medium or low risk) and remedial action plans are agreed with management. The risks and deficiencies identified in these audits are minimized or mitigated by measures adopted by management and are regularly monitored. In the financial year 2022, fourteen internal audits were conducted. The internal audits were restricted to selected business processes. In its review of audited Group companies and organizations, risks and control deficiencies in connection with the above-mentioned business processes were analyzed. Internal audit reports are submitted to the AFC and reviewed by the AFC with the Head of Global Internal Audit, at least four times per year. The implementation and reliability of the controls introduced with the ICS were examined by the Group and regional management to ensure that deviations were identified and that appropriate corrective measures were implemented.

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

4 Group Executive Management

4.1 Members of the Group Executive Management

As of March 31, 2023, the members of the Group Executive Management were:

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

Werner Lieberherr

CEO
Since April 1, 2020
Born: 1960

Nationality: Swiss/USA

Prior positions at Landis+Gyr:
None

Current positions outside of Landis+Gyr:
None

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

Outside mandates at non-profit-oriented organizations:
None

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

Elodie Cingari

EVP and CFO
Since November 16, 2020
Born: 1974

Nationality: French

Prior positions at Landis+Gyr:
None

Current positions outside of Landis+Gyr:
None

Prior other positions:
CFO and Member of the Executive Board of Hoerbiger Group (2019 to 2020); CFO Power Services Europe and later CFO Steam Power at General Electric (2015 to 2018); CFO Alstom Grid, and prior to that Vice-President Controlling and Accounting in Alstom Power (2008 to 2015); Various financial leadership roles in Hewlett-Packard, including Finance Director Consumer Business EMEA (1998 to 2008)

Outside mandates at non-profit-oriented organizations:
None

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

Sean Cromie

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

Nationality: Irish / USA

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

Current positions outside of Landis+Gyr:
None

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

Outside mandates at non-profit-oriented organizations:
None

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

Bodo Zeug

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

Nationality: German

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

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

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

Outside mandates at non-profit-oriented organizations:
None

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

4.2 Other Activities and Vested Interests

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

4.3 Mandates Permitted Outside of Landis+Gyr

Art. 23 of the Articles states that, with the approval of the RemCo, the members of the Executive Management may have the following other functions in the superior management or administrative bodies of legal entities obliged to register in a Swiss commercial register or a foreign equivalent thereof and which are not controlled by the Company, do not control the Company or do not constitute pension funds insuring employees of the Group:

a) up to 1 mandate as member of a board of directors or any other superior management or administrative body of a publicly traded company pursuant to art. 727 para. 1 number 1 CO; and, in addition
b) up to 5 mandates as member of the board of directors or any other superior management or administrative body of other legal entities that do not meet the above-mentioned criteria.

All members of the Group Executive Management combined currently have only one outside mandate at other companies (see Section 4.1 above for further information). To ensure compliance, the Group Executive Management must secure approval from the Board of Directors/RemCo before accepting any new mandate. With respect to the additional activities of both the members of the Board of Directors and the Executive Management, mandates in companies that are under uniform control or the same beneficial ownership are deemed one mandate.

4.4 Management Contracts

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

5 Compensation, Shareholdings and Loans

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

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

6 Shareholders' Participation Rights

6.1 Restrictions on Voting Rights and Representation

6.1.1 General Rules on Restrictions to Voting Rights

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

6.1.2 Reasons for Granting Exceptions in the Year Under Review

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

6.1.3 Procedure and Conditions for Abolishing Voting Rights Restrictions

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

6.1.4 Rules on Participation in the General Meeting

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

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

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

The Articles do not contain any rules on the electronic participation of shareholders in the General Meeting.

6.2 Quorums Required by the Articles of Association

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

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

6.3 Convocation of the General Meeting

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

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

6.4 Inclusion of Items on the Agenda

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

6.5 Entries in the Share Register

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

7 Change of Control and Defense Measures

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

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

8 Auditor

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

8.2 Auditing Fees
PwC was paid compensation of CHF 1.6 million for services in connection with auditing the annual financial statements of the Company and the consolidated statements of the Group for financial year 2022.

8.3 Additional Fees
PwC charged CHF 0.1 million for non-audit services performed during the year-ended March 31, 2023. The non-audit services primarily included tax advisory services.

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

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

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

In the period under review, PwC attended three meetings of the AFC at which PwC presented its report on the audit of the Group's accounts for the financial year 2021 and the audit plan for the audit of the Group's accounts for the financial year 2022.

The Group and PwC have agreed on clear guidelines and firewalls for non-audit services that are appropriate for PwC to provide. These services include due diligence on mergers, acquisitions and disposals and certain tax and business risk assurance and IS/IT advisory support. These guidelines are aimed at ensuring PwC's independence in their capacity as auditors to the Group. PwC monitors its independence throughout the year and confirms its independence to the AFC annually.[24]

9 Information Policy

Landis+Gyr is committed to communicating in a timely and transparent way to shareholders, potential investors, financial analysts and customers. Toward this end, the Board of Directors takes an active interest in fostering good relations and engagement with shareholders and other stakeholders. In addition, the Company complies with the requirements of SIX Swiss Exchange on the dissemination of material and price-sensitive information. Matters affecting the share price are published immediately in accordance with the ad hoc publicity rules of the SIX Swiss Exchange. Ad hoc announcements can be accessed at the same time as they are communicated to the SIX Swiss Exchange at the links indicated at the end of this Section 9.

It is also possible to receive potentially price-relevant information directly, promptly and free of charge from Landis+Gyr by e-mail. This service is offered under the links indicated at the end of this Section 9.

The Company releases its financial results in an annual report that is published within four months after the March 31 balance sheet date. In addition, the Company releases results for the first half of each fiscal year within three months of the September 30 balance sheet date. The Company's annual report and half year results are announced via press releases and media and investor conferences in person and via telephone. The Company also publishes press releases at the time of any potentially price-sensitive event. The annual report can also be accessed in electronic form under the links below at the end of this Section 9.

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

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

The Company's website:
www.landisgyr.com

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

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

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

Corporate calendar:
www.landisgyr.com/investors/corporate-calendar

The Landis+Gyr Group Investor Relations Department can be contacted, either through the website, or by telephone, e-mail or letter.

Contact addresses

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Eva Borowski@landisgyr.com
+41 41 935 6396

Investor Relations
Christian Waelti
Christian.Waelti@landisgyr.com
+41 41 935 6331

10 Quiet Periods

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

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

A "Trading Window" is defined as the period of time during which a Person Confined to Trading Windows, a Restricted Person or an LTIP Participant, subject to other potential restrictions as set out in Landis+Gyr policies, may deal in Landis+Gyr securities or "Restricted Securities" (specific non-Landis+Gyr securities determined by the Landis+Gyr ad hoc committee). While subject to potential changes which are communicated "ad hoc", the two Trading Windows commence upon (1) the second trading day following the public release of Landis+Gyr's annual results and end on the start of September 1 (at 00:00.00 local time), and (2) upon the second trading day following the public release of Landis+Gyr's semi-annual results and end on the start of March 1 (at 00:00.00 local time). For financial year 2022, Landis+Gyr's Trading Windows, therefore, were the following:

- May 9, 2022, 8:00 CET to August 31, 2022, 24:00 CET; and
- October 31, 2022, 8:00 CET to February 28, 2023, 24:00 CET.

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

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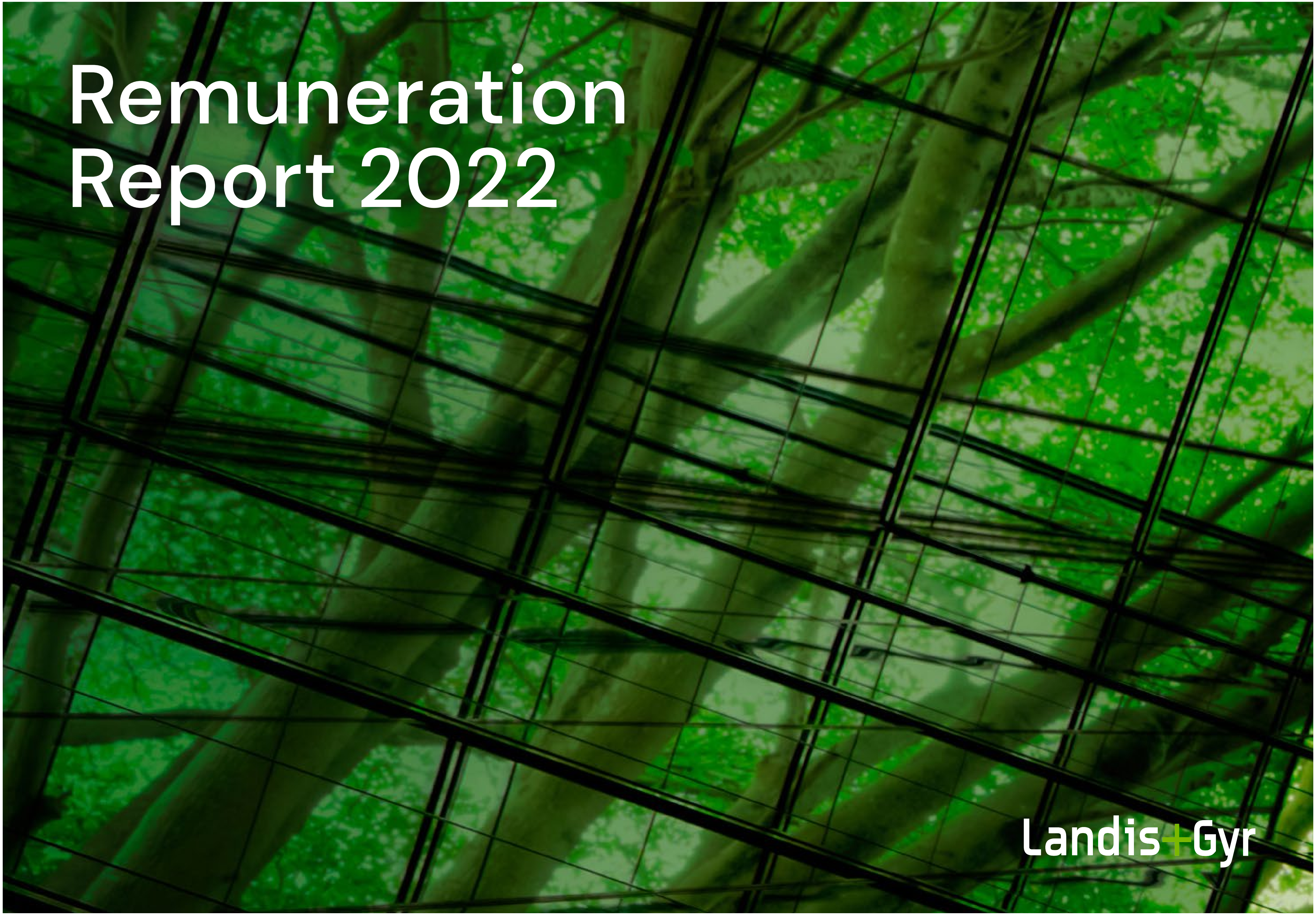
Remuneration Report 2022



Landis+Gyr

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Letter from the Chair of the Remuneration Committee

**Dear Shareholders,
On behalf of the Board of Directors and the Remuneration Committee, I am pleased to introduce Landis+Gyr's Remuneration Report for the financial year ended March 31, 2023.**

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

At the last Annual General Meeting ("AGM") in 2022, binding votes were conducted on the maximum aggregate remuneration amounts for the Board of Directors and the Group Executive Management, with approval rates of 93% and 98%, respectively. Further, the consultative vote on the Remuneration Report achieved an approval rate of 95%. The Board and I wish to thank you for your support, which reinforced our ongoing reviews and enhancements of our remuneration framework to attract, motivate and retain the right talent which will enable us to drive Landis+Gyr's sustainable strategic and performance-oriented development in the interest of our shareholders.

During the financial year, the Remuneration Committee continued to evaluate the remuneration systems and programs with the aim of keeping our incentive plans in line with Landis+Gyr's business strategy and shareholders' interests.

The outcome of the Short-Term Incentive Plan reflects both the solid financial performance achieved, as well as the excellent progress made in driving our ESG targets. In financial year 2022, Landis+Gyr achieved net revenue growth of over 20% in constant currency, with the second half of the financial year representing the strongest half-year in the company's history. Since first introducing ESG measures in our Short-Term Incentive Plan three years ago, we have been evaluating and reviewing the nature of the ESG targets each year, to ensure alignment with our overall ESG strategy and continued progress in delivering on our ESG commitments. In financial year 2022 we measured ESG performance against targets covering a broad range of topics, such as the improvement of our own environmental footprint, the measurement of the CO_2 savings enabled though our range of products and services, driving sustainability in our supply chain, improving cybersecurity maturity and promoting employee engagement and diversity topics.

In our share-based Long-term Incentive Plan, which was implemented in 2018, we continue to measure performance against relative Total Shareholder Return and Earnings per Share. As previously reported, while there was no vesting for the first two grants made in 2018 and 2019 based on the performance outcome, the first vesting under the plan will occur for the grant made in 2020, with the performance period covering the three financial years from 2020 to 2022. Shares will be allocated upon the vesting date in the first quarter of financial year 2023.

We also implemented our new global Employee Share Purchase Plan during the year, which allows our employees at all levels of the organization to purchase Landis+Gyr shares at a discounted price, thereby enabling them to become shareholders and participate in the success of the Company. The program was well received, with employees based in 19 different countries joining the plan.

Further, the Remuneration Committee conducted its regular activities during the past year, including the preparation of the Remuneration Report and the say-on-pay votes for the AGM. At the upcoming AGM in June 2023, we will ask for your approval of the maximum aggregate remuneration amount to be awarded to the Board of Directors for the period to the next AGM in 2024 and to the Group Executive Management for the financial year 2024 ending on March 31, 2025. In addition, you will again have the opportunity to express your opinion on our remuneration principles and systems through a consultative vote on this Remuneration Report 2022.

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

Eric Elzvik
Chair of the Remuneration Committee
and Lead Independent Director
Cham, May 2023

Remuneration Report 2022

The Remuneration Report provides a comprehensive overview of Landis+Gyr's (Landis+Gyr Group AG defined as the "Company", and its subsidiaries, together the "Group") remuneration governance and principles, structure and elements. The Remuneration Report also includes information on the remuneration awarded to members of the Board of Directors ("Board") and Group Executive Management ("GEM") for the financial year ("FY") ended March 31, 2023 ("FY 2022").

The Remuneration Report is written in accordance with the Ordinance Against Excessive Compensation with respect to Listed Stock Corporations ("Ordinance"), which has been carried over to the Federal Act on the Amendment of the Swiss Civil Code as of January 1, 2023 (Swiss Code of Obligations; Art. 734–734f), as well as the standard relating to information on Corporate Governance of the SIX Swiss Exchange, and the principles of the Swiss Code of Best Practice for Corporate Governance of economiesuisse.

Remuneration Governance and Principles

Shareholder Engagement

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

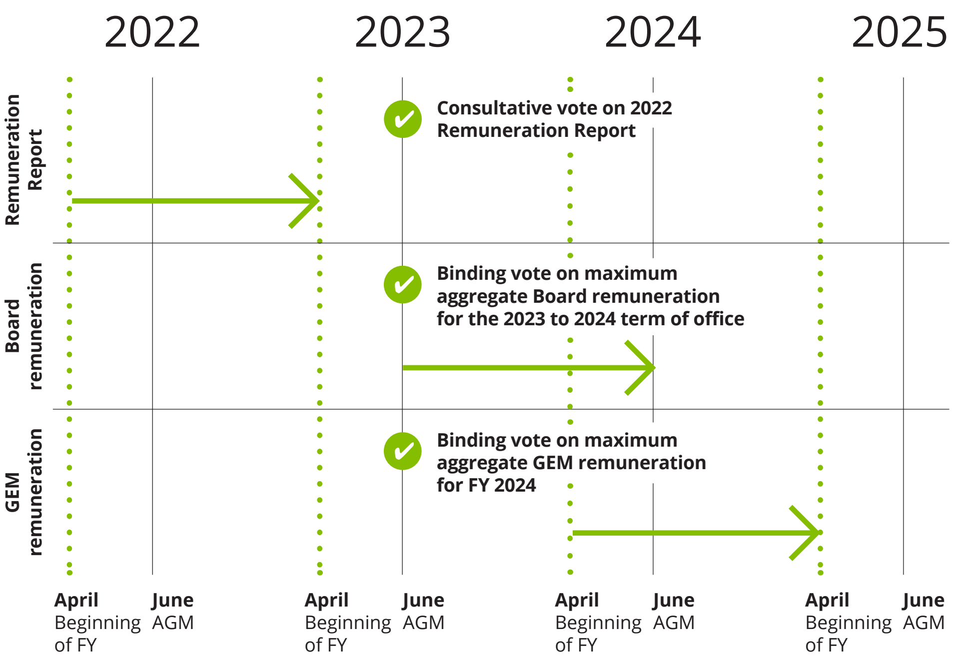
Landis+Gyr's Articles of Association include the principles governing remuneration (specifically Articles 12, 25, 26, 28 and 29) and can be viewed online at: www.landisgyr.com/about/executive-management-and-board/ → Corporate Governance Documents → Articles of Association. The key provisions are summarized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

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

In line with the Company's Articles of Association, the Board will submit three separate remuneration-related resolutions for shareholder approval at the 2023 AGM as illustrated in Exhibit 1:

- This Remuneration Report (consultative vote)
- The maximum aggregate remuneration amount for the Board for the term of office from 2023 AGM to 2024 AGM (binding vote)
- The maximum aggregate remuneration amount for the GEM for the financial year 2024, starting April 1, 2024 and ending March 31, 2025 (binding vote).

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



At the 2022 AGM held on June 24, 2022, shareholders approved a maximum aggregate remuneration amount for the Board for the term of office until the 2023 AGM of CHF 1.7 million, as well as the maximum aggregate amount of fixed and variable remuneration for members of the GEM for FY 2023 in the amount of CHF 8.5 million. In addition, shareholders approved the Remuneration Report 2021 in a consultative vote.

The estimated remuneration granted to the Board for the term of office from the 2022 AGM to the 2023 AGM is CHF 1.4 million compared to the approved amount of CHF 1.7 million. An amount of CHF 5.6 million was granted to the GEM in FY 2022 compared to the approved amount of CHF 8.5 million. For a reconciliation of approved versus awarded amounts please refer to page 18.

Governance on Remuneration Matters

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

The Remuneration Committee may decide to consult an external advisor on specific remuneration matters. In FY 2022, HCM International AG ("HCM") was mandated as an independent advisor on Board and GEM remuneration matters. HCM does not have any other mandates with Landis+Gyr.

EXHIBIT 2: GOVERNANCE ON REMUNERATION MATTERS

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

Activities of the Remuneration Committee

The Remuneration Committee meets as often as business requires but at least four times a year. In the 2022/2023 compensation cycle, the Remuneration Committee held five[1] meetings and covered the topics described in Exhibit 3. Details on Remuneration Committee members and their meeting attendance are provided in the Corporate Governance Report on page 8 et seq.

EXHIBIT 3: OVERVIEW OF THE MAIN TOPICS DISCUSSED BY THE REMUNERATION COMMITTEE DURING 2022/2023 COMPENSATION CYCLE

	03.05.22	27.05.22	13.06.22	25.10.22	14.03.23
Remuneration governance and policy					
Preparation of AGM related reward items including maximum aggregate remuneration amounts for the Board and GEM to be submitted to AGM vote	X				X
Remuneration Report	X	X			X
Review of remuneration principles, strategy and systems				X	
Review of stakeholder feedback on remuneration disclosure				X	
Remuneration Committee governance, meeting schedule and agenda setting				X	
Review of incentive plan design and structure				X	
Board remuneration					
Review of Board Remuneration Policy	X				
GEM remuneration					
Review and recommendation of individual GEM remuneration levels	X				X
Review of short-term incentive performance for previous financial year	X	X			X
Review of short-term incentive performance target setting for new financial year	X	X			X
Review of long-term incentive performance for previous performance period	X	X			X
Review of long-term incentive performance target setting and eligibility for new performance period	X		X		

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

Remuneration Principles

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

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

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

Determination of Board and GEM Remuneration

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

The last benchmarking for the Board was conducted in FY 2021 using a reference group of 34 Swiss listed companies[1].

1 The companies included in the reference group in FY 2021 for the purpose of Board benchmarking are: Arbonia, Aryzta, Belimo, BKW, Bossard, Bucher, Burckhardt, Bystronic, Daetwyler, Dormakaba, Dufry, EMS-Chemie, Flughafen Zürich, Forbo, Galenica, Geberit, Georg Fischer, Huber+Suhner, OC Oerlikon, Schweiter, SFS, Siegfried, SIG, Sonova, Stadler Rail, Straumann, Sulzer, Swiss Prime Site, Tecan, Temenos, Valora, VAT, Vifor Pharma, Zur Rose.

The remuneration of the GEM was last benchmarked in FY 2020, based on a reference group of 15 companies[1]. As both the Board and GEM benchmarking analysis showed that Landis+Gyr remuneration levels and structures are aligned with the market, the Board and the Remuneration Committee decided not to undertake any benchmarking in FY 2022, but will conduct the next analysis for both Board and GEM in FY 2023.

EXHIBIT 4: REFERENCE GROUPS USED FOR GEM AND BOARD BENCHMARKING

GEM	Board
Geography: Switzerland + International (periodically)	**Geography:** Switzerland
Industry: Industrials + technology	**Industry:** Industrials + diverse (excl. financials)
Size: Comparable (Revenue)	**Size:** Comparable (Revenue)

Remuneration System

Remuneration System of the Board

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

The Chair of the Board receives a fixed annual base fee of CHF 400,000 and a lump sum for expenses. The Chair is not entitled to being compensated for assuming additional committee responsibilities. Due to his previous long-standing employment relationship with Landis+Gyr, during which he was continuously covered under the collective pension scheme offered by Landis+Gyr in Switzerland, and in accordance with the requirements of Swiss pension regulations, the pension cover was subsequently continued under the terms of his directorship with the Company, under the provision that all contributions, including the employer portion, are to be funded by the Chair himself. This ensures that the Company does not incur costs for pension fund contributions in addition to the Chair's fixed base fee of CHF 400,000. The actual base fee payment to the Chair is therefore reduced by the amount remitted by the Company into the pension scheme representing the employer pension contributions. If the level of these contributions changes, based on the regulations of the pension scheme, the actual base fee payment is adjusted accordingly. In FY 2022 the Company paid CHF 36,170 (FY 2021: CHF 37,858) in employer pension contributions for the Chair, which were deducted accordingly from the Chair's base fee payment.

1 The Swiss listed industrial companies included in the reference group in FY 2020 for the purpose of GEM benchmarking were: Arbonia, Bobst Group, Bucher, Conzzeta, Daetwyler, Dormakaba, Flughafen Zürich, Geberit, Georg Fischer, OC Oerlikon, Schweiter Technologies, SFS Group, SIG, Stadler Rail, Sulzer.

Other members of the Board receive a fixed annual base fee and fixed fees for membership in Board committees, as well as a lump sum for expenses. Participation in the Swiss pension scheme may apply, to the extent legally required, with the corresponding employer contributions included in the base and committee fees paid as per Exhibit 5 below. In FY 2022 no other members of the Board participated in the Swiss pension scheme.

The amounts of the base fee and committee membership fees, as illustrated in Exhibit 5, reflect the responsibility and time requirement inherent to the respective function and remained the same in FY 2022 compared to FY 2021. The base fee and committee membership fee are paid 65% in cash and 35% in Company shares, which are blocked for sale for a period of three years from the date of grant. The cash portion of the base fee and committee membership fee is paid monthly; the share portion is granted in four quarterly instalments, with each instalment blocked for three years from the date of its grant. Should a Board member resign before completion of the respective term of office, such member is entitled to the respective pro-rata remuneration and any shares already received that are in excess of the pro-rata entitlement are to be re-transferred to the Company. All granted shares remain blocked until the end of the respective blocking period. Should a Board member not stand for re-election, or not be re-elected following completion of the previous term of office, already granted shares also remain blocked until the end of the respective blocking period. In the event of a change of control, the blocking period on the shares is lifted.

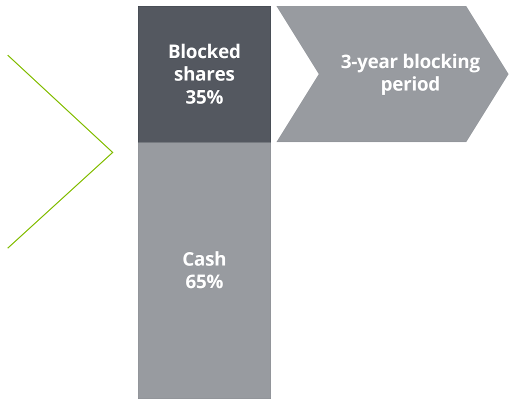
EXHIBIT 5: REMUNERATION SYSTEM OF THE BOARD, IN CHF

Fixed remuneration

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

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

Pay Mix



1 The base fee for the Chair is CHF 400,000 (no change compared to FY 2021); CHF 36,170 of the base fee were deducted in FY 2022 (FY 2021: CHF 37,858) as the Chair is financing the entire cost of the pension cover himself, including the Company contribution, by way of a reduction to the base fee. The split of the base fee into 65% cash and 35% shares is applied to the base fee after the deduction of the Company pension contributions.

2 As the Chair of the Board is also the Chair of the Nomination, Governance and Sustainability Committee, no Chair fee was paid in FY 2022 for this committee.

Remuneration System of the Group Executive Management

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

EXHIBIT 6: REMUNERATION SYSTEM OF THE GEM

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

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

Base Salary

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

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

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

Pension Benefits

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

Other Benefits

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

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

Employee Share Purchase Plan ("ESPP")

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

Short-Term Incentive Plan ("STIP")

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

Plan participants are incentivized based on the achievement of global and (if relevant) regional financial performance targets, as well as quantitative ESG targets related to Landis+Gyr's ESG strategy. The financial performance targets correlate with the mid-term plan and long-term strategy and are aligned with business priorities, with the aim of achieving sustainable profitability and growth in alignment with shareholders' interests. The financial performance targets account for 80% of the individual target incentive amount and the ESG performance targets for 20%. ESG performance targets are defined based on the material topics resulting directly from Landis+Gyr's ESG strategy and roadmap. The targets for FY 2022 were set based on the seven equally weighted Key Performance Indicators ("KPIs") as detailed in Exhibit 7 and focus on the reduction of the Company's and its product portfolio's carbon footprint as well as enabling a positive environmental impact through our products and solutions, promoting ESG-driven supplier management, driving employee learning initiatives, promoting gender balance and improving cybersecurity maturity.

Both the financial as well as the ESG performance targets are determined by the Board at the beginning of each financial year. These targets represent commercially sensitive information and are therefore not disclosed, whereas additional information on the ESG KPIs is provided in Exhibit 7. Information on realized payout for FY 2022 is provided on page 14.

Payouts under the STIP are calculated based on the achievement level of the respective performance targets, with 100% achievement resulting in 100% payout. For each financial performance target, minimum threshold performance levels, below which there is no payout, as well as maximum performance levels, at which payout is capped at 200%, apply. Linear interpolation is used to calculate the payout between threshold and target, and target and maximum. Similarly, for each ESG performance target respective threshold, target and stretch performance levels are defined, with final payout for the ESG component determined based on the overall achievement of the seven equally weighted targets. Total payout under the STIP can range from 0% to 200% of the target incentive amount. For FY 2022, the individual target incentive amount for the CEO corresponds to 75% (FY 2021: 75%) of base salary and for the other members of the GEM on average to 67% (FY 2021: 66%) of base salary. The maximum payout amount for the CEO is hence equivalent to 150% of base salary (FY 2021: 150%) and for other members of the GEM on average to 133% of base salary (FY 2021: 132%).

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

For FY 2022, the STIP scorecard for the GEM comprised both financial and non-financial performance targets, measured using the KPIs as detailed in Exhibit 7.

EXHIBIT 7: STIP PERFORMANCE SCORECARD FOR THE GEM FOR FY 2022

% of target incentive amount	Topic	KPI	Weight FY 2022	KPI Measurement
80%	Sales	Net Sales	30%	CEO, CFO: 100% Group results Regional EVPs: 50% Group results, 50% Regional results
	Profit	Adjusted EBITDA	40%	
	Cash Flow	Operating Cash Flow less taxes paid	30%	
20%	ESG[1]	1) % of electricity sourced from renewable energy sources 2) Million tons of CO_2 savings enabled through Landis+Gyr products & solutions 3) % of shipped units that are part of the Landis+Gyr Eco-Portfolio[2] 4) % of direct material spend covered by ESG supplier audits 5) Number of employee learning hours 6) % share of females in the workforce 7) Average % BSIMM[3] score		100% Group results

1 All seven ESG KPIs are equally weighted.
2 For a definition of the Eco-Portfolio see the Sustainability Report page 28.
3 Building Security in Maturity Model.

With respect to the financial KPIs, for the CEO and CFO 100% Group results are considered when determining the level of performance. For the GEM members with regional responsibility, 50% Group and 50% respective regional results are evaluated, with the financial KPIs correspondingly assessed at both global and regional level. As already announced in Remuneration Report 2021, the Group weighting for GEM members with regional responsibility was increased from 30% to 50% as of the beginning of FY 2022, with a corresponding decrease in the weight of the respective regional component, to further align the accountabilities of all GEM members with the Group's overall performance. The ESG KPIs are assessed at the global level for all participants.

Long-Term Incentive Plan ("LTIP")

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

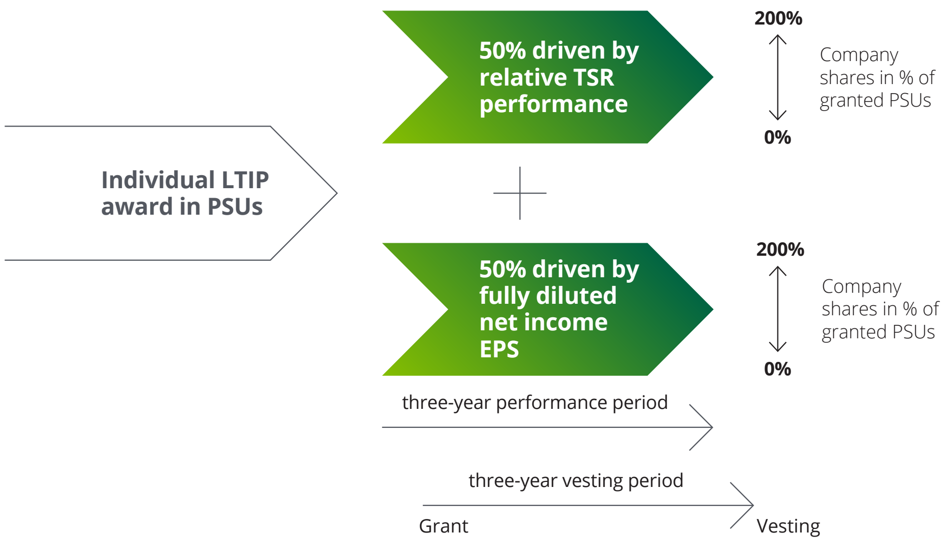
- to become shareholders or to increase their shareholding in the Company,
- to participate in the future long-term success of Landis+Gyr, and
- to further align the long-term interests of the plan participants with those of the shareholders.

The individual target incentive amounts under the LTIP are determined based on the role and responsibilities, taking into account external market levels, and do not exceed 80% of base salary. For the grants made in FY 2022, the individual target incentive amount for the CEO corresponds to 75% (FY 2021: 75%) of base salary and for other members of the GEM represents on average 46% (FY 2021: 45%) of base salary. Awards under the LTIP are a contingent entitlement, granted in the form of Performance Stock Units ("PSUs"), to receive Landis+Gyr shares, provided certain performance targets are achieved during the three-year performance period (see Exhibit 8) and subject to continuous employment. In case the performance does not reach certain pre-determined thresholds after three years, no PSUs will vest under the LTIP.

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

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

EXHIBIT 8: VESTING UNDER THE LTIP



1 The peer companies used to measure the 3-year relative TSR performance for the FY 2022 grant are: ABB, Aichi Tokei Denki, Apator, Arbonia, Badger Meter, Burckhardt Compression, Daetwyler, Genus Power Infrastructures, Hexing Electrical, Hubbell, Inficon, Itron, Legrand, LEM, Mueller Water Products, OC Oerlikon, Osaki Electric, Rexel, SIT, Smart Metering Systems, SPIE, Sulzer, Takaoka Toko, Xylem.

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

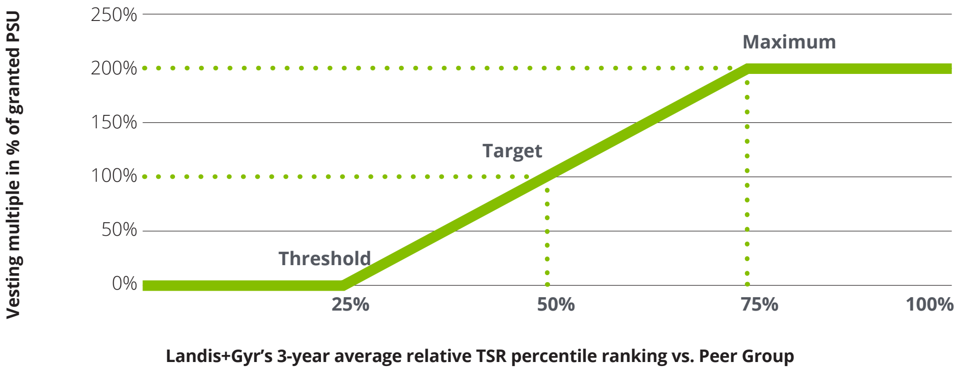
Relative TSR performance is measured against a custom peer group of 24 Swiss and international organizations[1] operating in comparable industries to Landis+Gyr and representing the markets that are relevant for Landis+Gyr. There was no change to the peer group in FY 2022 as compared to FY 2021.

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

For the FY 2022 grant, 100% of the PSUs linked to the relative TSR performance will vest after the three-year performance period if Landis+Gyr is ranked at the median of the peer group. The maximum vesting multiple of 200% applies if the Landis+Gyr TSR is at or above the 75th percentile of the peer group. The vesting multiple of 0% applies should Landis+Gyr's TSR performance relative to the peers be at or below the 25th percentile of the peer group. Linear interpolation applies between the threshold, target and maximum performance levels. In addition, to allow for further performance alignment, if Landis+Gyr's absolute TSR attributable to the relevant three-year performance period is negative, the relative TSR vesting multiple will be capped at 100% regardless of whether Landis+Gyr outperforms the median of the peer group.

Exhibit 9 represents an illustration of the relative TSR vesting curve for the FY 2022 grant.

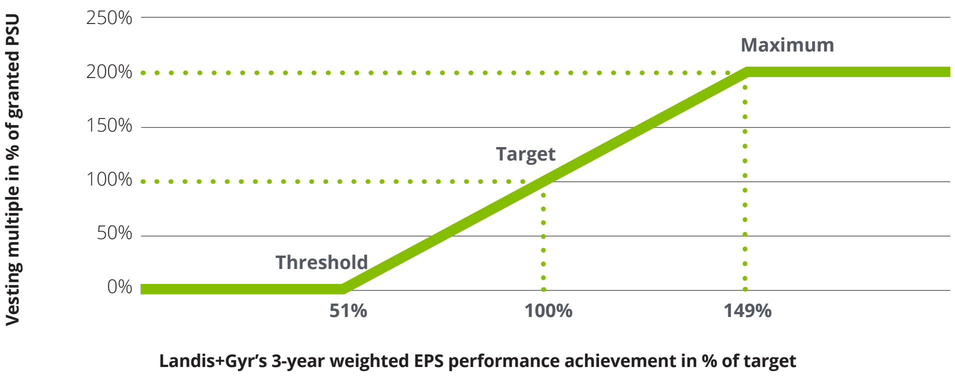
EXHIBIT 9: VESTING CURVE 3-YEAR RELATIVE TSR FOR FY 2022 GRANT



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

If the weighted EPS target is reached, 100% of the respective PSUs granted under the EPS KPI will vest. If the weighted EPS performance is at or above the maximum performance level, 200% of respective granted PSUs will vest. If the weighted EPS performance is at or below the threshold performance level, 0% of PSUs granted under the EPS KPI will vest. Linear interpolation applies between the threshold, target and maximum performance levels. Exhibit 10 represents an illustration of the weighted EPS vesting curve for the FY 2022 grant.

EXHIBIT 10: VESTING CURVE 3-YEAR WEIGHTED EPS FOR FY 2022 GRANT



Actual EPS targets are considered commercially sensitive information and communicating such targets would allow insight into the strategy of Landis+Gyr and may create a competitive disadvantage for the Company. Consequently, the decision was made not to disclose the specifics of those targets at the time of their setting, but to explain in more detail the process applied in setting EPS targets, and to subsequently disclose the target achievement at the end of the respective performance period, i.e., for the FY 2022 grant with the reporting for FY 2024.

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

No changes with regard to the methodology were made when determining EPS targets for the 2022 grant. The consistent application of this robust target setting approach helps achieve Landis+Gyr's goal of designing compensation elements with a realistic performance-based chance to realize vesting and to balance perceived riskiness and value of the plan for participants. The results of the outside-in approach were assessed against historical company performance, as well as equity analysts' expectations and strategic plan as suggested by management, to reinforce the Remuneration Committee's and Board's confidence in the overall quality and robustness of the EPS targets.

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

EXHIBIT 11: SUMMARY OF LTIP FORFEITURE PROVISIONS

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

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

Clawback of Variable Remuneration

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

Employment Conditions

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

Remuneration awarded to Members of Governing Bodies

The section below is in line with Swiss law and specifically with Articles 14 to 16 of the Ordinance which requires disclosure of remuneration granted to members of the Board and GEM. Remuneration paid to members of the Board and to the highest paid member of the GEM is shown separately.

Remuneration awarded to the Board for FY 2022

Explanatory Comments

Exhibit 12 summarizes remuneration paid to the Board for the full FY 2022. David Geary did not stand for re-election at the 2022 AGM; Exhibit 12 therefore includes the remuneration paid to him for the period from April 1, 2022 to June 30, 2022. The other seven Board members were re-elected at the 2022 AGM. As in the previous year, Søren Thorup Sørensen, as the representative of Kirkbi Invest A/S, Landis+Gyr's largest shareholder, waived all remuneration for his Board duties for the term of office from 2022 AGM to 2023 AGM.

Exhibit 13 summarizes remuneration paid for the full FY 2021, including the pro-rated remuneration of Pierre-Alain Graf, who did not stand for re-election at the 2021 AGM, as well as pro-rated remuneration of Laureen Tolson who was newly elected at the 2021 AGM. Søren Thorup Sørensen waived all remuneration for his Board duties for the term of office from 2021 AGM to 2022 AGM.

In FY 2022 the Board received total remuneration of CHF 1,432,277 (FY 2021: CHF 1,521,960). There was no change to the Board fee levels in FY 2022 as compared to FY 2021. The difference in total remuneration in FY 2022 as compared to FY 2021 is due to the reasons as explained above.

Remuneration of the Board

EXHIBIT 12: REMUNERATION OF MEMBERS OF THE BOARD FOR FY 2022[1] (AUDITED), IN CHF

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

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

EXHIBIT 13: REMUNERATION OF MEMBERS OF THE BOARD FOR FY 2021[1] (AUDITED), IN CHF

Non-executive Board members	Role in the Board	Base fees paid in cash	Committee fees paid in cash	Base and committee fees delivered in shares[2]	Total fees (cash and shares)	Expense lump sum	Employer Social Security Contributions	Total remuneration
Andreas Umbach	Chair	272,950[3]		127,050	400,000	20,000	26,506	446,506
Eric Elzvik	Lead Independent Director	149,500	39,000	101,500	290,000	10,000	21,406	321,406
David Geary	Independent Member	78,000	9,750	47,250	135,000	10,000		145,000
Pierre-Alain Graf[4]	Independent Member	19,500	2,437	11,813	33,750	2,500	2,587	38,837
Andreas Spreiter	Independent Member	78,000	19,500	52,500	150,000	10,000	11,461	171,461
Christina Stercken	Independent Member	78,000	9,750	47,250	135,000	10,000		145,000
Peter Mainz	Independent Member	78,000	17,062	51,188	146,250	10,000		156,250
Søren Thorup Sørensen[5]	Not independent; representative of largest shareholder							
Laureen Tolson[6]	Independent Member	58,500		31,500	90,000	7,500		97,500
Total Board of Directors		**812,450**	**97,499**	**470,051**	**1,380,000**	**80,000**	**61,960**	**1,521,960**

1 Represents gross amounts, prior to deductions for social security, withholding tax, etc. for services rendered from April 1, 2021 until March 31,2022 (with exception of one Board member who did not stand for re-election at the 2021 AGM as per footnote 4 below and one Board member newly elected at the 2021 AGM as per footnote 6 below).
2 Granted in quarterly instalments; fair value is defined using the volume weighted average share price for the last 20 trading days of the month preceding the month of the respective quarterly grant.
3 Includes employer pension contribution in the amount of CHF 37,858 funded by the Chair through a reduction to base fees paid.
4 Amounts reflect the period in office from April 1, 2021 until June 30, 2021. Pierre-Alain Graf did not stand for re-election at the 2021 AGM.
5 Waived all remuneration for the term of office 2021/2022.
6 Newly elected at the 2021 AGM. Amounts reflect the period in office from July 1, 2021 until March 31, 2022.

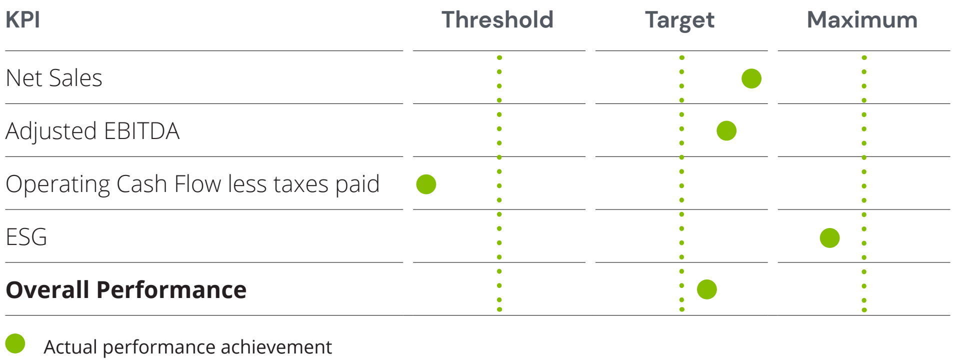
Remuneration awarded to the GEM for FY 2022

Performance Assessment and Explanatory Comments

For FY 2022, the members of the GEM received base salary, variable remuneration and pension and other benefits, in line with the remuneration system, as detailed in Exhibit 6.

For the Group as a whole, as illustrated in Exhibit 14 below, FY 2022 results related to the financial KPIs represent a solid performance in both Net Sales and Adjusted EBITDA; Operating Cash Flow performance was below threshold as a result of strategic investments in inventory to convert record level order backlog.

EXHIBIT 14: PERFORMANCE AT GROUP LEVEL FY 2022



At a regional level, overall achievement for the Americas and Asia Pacific was above target, and for EMEA above threshold but below target.

For all of the seven ESG targets, the defined action plans resulted in significant continuous improvement. This resulted in above-target performance achievement for the ESG component of the STIP in FY 2022 as illustrated in Exhibit 14. In particular, excellent progress was made in tracking and advancing our cybersecurity maturity, continuously driving ESG values in our supply chain and in further promoting a learning culture throughout the organization.

At Group level, the resulting weighted payout factor related to the financial performance targets, which account for 80% of the target incentive amount, amounts to 75.1%. The resulting weighted payout factor related to the ESG performance targets, accounting for 20% of the target incentive amount, amounts to 37%.

The financial and non-financial performance targets for FY 2022 were not adjusted, nor did the Board apply any discretion to the outcome of the STIP for FY 2022.

The overall payout for both financial and non-financial performance targets is 112.1% of the STIP target incentive amount for the CEO (FY 2021: 112.1%) and between 101.6% and 119.4% of the STIP target incentive amounts for the other members of the GEM (FY 2021: 89.9%–114.2%).

In FY 2022, GEM members received total remuneration of CHF 5,580,984 (FY 2021: CHF 6,346,478). This is an overall decrease of 12.1% compared to previous year, with the main changes explained in the following sections below.

Remuneration of the GEM

EXHIBIT 15: REMUNERATION OF GROUP EXECUTIVE MANAGEMENT MEMBERS FOR FY 2022[1] (AUDITED), IN CHF

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

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

EXHIBIT 16: REMUNERATION OF GROUP EXECUTIVE MANAGEMENT MEMBERS FOR FY 2021[1] (AUDITED), IN CHF

Remuneration elements	Members of the GEM[2]	Highest remuneration Werner Lieberherr, CEO
Base salary	2,394,550	800,000
Short-term incentive in cash[3]	1,773,046	672,720
Fair value at grant under the LTIP[4]	1,198,156	555,338
Other benefits[5]	283,792	90,657
Pension costs[6]	330,205	144,816
Employer Social Security Contributions[7]	366,729	168,538
Total remuneration	**6,346,478**	**2,432,069**

1 Represents gross amounts paid, prior to deductions for social security, withholding tax, etc. for services rendered from April 1, 2021 until March 31, 2022.
2 Reflects remuneration of six members of the GEM for FY 2021, including the pro-rated remuneration paid to two GEM members who stepped down during FY 2021, for the periods from April 1, 2021 to February 28, 2022 and from April 1, 2021 to December 31, 2021, respectively. Also includes the pro-rated remuneration for the two newly appointed GEM members for the periods from September 1, 2021 to March 31, 2022 and from January 1, 2022 to March 31, 2022, respectively.
3 Payable in FY 2022 for FY 2021.
4 Disclosure reflects awards for the reporting year, that is, fair value at grant for FY 2021. The LTIP value at vesting may vary based on performance outcomes and respective share price at the time of vesting.
5 Includes car benefits, allowances, tax advisory services, etc. as well as the replacement award for compensation forfeited from previous employer as mentioned below in the explanatory comments.
6 Representing employer contributions for retirement savings, death and disability towards the statutory Swiss pension scheme as well as the supplementary welfare plan for the three GEM members under Swiss employment contracts; and representing employer 401k contributions for the two GEM members on US employment contracts, as well as statutory employer pension contributions for one GEM member on a German employment contract. The provider for the Swiss supplementary welfare plan for employees in Switzerland, including the three GEM members under Swiss employment contracts, was changed as of January 1, 2022; however, the retirement savings contributions and the level of cover for death and disability were maintained at the same level as with the previous provider.
7 Includes estimates of social security contributions related to the LTIP grant made in FY 2021. There was no vesting of the 2018 LTIP in FY 2021 due to the performance outcome, therefore no actual social security contributions were paid in FY 2021 related to the LTIP.

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

Composition of the GEM: Exhibit 15 includes full-year remuneration paid in FY 2022 to four members of the GEM. There were no changes to the composition of the GEM during FY 2022. Remuneration for FY 2021 as shown in Exhibit 16 reflects remuneration paid to six members of the GEM, including the full-year remuneration paid to the CEO and CFO, and the pro-rata remuneration paid to the new Heads of EMEA and Americas, appointed as members of the GEM on September 1, 2021 and January 1, 2022, respectively. Also included in the remuneration for FY 2021 was the pro-rata remuneration of the previous Head of EMEA, who stepped down as a member of the GEM on August 31, 2021 and whose notice period ended on February 28, 2022, as well as the pro-rata remuneration of the previous Head of Americas, who stepped down as a member of the GEM on December 31, 2021 and who assumed a new role within the organization as of January 1, 2022.

Base Salary: The variance in base salary between FY 2022 as compared to FY 2021 is due to the different composition of the GEM as described above. Base salaries were not increased in FY 2022.

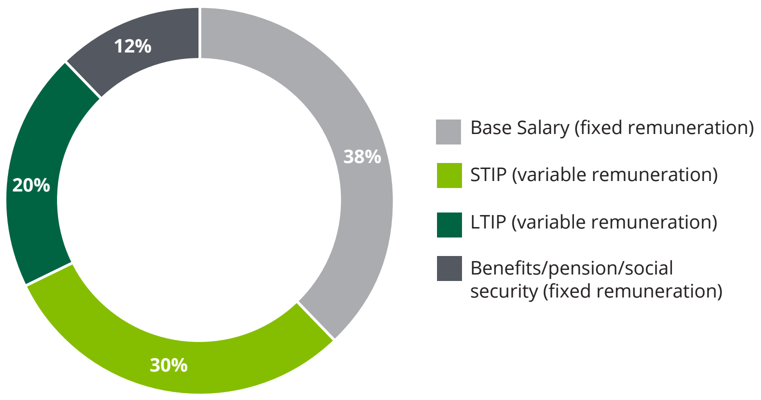
STIP: The difference in payouts under the STIP between FY 2022 and FY 2021 reflect the achieved performance levels as described above, as well as the changes to the composition of the GEM during FY 2021. No members of the GEM received an increase to their STIP target incentive amount in FY 2022.

LTIP: No changes were made to the individual target incentive amounts in FY 2022. The differences in the LTIP grant values as compared to prior year result from the different composition of the GEM at the time of the respective grants, but reflect grants to four members of the GEM in both years. The 20-day volume-weighted average share price prior to grant date used to convert the target incentive amounts into PSUs was CHF 53.87 for the grant made in FY 2022, compared to a price of CHF 68.00 used for the grant in FY 2021.

Other Benefits: There were no replacement awards payable in FY 2022; whereas remuneration for FY 2021 as shown in Exhibit 16 includes the second installment of the replacement award payable to one member of the GEM, who joined Landis+Gyr during FY 2020. As already disclosed, this replacement award was payable in two installments in FY 2020 and FY 2021 to compensate for remuneration forfeited at the previous employer as a result of joining Landis+Gyr.

As illustrated in Exhibit 17, for FY 2022 the total variable remuneration, i.e., STIP and LTIP, for the GEM represents 50% of total remuneration received. For the CEO, the total variable remuneration represents 53% of his total remuneration and 111% of his total fixed remuneration, i.e., base salary, benefits, pension and social security. For the other members of the GEM, the total variable remuneration represents on average 48% of total remuneration and ranges from 79% to 103% of total fixed remuneration, reflecting the variation in achieved performance levels. As described in previous sections of the report, the target mix between variable STIP and LTIP in relation to fixed remuneration for the GEM balances short- and long-term performance in alignment with Landis+Gyr's remuneration strategy and shareholders' interests.

EXHIBIT 17: GEM PAY COMPOSITION FY 2022



Performance of LTIP Grant FY 2020

For the LTIP grant made in FY 2020, with the performance period covering the three financial years 2020 to 2022, the overall vesting multiple is 0.58. While shareholder value was generated with a positive TSR over the three years, the performance relative to the SPI Industrials index lies just above the respective threshold for the FY 2020 grant. EPS performance was negatively impacted by the significant global supply chain challenges, as well as the FY 2020 legacy goodwill impairment, and the Board took the decision to normalize the impact of these one-off items. Before normalizing for the supply chain impact, the overall vesting multiple was 0.31. Out of the 64,632 PSUs originally granted to plan participants in FY 2020, approximately 26,500 shares will be allocated upon vesting in July 2023.

Further, as already mentioned in the FY 2021 Remuneration Report, there was no vesting for the 2019 LTIP in FY 2022, as the threshold performance levels for both relative TSR and EPS were not met.

Holding of Shares by Members of the Board and the GEM (Audited)

The members of the Board and GEM, including related parties, hold a total participation of 0.38% of the outstanding registered shares as of March 31, 2023 (0.36% as of March 31, 2022). This participation includes registered shares purchased as well as fully vested shares allocated in connection with the remuneration schemes and, for members of the Board, shares allocated in payment of part of their fees. However, unvested PSUs are not included.

EXHIBIT 18: SHARES HELD BY MEMBERS OF THE BOARD (AUDITED)

	Role	Shares held as at March 31, 2023	Shares held as at March 31, 2022
Andreas Umbach	Chair	75,751	73,553
Eric Elzvik	Lead Independent Director	9,636	7,886
David Geary[1]	Independent Member	n/a	2,626
Andreas Spreiter	Independent Member	10,236	9,330
Christina Stercken	Independent Member	4,160	3,276
Peter Mainz	Independent Member	3,405	2,499
Søren Thorup Sørensen[2]	Not independent; representative of largest shareholder	0	0
Laureen Tolson	Independent Member	1,289	496

1 Did not stand for re-election at the 2022 AGM.
2 Representative of Landis+Gyr's largest shareholder KIRKBI Invest A/S, holding 4,445,265 shares which amounts to 15.38% of outstanding share capital.

EXHIBIT 19: SHARES HELD BY MEMBERS OF THE GEM (AUDITED)

	Role	Shares held as at March 31, 2023	Shares held as at March 31, 2022
Werner Lieberherr	Chief Executive Officer	3,300	3,300
Elodie Cingari	Chief Financial Officer	1,000	1,000
Bodo Zeug	Head of EMEA	0	0
Sean Cromie	Head of Americas	0	0

In addition, as at March 31, 2023 members of the GEM held a total of 54,023 PSUs with respect to grants made under the LTIP. As at March 31, 2022 members of the GEM held a total of 33,433 PSUs.

Shareholding Guidelines for the GEM Members

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

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

External Mandates held by Members of Governing Bodies

For details on the external mandates held by members of the Board and GEM refer to page 11 et seq. and page 18 et seq., respectively, in the Corporate Governance Report.

Equity Overhang and Dilution as of March 31, 2023

In total as of March 31, 2023, the equity overhang, defined as the total number of outstanding unvested PSUs divided by the total number of shares issued, amounts to 0.59% (as at March 31, 2022: 0.52%).

The company's gross burn rate defined as the total number of equities (shares and PSUs) granted in FY 2022 divided by the total number of shares issued amounts to 0.36% (FY 2021: 0.24%).

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

Loans granted to Members of the Board or the GEM

As referenced on page 4, in accordance with Article 28 of the Articles of Association, Landis+Gyr Group AG may not grant loans to members of the Board or the GEM and hence did not do so during FY 2022. Correspondingly, no loans to members of the Board, the GEM or to closely related parties were outstanding at the end of FY 2022.

Related-Party Transactions

Disclosure on remuneration for FY 2022 covers members of the Board and the GEM as indicated, and for both includes related parties to the extent applicable. Such related parties cover spouses, partners, children and other dependents or closely linked persons. In FY 2022 no remuneration was paid to any related party.

Remuneration to Former Members of Governing Bodies

During FY 2022 no remuneration was paid to former members of the Board or the GEM for their time as a member of such governing bodies, nor to any related parties.

Reconciliation of AGM Remuneration Resolutions

For the term to the 2023 AGM, the 2022 AGM approved a maximum aggregate remuneration amount for the Board of CHF 1.7 million (including social security costs). Exhibit 20 below shows the reconciliation between the remuneration that has been/will be paid/granted for the respective term of office and the maximum aggregate amount approved by the shareholders.

The maximum aggregate amount, comprising fixed and variable remuneration, of the existing members of the GEM for FY 2022 approved by the 2021 AGM, is CHF 8.5 million (including social security costs, benefits, etc.). Exhibit 21 below shows the reconciliation between the remuneration paid to the GEM for FY 2022 and the maximum aggregate amount approved by the shareholders.

EXHIBIT 20: REMUNERATION APPROVED AND PAID/GRANTED FOR THE MEMBERS OF THE BOARD

	Total remuneration granted (paid/payable)	Maximum aggregate amount available	Status
2021 AGM to 2022 AGM	CHF 1.5 million[1]	CHF 1.8 million	Approved (2021 AGM)
2022 AGM to 2023 AGM	CHF 1.4 million[2]	CHF 1.7 million	Approved (2022 AGM)
2023 AGM to 2024 AGM		CHF 1.8 million[3]	Proposed (2023 AGM)

1 For 8 members of the Board, of which one member waived his remuneration for the term of office.
2 For 7 members of the Board of which one member waived his remuneration for the term of office; represents an estimate for the term of office from 2022 AGM to 2023 AGM; the final amount will be disclosed in the Remuneration Report 2023.
3 For 8 members of the Board.

EXHIBIT 21: REMUNERATION APPROVED AND PAID/GRANTED FOR THE MEMBERS OF THE GEM

	Total remuneration granted	Maximum aggregate amount available	Status
FY 2021	CHF 6.3 million[1]	CHF 8.5 million	Approved (2020 AGM)
FY 2022	CHF 5.6 million[2]	CHF 8.5 million	Approved (2021 AGM)
FY 2023		CHF 8.5 million	Approved (2022 AGM)
FY 2024		CHF 8.5 million[3]	Proposed (2023 AGM)

1 For 6 members of the GEM as per the explanations given on pages 14 to 15.
2 For 4 members of the GEM as per the explanations given on pages 14 to 15.
3 The amount requested for FY 2024 is for 4 members of the GEM, consistent with the amount requested for FY 2023.

Report of the statutory auditor

to the General Meeting of Landis+Gyr Group AG

Cham

Report on the audit of the remuneration report

Opinion

We have audited the remuneration report of Landis+Gyr Group AG (the Company) for the year ended March 31, 2023. The audit was limited to the information on remuneration, loans and advances pursuant to Art. 14 to 16 of the Ordinance against Excessive Remuneration in Listed Companies Limited by Shares (Ordinance) in the tables marked 'audited' on pages 13 to 16 of the remuneration report.

In our opinion, the information on remuneration, loans and advances in the accompanying remuneration report complies with Swiss law and article 14 to 16 of the Ordinance.

Basis for opinion

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

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

Other information

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

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

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

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

Board of Directors' responsibilities for the remuneration report

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

Auditor's responsibilities for the audit of the remuneration report

Our objectives are to obtain reasonable assurance about whether the information on remuneration, loans and advances pursuant to article 14 to 16 of the Ordinance is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law and SA-CH will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this remuneration report.

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

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

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

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

PricewaterhouseCoopers AG

Rolf Johner	Rahel Sopi
Licensed audit expert Auditor in charge	Licensed audit expert

Zug, May 25, 2023

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Financial Report 2022

Contents

Financial Review of Landis+Gyr Group

3

Overview

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

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

Landis+Gyr is a leading global provider of integrated energy management solutions for the utility sector. The Company measures and analyzes energy utilization to generate empowering analytics for smart grid and infrastructure management, enabling utilities and consumers to reduce energy consumption. Its innovative and proven portfolio of software, services and intelligent sensor technology is a key driver to decarbonize the grid. Building on over 125 years of industry experience, Landis+Gyr employs about 7,800 people in over 30 countries across five continents with the mission to manage energy better.

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

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

- Americas comprises the United States, Canada, Central America, South America, Japan and certain other markets which adopt US standards. This segment reported 53% of Landis+Gyr's total net revenue for the financial year 2022 (FY 2022; April 1, 2022 to March 31, 2023), compared to 48% in the financial year 2021 (FY 2021; April 1, 2021 to March 31, 2022). Landis+Gyr is a leading supplier of Advanced Metering Infrastructure ("AMI") communications networks and the leading supplier of smart electricity meters in North America. In addition, The Company is one of the leading suppliers of modern standalone and smart electric meters in South America.
- EMEA, which comprises Europe, the Middle East, South Africa and certain other markets adopting European standards, reported 36% and 40% of Landis+Gyr's total net revenue for the financial years 2022 and 2021, respectively. In EMEA, the Company is one of the leading providers of smart electricity meters and the leading supplier of smart ultrasonic gas meters.
- Asia Pacific comprises Australia, New Zealand, China, Hong Kong and India, while the balance is generated in Singapore and other markets in Asia. It reported 11% and 12% of Landis+Gyr's total revenue for the financial years 2022 and 2021, respectively. In Asia Pacific (excluding China), the Company is one of the leading smart electricity meter providers.

Summary of Financial Information

RESULTS OF OPERATIONS

USD in millions, except per share data	2023	2022	2021	2020	2019
	FINANCIAL YEAR ENDED MARCH 31,				
Order Intake	1,925.8	2,665.5	1,298.7	1,371.4	2,079.0
Committed Backlog as of March 31,	3,748.6	3,388.6	2,165.9	2,223.9	2,603.1
Net revenue	**1,681.4**	**1,464.0**	**1,357.4**	**1,699.0**	**1,765.2**
Cost of revenue	1,206.2	981.2	966.8	1,166.2	1,188.8
Gross profit	**475.2**	**482.7**	**390.7**	**532.8**	**576.3**
Operating expenses					
Research and development	175.7	160.3	148.7	157.7	156.8
Sales and marketing	78.3	71.9	69.6	88.2	95.4
General and administrative	130.9	126.7	107.2	113.5	130.9
Amortization of intangible assets	39.2	35.1	34.2	34.5	34.9
Impairment of intangible assets	–	–	396.0	–	–
Operating income (loss)	**51.0**	**88.8**	**(365.1)**	**139.0**	**158.3**
Other income (expense), net	7.2	3.3	(3.5)	(0.6)	10.7
Income (loss) before income tax benefit (expense)	**58.3**	**92.0**	**(368.6)**	**138.4**	**169.0**
Income tax benefit (expense)	(80.9)	7.0	(19.4)	(19.5)	(42.1)
Net income (loss) before noncontrolling interests and equity method investments	**(22.6)**	**99.0**	**(388.0)**	**119.0**	**126.9**
Net income (loss) from equity investments	229.7	(19.6)	(4.6)	(5.8)	(4.3)
Net income (loss) before noncontrolling interests	**207.1**	**79.4**	**(392.7)**	**113.2**	**122.6**
Net income (loss) attributable to noncontrolling interests, net of tax	(0.8)	–	(0.3)	(0.6)	0.4
Net income (loss) attributable to Landis+Gyr Group AG Shareholders	**207.9**	**79.4**	**(392.4)**	**113.7**	**122.2**
Earnings per share (basic)	7.35	2.59	(13.61)	3.90	4.15
Earnings per share (diluted)	7.32	2.59	(13.61)	3.90	4.15
Adjusted gross profit	514.6	494.9	449.3	584.3	609.3
Adjusted operating expenses	374.7	347.9	309.5	347.2	371.4
Adjusted EBITDA	**139.9**	**147.0**	**139.6**	**237.2**	**237.9**
Free Cash Flow (excluding M&A)	**(22.0)**	**89.0**	**97.6**	**120.4**	**123.5**

SUMMARY CONSOLIDATED BALANCE SHEETS

USD in millions	March 31, 2023	March 31, 2022	March 31, 2021	March 31, 2020	March 31, 2019
ASSETS					
Current assets					
Cash and cash equivalents	117.4	84.9	140.5	319.4	73.4
Accounts receivable, net	351.4	323.6	282.1	335.8	367.9
Inventories, net	242.3	143.1	110.6	147.5	133.7
Prepaid expenses and other current assets	109.0	59.7	65.6	59.7	54.8
Total current assets	**820.1**	**611.2**	**598.9**	**862.3**	**629.8**
Property, plant and equipment, net	117.2	116.3	118.5	117.5	142.1
Goodwill and other Intangible assets, net	1,264.8	1,319.0	1,218.2	1,642.4	1,686.1
Deferred tax assets	43.8	43.6	18.0	17.0	15.8
Other long-term assets	178.3	197.9	205.8	145.1	78.2
TOTAL ASSETS	**2,424.2**	**2,288.0**	**2,159.4**	**2,784.3**	**2,551.9**
LIABILITIES AND EQUITY					
Current liabilities					
Trade accounts payable	214.8	163.3	127.8	175.9	220.3
Accrued liabilities	47.6	34.9	45.1	28.4	31.2
Warranty provision – current	30.9	33.4	37.3	31.6	34.3
Payroll and benefits payable	66.1	62.0	51.6	55.5	66.8
Loans and current portion of shareholder loans	180.7	228.8	147.7	352.2	90.7
Operating lease liabilities – current	13.5	13.1	15.2	13.2	–
Other current liabilities	102.0	90.9	93.9	84.6	81.4
Total current liabilities	**655.6**	**626.5**	**518.6**	**741.3**	**524.7**
Warranty provision – non current	15.4	14.9	20.3	30.4	10.9
Pension and other employee liabilities	24.7	29.2	32.3	46.1	48.4
Deferred tax liabilities	37.5	36.5	14.5	25.0	37.3
Tax provision	23.7	26.5	32.1	20.6	29.2
Operating lease liabilities – non current	82.1	90.6	95.3	59.5	–
Other long-term liabilities	56.0	66.2	70.6	63.8	68.0
Total liabilities	**895.0**	**890.5**	**783.7**	**986.6**	**718.6**
Redeemable noncontrolling interests	**6.4**	**12.0**	**–**	**–**	**–**
Total shareholders' equity	**1,522.8**	**1,385.6**	**1,375.8**	**1,797.6**	**1,833.4**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**2,424.2**	**2,288.0**	**2,159.4**	**2,784.3**	**2,551.9**

Order Intake

Order intake decreased by USD 739.7 million, or 27.8%, from USD 2,665.5 million in the year ended March 31, 2022 to USD 1,925.8 million in the year ended March 31, 2023, on a reported currency basis (25.5% on a constant currency basis). The decrease was on the back of an extraordinarily strong FY 2021. The continued strong order intake, equivalent to a book-to-bill ratio of 1.15, was driven by major contract wins in the regions Americas (recorded an order intake of USD 1,163.1 million (book-to-bill of 1.31)) and EMEA (orders of USD 623.3 million (book-to-bill of 1.03)).

Committed Backlog

Committed Backlog increased by USD 360.0 million, or 10.6%, from USD 3,388.6 million in the year ended March 31, 2022 to USD 3,748.6 million in the year ended March 31, 2023, on a reported currency basis (increase of 11.6% on a constant currency basis).

As of March 31, 2023, in the Americas, committed backlog related to products, services and solutions was USD 2,860.9 million compared to USD 2,435.0 million as of March 31, 2022. The majority of the committed backlog in the Americas relates to the US. In EMEA, as of March 31, 2023, committed backlog was USD 773.9 million compared to USD 781.1 million as of March 31, 2022. About one-fourth of the committed backlog in EMEA relates to contracts in the UK, and approximately 20% to Belgium. In Asia Pacific, as of March 31, 2023, committed backlog was USD 113.8 million compared to USD 172.5 million as of March 31, 2022, half of the current backlog is recorded in Hong Kong.

Net Revenue

As the availability of components improved, net revenue increased by USD 217.4 million, or 14.8%, from USD 1,464.0 million in the year ended March 31, 2022 to USD 1,681.4 million in the year ended March 31, 2023, on a reported currency basis (increase of 20.8% on a constant currency basis). The increase in net revenue was predominantly driven by the Americas, amounting to USD 181.2 million. In the Americas segment, the increase in net revenue of 26.1%, on a constant currency basis, was driven by the conversion of the strong backlog and the performance in North America, Japan and Brazil. In the EMEA segment, the increase in net revenue was 13.8%, on a constant currency basis. While unfavorable FX impacts were significant, the businesses acquired in FY 2021 contributed in constant currency approximately USD 53 million year-over-year to EMEA's overall net revenue. The Asia Pacific segment net revenue increased by 20.8% on a constant currency basis driven by strong demand in Australia and New Zealand.

Cost of Revenue and Gross Profit

Cost of revenue increased by USD 224.9 million, or 22.9%, from USD 981.2 million in the year ended March 31, 2022 to USD 1,206.2 million in the year ended March 31, 2023. This increase results directly from the higher volume and the increase in supply chain costs. Transactional FX pressure due to the strong US Dollar was partially mitigated through natural hedges and external hedging activities. As a result, gross profit decreased by USD 7.5 million, or 1.6%, from USD 482.7 million (or 33.0% in percentage of revenue) in the financial year 2021 to USD 475.2 million (or 28.3% as a percentage of revenue) in the financial year 2022.

OPERATING EXPENSES

	FINANCIAL YEAR ENDED MARCH 31,	
USD in millions	**2023**	2022
Research and development	175.7	160.3
Sales and marketing	78.3	71.9
General and administrative	130.9	126.7
Amortization of intangible assets	39.2	35.1
Total operating expenses	**424.1**	**394.0**

Research and Development

Research and development expenses increased by USD 15.4 million, or 9.7%, from USD 160.3 million in the year ended March 31, 2022 to USD 175.7 million in the year ended March 31, 2023. This increase is mainly attributable to ramp-up investments to support current and future backlog conversion in Americas, impact from prior year acquisitions in EMEA and strategic initiatives like global smart ultrasonic gas and water.

Sales and Marketing

Sales and marketing expenses increased by USD 6.5 million, or 9.0%, from USD 71.9 million in the year ended March 31, 2022 to USD 78.3 million in the year ended March 31, 2023, with increase in travel and advertising expenses.

General and Administrative

General and administrative expenses increased by USD 4.2 million, or 3.3%, from USD 126.7 million in the year ended March 31, 2022, to USD 130.9 million in the year ended March 31, 2023. The increase in general and administrative expenses was mainly driven by higher travel and IT expenses, as well as the costs related to the businesses acquired during FY 2021 in EMEA.

Amortization of Intangible Assets

Cost of revenue includes amortization charges in the amount of USD 17.6 million and USD 15.7 million for the years ended March 31, 2023 and 2022, respectively; amortization of intangible assets included under operating expenses increased by USD 4.1 million, or 11.6%, from USD 35.1 million in the year ended March 31, 2022 to USD 39.2 million in the year ended March 31, 2023.

Operating Income and Reported and Adjusted EBITDA

Operating income decreased by USD 37.8 million to USD 51.0 million for the year ended March 31, 2023 from USD 88.8 million for the year ended March 31, 2022 as a result of lower gross profit and higher operating expenses. Operating income included depreciation and amortization of USD 82.2 million for the year ended March 31, 2023 and USD 81.5 million for the year ended March 31, 2022, which are included in various line items in the Consolidated Statement of Operations.

Operating income before depreciation and amortization, which corresponds to EBITDA, decreased by USD 37.1 million, or 21.8%, from USD 170.3 million for the year ended March 31, 2022 to USD 133.2 million for the year ended March 31, 2023. EBITDA included non-recurring and other items in the financial year ended March 31, 2023 that Management assessed to be non-indicative of operational performance. These items are excluded to arrive at Adjusted EBITDA.

Adjusted EBITDA was USD 139.9 million in FY 2022, compared to USD 147.0 million in FY 2021. The non-recurring and other items which amounted to USD 6.7 million included (i) restructuring expenses in the amount of USD 11.8 million related mostly to the discontinuation of manufacturing activities in India, (ii) warranty normalization adjustments of USD (5.1) million, to adjust warranty expenses to the three-year average of actual warranty costs incurred (in cash or the value of other compensation paid out to customers) in respect of warranty claims and (iii) change in unrealized gains and losses on derivatives where the underlying hedged transactions have not yet been realized amounting to less than USD 0.1 million.

In the financial year ended March 31, 2022, these non-recurring and other items which amounted to USD (23.3) million included (i) restructuring expenses in the amount of USD 2.9 million relating to costs associated with restructuring programs in all segments, (ii) warranty normalization adjustments of USD (13.8) million, to adjust warranty expenses to the three-year average of actual warranty costs incurred (in cash or the value of other compensation paid out to customers) in respect of warranty claims and (iii) change in unrealized gains and losses on derivatives where the underlying hedged transactions have not yet been realized amounting to USD (12.4) million.

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

OTHER INCOME (EXPENSE) AND INCOME TAX

	FINANCIAL YEAR ENDED MARCH 31,	
USD in millions	**2023**	2022
Other income (expense)		
Interest income	1.3	0.6
Interest expense	(10.3)	(4.3)
Income (loss) on foreign exchange, net	17.2	(2.6)
Non-operational pension credit	4.0	4.5
Gain on sale of investments	–	2.5
Gain from change in fair value of earn-out liabilities	1.3	–
Gain (loss) from change in fair value of investments in equity securities	(6.4)	2.6
Other income (expense), net	**7.2**	**3.3**
Income before income tax expense	**58.3**	**92.0**
Income tax benefit (expense)	(80.9)	7.0

Interest Income

Interest income increased year-over-year with USD 1.3 million in the year ended March 31, 2023 and USD 0.6 million in the year ended March 31, 2022.

Interest Expense

Interest expense increased by USD 6.0 million from USD 4.3 million in the year ended March 31, 2022 to USD 10.3 million in the year ended March 31, 2023, primarily attributable to higher cost of borrowings.

Income (Loss) on Foreign Exchange, Net

Result on foreign exchange shifted from a loss of USD (2.6) million in the year ended March 31, 2022 to an income of USD 17.2 million in the year ended March 31, 2023. The deviation is primarily attributable to the strengthening of the US Dollar against the other major currencies in FY 2022.

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

Income Tax Benefit (Expense)

Income tax benefit (expense) varied by USD 87.9 million, from a benefit of USD 7.0 million in the year ended March 31, 2022 to an expense of USD (80.9) million in the year ended March 31, 2023. In FY 2022 the tax expense was mainly driven by the tax on the gains of the divestment of Spark Investment Holdco Pty Ltd ("Spark") in the amount of USD (69.1) million. In the prior year the income tax benefit was driven by the release of some of the existing valuation allowance, mainly due to the divestment of Spark in Australia and the improved business activity in the United Kingdom.

Segment Information

The following tables set forth net revenues and Adjusted EBITDA for Landis+Gyr's segments: Americas, EMEA and Asia Pacific for the years ended March 31, 2023 and 2022.

KEY FIGURES

	FINANCIAL YEAR ENDED MARCH 31,		CHANGE	
USD in millions, unless otherwise indicated	2023	2022	USD	Constant Currency
Committed Backlog				
Americas	2,860.9	2,435.0	17.5%	17.2%
EMEA	773.9	781.1	(0.9%)	2.4%
Asia Pacific	113.8	172.5	(34.0%)	(30.8%)
Total	**3,748.6**	**3,388.6**	**10.6%**	**11.6%**
Net revenue to external customers				
Americas	887.9	706.7	25.7%	26.1%
EMEA	602.3	590.1	2.1%	13.8%
Asia Pacific	191.2	167.2	14.4%	20.8%
Total	**1,681.4**	**1,464.0**	**14.8%**	**20.8%**
Adjusted Gross Profit				
Americas	312.5	274.3	13.9%	
EMEA	150.6	183.7	(18.0%)	
Asia Pacific	44.9	43.8	2.5%	
Inter-segment eliminations	6.6	(6.9)		
Total	**514.6**	**494.9**	**4.0%**	
Adjusted EBITDA				
Americas	119.0	109.4	8.8%	
EMEA	(14.1)	25.7	–	
Asia Pacific	13.3	7.8	70.5%	
Corporate unallocated	21.7	4.1		
Total	**139.9**	**147.0**	**(4.8%)**	
Adjusted EBITDA % of net revenue to external customers				
Americas	13.4%	15.5%		
EMEA	(2.3%)	4.4%		
Asia Pacific	6.9%	4.7%		
Group	**8.3%**	**10.0%**		

Americas

Segment Revenue
Net revenue to external customers in the Americas segment increased by USD 181.2 million, or 25.7%, from USD 706.7 million in the year ended March 31, 2022 to USD 887.9 million in the year ended March 31, 2023, on a reported currency basis (26.1% on a constant currency basis). The increase in revenue in the Americas segment was primarily driven by the conversion of the strong backlog and the performance in North America, Japan and Brazil.

Segment Adjusted EBITDA
Adjusted EBITDA in the Americas segment increased by USD 9.6 million, or 8.8%, from USD 109.4 million in the year ended March 31, 2022 to USD 119.0 million in the year ended March 31, 2023. The increase in Adjusted EBITDA is the result of higher volume sold partly offset by higher operating expenses, mainly R&D to support current and future backlog conversion. For a reconciliation of Adjusted EBITDA on a segment basis to Adjusted EBITDA on a Group basis, see the section Supplemental Reconciliations and Definitions.

EMEA

Segment Revenue
Net revenue to external customers in the EMEA segment increased by USD 12.2 million, or 2.1%, from USD 590.1 million in the year ended March 31, 2022 to USD 602.3 million in the year ended March 31, 2023, on a reported currency basis (13.8% on a constant currency basis). While unfavorable FX impacts were significant, the businesses acquired in FY 2021 contributed in constant currency approximately USD 53 million year-over-year to EMEA's overall net revenue.

Segment Adjusted EBITDA
Adjusted EBITDA in the EMEA segment decreased by USD 39.8 million, from USD 25.7 million in the year ended March 31, 2022 to USD (14.1) million in the year ended March 31, 2023. The decrease in Adjusted EBITDA is largely the result of the increase in supply chain costs which more than offset the higher volume sold, and lead to an Adjusted Gross Profit Margin of 25.0% in FY 2022 compared to a 31.1% in FY 2021. For a reconciliation of Adjusted EBITDA on a segment basis to Adjusted EBITDA on a Group basis, see the section Supplemental Reconciliations and Definitions.

Asia Pacific

Segment Revenue
Net revenue to external customers in the Asia Pacific segment increased by USD 24.0 million, or 14.4%, from USD 167.2 million in the year ended March 31, 2022 to USD 191.2 million in the year ended March 31, 2023, on a reported currency basis (20.8% on a constant currency basis). The increase in revenue in the Asia Pacific segment was primarily driven by strong demand in Australia and New Zealand.

Segment Adjusted EBITDA
Adjusted EBITDA in the Asia Pacific segment increased by USD 5.5 million, from USD 7.8 million in the year ended March 31, 2022 to USD 13.3 million in the year ended March 31, 2023. The increase in profitability in the Asia Pacific segment was driven by higher volume and a decrease in operating expenses. For a reconciliation of Adjusted EBITDA on a segment basis to Adjusted EBITDA on a Group basis, see the section Supplemental Reconciliations and Definitions.

Restructuring and other Saving Initiatives

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

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

RESTRUCTURING CHARGES

USD in millions	Cumulative Costs incurred up to March 31, 2023	Total Costs incurred in the Financial year ended March 31, 2023
Americas	6.8	0.4
EMEA	10.0	1.3
Asia Pacific	12.1	10.0
Corporate	1.1	–
Restructuring Charges	**30.0**	**11.8**

The restructuring activities during FY 2022 related mostly to the discontinuation of manufacturing activities in India. The cumulative costs incurred up to March 31, 2023 represent the Company's ongoing restructuring efforts under various programs over the last three financial years.

Liquidity and Capital Resources

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

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

CASH FLOW

	FINANCIAL YEAR ENDED MARCH 31,	
USD in millions	2023	2022
Cash flow provided by (used in) operating activities	(45.8)	115.8
Cash flow provided by (used in) investing activities	205.8	(184.2)
Business acquisitions / divestments	(182.0)	157.4
Free Cash Flow (excluding M&A)	**(22.0)**	**89.0**
Cash flow provided by (used in) financing activities	(118.9)	14.2

Operating Activities

Cash flow provided by (used in) operating activities decreased by USD (161.6) million from USD 115.8 million in financial year 2021 to USD (45.8) million in the financial year 2022. Operational cash flow was negatively impacted by an inventory build-up, including advance payments, of USD 139.2 million to fulfill customer orders in a volatile supply chain environment with shortages of critical components.

Investing Activities
Cash flow used in investing activities increased by USD 390.0 million from USD (184.2) million in the financial year 2021 to USD 205.8 million in the financial year 2022, primarily related to the proceeds from the divestment of Spark of USD 237.8 million, before taxes, and the business acquisitions in the prior period.

Business acquisitions/divestments of USD 182.0 million in the financial year 2022 consist of the proceeds from the divestment of Spark of USD 237.8 million, related tax payments in Australia of USD (52.8) million, and the net cash from settlement of foreign currency derivatives to hedge investing activities of USD (3.0) million. Business acquisitions/divestments of USD (157.4) million in the financial year 2021 consist of the acquisitions of True Energy A/S, Etrel d.o.o., the Automated Meter Reading (“AMR”) business of Telia Finland Oyj, Luna Elektrik Elektronik Sanayi ve Ticaret A.S., and the investment in Allego N.V..

Financing Activities
Cash flow provided by (used in) financing activities decreased by USD 133.1 million, from USD 14.2 million in the financial year 2021 to USD (118.9) million in the financial year 2022. In the year ended March 31, 2023, the outflow for financing activities was driven mainly by the decrease of the borrowings under the corporate credit facility agreements of USD (50.0) million, as well as the dividend payment of USD (64.7) million. In the year ended March 31, 2022, the inflow for financing activities was driven mainly by the increase of the borrowings under the corporate credit facility agreements of USD 78.2 million, reduced by the dividend payment of USD (65.9) million.

Net Operating Working Capital
A key factor affecting cash flow from operating activities is, amongst others, changes in working capital. Operating working capital (“OWC”) reflects trade account receivables from third and related parties (net of allowance for doubtful accounts) including notes receivables and unbilled receivables, plus net inventories less trade accounts payable from third and related parties including prepayments. The table below outlines Landis+Gyr’s operating working capital for the Company as of March 31, 2023 and 2022.

NET OPERATING WORKING CAPITAL

USD in millions, except percentages	March 31, 2023	March 31, 2022
Accounts receivable, net	351.4	323.6
Inventories, net	242.3	143.1
Trade accounts payable	(214.8)	(163.3)
Operating Working Capital	**378.9**	**303.4**
Operating Working Capital as a percentage of Net Revenue	22.5%	20.7%

During the period under review, the main changes to the Group’s OWC arose from the inventory build-up to fulfill recently awarded customer contracts , as well as the higher turnover compared to prior year.

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

CAPITAL EXPENDITURES

	FINANCIAL YEAR ENDED MARCH 31,	
USD in millions, except percentages	2023	2022
Service contracts	1.8	2.0
Expansion	15.9	12.2
Replacement	11.5	12.9
Capex	**29.2**	**27.1**
Capex as a percentage of Net Revenue	1.7%	1.9%

Capital expenditures increased by USD 2.1 million, or 8.1%, from USD 27.1 million in the financial year 2021 to USD 29.2 million in the financial year 2022, primarily driven by the integration of the operations acquired in the prior year. Capex represented 1.7% and 1.9% of net revenue for the financial years 2022 and 2021, respectively.

Net Debt

The table below presents the components of net debt as of March 31, 2023 and 2022.

NET DEBT USD in millions	March 31, 2023	March 31, 2022
Cash and cash equivalents	(117.4)	(84.9)
Credit facilities	170.0	220.0
Other borrowings	10.7	8.8
Other financial liabilities (assets), net	2.4	(0.4)
Net Debt	**65.6**	**143.6**

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

Indebtedness

Total outstanding debt was as follows:

INDEBTEDNESS USD in millions	March 31, 2023	March 31, 2022
Credit facilities	170.0	220.0
Other borrowings	10.7	8.8

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

Critical Accounting Policies and Estimates

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

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

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

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

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

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

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

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

Supplemental Reconciliations and Definitions

Adjusted EBITDA

The reconciliation of Operating income (loss) to Adjusted EBITDA is as follows for the financial years ended March 31, 2023 and 2022:

ADJUSTED EBITDA

	L+G GROUP AG		AMERICAS		EMEA		ASIA PACIFIC		CORPORATE AND ELIMINATIONS	
	FINANCIAL YEAR ENDED MARCH 31,		FINANCIAL YEAR ENDED MARCH 31,		FINANCIAL YEAR ENDED MARCH 31,		FINANCIAL YEAR ENDED MARCH 31,		FINANCIAL YEAR ENDED MARCH 31,	
USD in millions, unless otherwise indicated	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Operating income (loss)	**51.0**	**88.8**	**86.6**	**78.5**	**(48.3)**	**12.1**	**(0.9)**	**2.3**	**13.6**	**(4.1)**
Amortization of intangible assets	56.9	50.9	30.1	30.7	18.6	11.9	1.4	1.5	6.8	6.8
Depreciation	25.3	30.6	11.1	12.6	10.1	13.3	2.8	3.3	1.3	1.4
EBITDA	**133.2**	**170.3**	**127.8**	**121.8**	**(19.6)**	**37.3**	**3.3**	**7.1**	**21.7**	**4.1**
Restructuring charges	11.8	2.9	0.4	0.2	1.4	2.3	10.0	0.4	–	–
Warranty normalization adjustments (1)	(5.1)	(13.8)	(9.2)	(12.6)	4.0	(1.5)	0.1	0.3	–	–
Timing difference on FX derivatives (2)	0.0	(12.4)	–	–	0.2	(12.4)	(0.2)	–	–	–
Adjusted EBITDA	**139.9**	**147.0**	**119.0**	**109.4**	**(14.1)**	**25.7**	**13.3**	**7.8**	**21.7**	**4.1**
Adjusted EBITDA margin (%)	8.3%	10.0%	13.4%	15.5%	(2.3%)	4.4%	6.9%	4.7%		

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

Adjusted Gross Profit

The reconciliation of Gross Profit to Adjusted Gross Profit is as follows for the financial years ended March 31, 2023 and 2022:

ADJUSTED GROSS PROFIT

	L+G GROUP AG		AMERICAS		EMEA		ASIA PACIFIC		CORPORATE AND ELIMINATIONS	
	FINANCIAL YEAR ENDED MARCH 31,		FINANCIAL YEAR ENDED MARCH 31,		FINANCIAL YEAR ENDED MARCH 31,		FINANCIAL YEAR ENDED MARCH 31,		FINANCIAL YEAR ENDED MARCH 31,	
USD in millions, unless otherwise indicated	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Gross profit	**475.2**	**482.7**	**306.6**	**270.8**	**126.4**	**178.1**	**35.6**	**40.7**	**6.6**	**(6.9)**
Amortization of intangible assets	17.6	15.7	5.2	5.4	11.1	8.9	1.3	1.4	–	–
Depreciation	19.5	21.4	9.7	10.6	8.2	9.4	1.6	1.4	–	–
Restructuring charges	7.3	1.3	0.2	0.2	0.7	1.1	6.4	–	–	–
Warranty normalization adjustments	(5.1)	(13.8)	(9.2)	(12.6)	4.0	(1.5)	0.1	0.3	–	–
Timing difference on FX derivatives	0.0	(12.4)	–	–	0.2	(12.4)	(0.2)	–	–	–
Adjusted gross profit	**514.6**	**494.9**	**312.5**	**274.3**	**150.6**	**183.7**	**44.9**	**43.8**	**6.6**	**(6.9)**
Adjusted gross profit margin (%)	30.6%	33.8%	35.2%	38.8%	25.0%	31.1%	23.5%	26.2%		

Adjusted Operating Expenses

The reconciliation of Operating expenses to Adjusted Operating Expenses is as follows for the financial years ended March 31, 2023 and 2022:

ADJUSTED OPERATING EXPENSES

	FINANCIAL YEAR ENDED MARCH 31,	
USD in millions	**2023**	2022
Research and development	**175.7**	**160.3**
Depreciation	(2.7)	(3.7)
Restructuring charges	(0.1)	(0.1)
Adjusted research and development	**172.9**	**156.5**
Sales and marketing	78.3	71.9
General and administrative	130.9	126.7
Depreciation	(3.1)	(5.6)
Restructuring charges	(4.3)	(1.6)
Adjusted sales, general and administrative	**201.8**	**191.4**
Adjusted operating expenses	**374.7**	**347.9**

Warranty Provisions

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

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

New product warranties recorded during the financial years ended March 31, 2023 and March 31, 2022 primarily consist of additions in line with the ordinary course of business.

In assessing the underlying operational performance of the business over time, Management believes that it is useful to consider average actual warranty costs incurred (in cash or the value of other compensation paid out to customers) in respect of warranty claims as an alternative to warranty accruals, which are estimates and subject to change and significant period-to-period volatility. The main part of the outflow (in cash or the value of other compensation paid out to customers) in respect of warranty in the years ended March 31, 2023 and March 31, 2022 was related to a legacy component issue in the Americas.

Management presents Adjusted EBITDA in this Financial Report 2022 as an alternative performance measure (both at the Group and at the segment level). With regards to warranty, Adjusted EBITDA includes only the average actual warranty costs incurred over the last 3 years (in cash or the value of other compensation paid out to customers) in respect of such claims, which amounted to USD 14.5 million and USD 19.4 million for the years ended March 31, 2023 and 2022. For the years ended March 31, 2023 and 2022, the warranty normalization adjustments made in calculating Adjusted EBITDA amounted to USD (5.1) million and USD (13.8) million, respectively.

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

WARRANTY PROVISION

USD in millions, unless otherwise indicated	FINANCIAL YEAR ENDED MARCH 31, 2023	2022	2021	Average
Beginning of the year	**48.3**	**57.6**	**62.0**	
Business combinations	–	1.4	–	
Additions [1]	11.2	6.7	17.0	
Other changes/adjustments to warranties [2]	(1.8)	(1.1)	(6.8)	
Outflow	(10.3)	(16.0)	(17.3)	(14.5)
Effect of changes in exchange rates	(1.2)	(0.2)	2.7	
Ending balance	**46.2**	**48.3**	**57.6**	

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

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

WARRANTY NORMALIZATION ADJUSTMENTS

USD in millions, unless otherwise indicated	FINANCIAL YEAR ENDED MARCH 31, 2023	2022
Additions [1]	11.2	6.7
Releases	(1.8)	(1.1)
Net changes to warranty accruals	**9.4**	**5.6**
Three-year average actual warranty costs incurred (in cash or the value of other compensation paid out to customers) in respect of warranty claims	(14.5)	(19.4)
Warranty normalization adjustments	**(5.1)**	**(13.8)**

1 "Additions" reflects new product warranty amounts included in warranty provisions (USD 11.2 million and USD 6.7 million for the years ended March 31, 2023 and 2022, respectively).

Main Exchange Rates applied

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

EXCHANGE RATES

Exchange rates	INCOME STATEMENT AVERAGE EXCHANGE RATE, 12 MONTHS 2023	2022	EXCHANGE RATE ON BALANCE-SHEET DATE 31.03.2023	31.03.2022
Euro countries – EUR	1.0413	1.1624	1.0869	1.1082
United Kingdom – GBP	1.2050	1.3666	1.2349	1.3138
Switzerland – CHF	1.0475	1.0886	1.0942	1.0842
Brazil – BRL	0.1940	0.1875	0.1974	0.2114
Australia – AUD	0.6841	0.7394	0.6700	0.7496

Glossary

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

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

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

Consolidated Financial Statements of Landis+Gyr Group AG

Report of the statutory auditor

to the General Meeting of Landis+Gyr Group AG

Cham

Report of the statutory auditor on the consolidated financial statements

Opinion

We have audited the consolidated financial statements of Landis+Gyr Group AG and its subsidiaries (the "Company"), which comprise the consolidated balance sheets as of March 31, 2023 and 2022, and the related consolidated statements of operations, consolidated statements of comprehensive income, consolidated statements of changes in shareholders' equity and consolidated statements of cash flows for the years then ended, and the related notes, including a summary of significant accounting policies (collectively referred to as the "consolidated financial statements").

In our opinion, the consolidated financial statements (pages 22 to 66) present fairly, in all material respects, the financial position of the Company as of March 31, 2023 and 2022, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America (US GAAP) and comply with Swiss law.

Basis for opinion

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

Key audit matters

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

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

Key audit matter	How our audit addressed the key audit matter
As of 31 March 2023, the carrying value of goodwill assigned to the Americas and EMEA reporting units ('the reporting units'), was USD 737 million and USD 288 million, respectively. The Company tests goodwill for impairment annually, or more frequently if events or changes in circumstances indicate a potential impairment. When evaluating goodwill for impairment, the Company uses either a qualitative or quantitative assessment method for each reporting unit. If, based on the qualitative assessment, it is determined to be more likely than not that a reporting unit's fair value is less than its carrying value or if the Company elects not to perform the qualitative assessment for a reporting unit, the Company proceeds to perform a quantitative impairment assessment. The quantitative impairment test involves comparing the fair value of the reporting unit to its carrying value. If the carrying value exceeds its fair value, the Company records an impairment charge equal to the difference. The determination of the fair value of the reporting units involves significant estimation and judgements, including determining key assumptions used in estimating the future cash flows to support the fair value of the reporting units, such as the projections of future business performance and profitability, terminal growth rates and discount rates. Due to the estimation uncertainty and judgement pertaining to the estimate, we view the matter as a key audit matter. Refer to Note 2.14 'Goodwill', Note 13 'Goodwill', and Note 14 'Impairment of intangible assets' in the notes to the consolidated financial statements.	We assessed management's identification of the Company's reporting units and the related assets, liabilities and goodwill assigned to them. We obtained management's fair value calculation for each reporting unit and assessed the appropriateness of the model and the consistency of the methodology applied compared with prior years. We tested the mathematical accuracy of the model and agreed inputs to the supporting documentation. We reconciled the FY 2023 - FY 2027 projections with the Board of Directors' approved mid-term plan and discussed with management the key drivers, as well as their intentions and the planned actions to achieve the expected results. We also compared the current year actual results with prior year projections to assess any inaccuracies or bias in assumptions. With the support of PwC internal valuation specialists, we assessed the reasonableness of management's discount and terminal growth rates. We obtained the Company's sensitivity analyses regarding key assumptions to ascertain the effect of changes to those assumptions on the fair value estimates and recalculated these sensitivities. In addition, we performed our own independent sensitivity analyses by changing various key assumptions to assess whether these would alter management's conclusions. Based on the procedures performed, we determined that the approach taken, and the conclusions reached by management with regard to the recoverability of the reporting units' goodwill were reasonable.

Responsibilities of the Board of Directors for the consolidated financial statements

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

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

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

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

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

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

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

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

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

Other information

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

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

Report on other legal and regulatory requirements

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

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

PricewaterhouseCoopers AG

Rolf Johner	Rahel Sopi
Audit expert Auditor in charge	Audit expert

Zug, May 25, 2023

Consolidated Statements of Operations

USD in thousands, except per share data	FINANCIAL YEAR ENDED MARCH 31, 2023	2022
Net revenue	**1,681,386**	**1,463,961**
Cost of revenue	1,206,169	981,231
Gross profit	**475,217**	**482,730**
Operating expenses		
Research and development	175,741	160,270
Sales and marketing	78,321	71,852
General and administrative	130,883	126,690
Amortization of intangible assets	39,237	35,147
Operating income	**51,035**	**88,771**
Other income (expense), net	7,249	3,261
Income before income tax expense	**58,284**	**92,032**
Income tax benefit (expense)	(80,882)	7,002
Net income (loss) before noncontrolling interests and equity method investments	**(22,598)**	**99,034**
Net income (loss) from equity investments	229,717	(19,596)
Net income before noncontrolling interests	**207,119**	**79,438**
Net income (loss) attributable to noncontrolling interests, net of tax	(815)	35
Net income attributable to Landis+Gyr Group AG Shareholders	**207,934**	**79,403**
Earnings per share:		
Basic	7.35	2.59
Diluted	7.32	2.59
Weighted-average number of shares used in computing earnings per share:		
Basic	28,843,658	28,831,212
Diluted	28,958,880	28,831,212

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

Consolidated Statements of Comprehensive Income

USD in thousands	FINANCIAL YEAR ENDED MARCH 31, 2023	2022
Net income before noncontrolling interests	**207,119**	**79,438**
Other comprehensive income (loss):		
Foreign currency translation adjustments, net of income tax expense	(23,044)	(10,366)
Pension plan benefits liability adjustments, net of income tax expense	6,977	9,328
Comprehensive income	**191,052**	**78,400**
Net (income) loss attributable to noncontrolling interests, net of tax	815	(35)
Foreign currency translation adjustments attributable to the noncontrolling interests	245	(12)
Comprehensive income attributable to Landis+Gyr Group AG Shareholders	**192,112**	**78,353**

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

Consolidated Balance Sheets

USD in thousands, except share data	March 31, 2023	March 31, 2022
ASSETS		
Current assets		
Cash and cash equivalents	117,370	84,850
Accounts receivable, net of allowance for doubtful accounts of USD 7.4 million and USD 6.2 million	351,379	323,612
Inventories, net	242,340	143,106
Prepaid expenses and other current assets	109,018	59,680
Total current assets	**820,107**	**611,248**
Property, plant and equipment, net	117,215	116,310
Intangible assets, net	216,312	270,593
Goodwill	1,048,508	1,048,404
Deferred tax assets	43,789	43,557
Other long-term assets	178,291	197,905
TOTAL ASSETS	**2,424,222**	**2,288,017**
LIABILITIES AND EQUITY		
Current liabilities		
Trade accounts payable	214,822	163,323
Accrued liabilities	47,638	34,928
Warranty provision – current	30,862	33,433
Payroll and benefits payable	66,076	62,017
Loans payable	180,661	228,831
Operating lease liabilities – current	13,504	13,068
Other current liabilities	102,037	90,910
Total current liabilities	**655,600**	**626,510**
Warranty provision – non current	15,404	14,892
Pension and other employee liabilities	24,729	29,157
Deferred tax liabilities	37,465	36,546
Tax provision	23,747	26,529
Operating lease liabilities – non current	82,088	90,588
Other long-term liabilities	55,995	66,239
Total liabilities	**895,028**	**890,461**
Redeemable noncontrolling interests	**6,358**	**11,969**
Commitments and contingencies – Note 26		

USD in thousands, except share data	March 31, 2023	March 31, 2022
Shareholders' equity		
Landis+Gyr Group AG Shareholders' equity Registered ordinary shares (28,908,944 and 28,908,944 issued shares at March 31, 2023 and March 31, 2022, respectively)	302,756	302,756
Additional paid-in capital	1,100,179	1,156,312
Retained earnings (Accumulated deficit)	176,105	(31,829)
Accumulated other comprehensive loss	(52,418)	(36,596)
Treasury shares, at cost (54,764 and 74,344 shares at March 31, 2023 and March 31, 2022, respectively)	(5,069)	(6,413)
Total Landis+Gyr Group AG Shareholders' equity	**1,521,553**	**1,384,230**
Noncontrolling interests	1,283	1,357
Total shareholders' equity	**1,522,836**	**1,385,587**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**2,424,222**	**2,288,017**

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

Consolidated Statements of Changes in Shareholders' Equity

USD in thousands except for shares	Registered ordinary shares – Shares	Registered ordinary shares – Amounts	Additional paid-in capital	Retained earnings (Accumulated deficit)	Accumulated other comprehensive loss	Treasury shares	Total Landis+Gyr Group AG equity	Noncontrolling interests	Total shareholders' equity
Balance at March 31, 2021	**28,908,944**	**302,756**	**1,225,328**	**(111,232)**	**(35,546)**	**(6,854)**	**1,374,452**	**1,298**	**1,375,750**
Net income	–	–	–	79,403	–	–	79,403	35	79,438
Foreign currency translation adjustments, net of income tax expense	–	–	–	–	(10,378)	–	(10,378)	12	(10,366)
Pension plan benefits liability adjustment, net of income tax expense	–	–	–	–	9,328	–	9,328	–	9,328
Dividends paid (CHF 2.10 per share)	–	–	(65,908)	–	–	–	(65,908)	–	(65,908)
Net loss allocated to redeemable noncontrolling interests	–	–	0	–	–	–	–	12	12
Current period mark to redemption value of redeemable noncontrolling interest	–	–	(4,653)	–	–	–	(4,653)	–	(4,653)
Share-based compensation	–	–	1,986	–	–	–	1,986	–	1,986
Delivery of shares	–	–	(441)	–	–	441	–	–	–
Balance at March 31, 2022	**28,908,944**	**302,756**	**1,156,312**	**(31,829)**	**(36,596)**	**(6,413)**	**1,384,230**	**1,357**	**1,385,587**
Net income (loss)	–	–	–	207,934	–	–	207,934	(815)	207,119
Foreign currency translation adjustments, net of income tax expense	–	–	–	–	(22,799)	–	(22,799)	(245)	(23,044)
Pension plan benefits liability adjustment, net of income tax expense	–	–	–	–	6,977	–	6,977	–	6,977
Dividends paid (CHF 2.15 per share)	–	–	(64,700)	–	–	–	(64,700)	–	(64,700)
Net loss allocated to redeemable noncontrolling interests	–	–	–	–	–	–	–	986	986
Current period mark to redemption value of redeemable noncontrolling interest	–	–	4,169	–	–	–	4,169	–	4,169
Share-based compensation	–	–	5,105	–	–	–	5,105	–	5,105
Purchase of treasury shares	–	–	–	–	–	(409)	(409)	–	(409)
Delivery of shares	–	–	(527)	–	–	527	–	–	–
Employee stock purchase plan	–	–	(180)	–	–	1,226	1,046	–	1,046
Balance at March 31, 2023	**28,908,944**	**302,756**	**1,100,179**	**176,105**	**(52,418)**	**(5,069)**	**1,521,553**	**1,283**	**1,522,836**

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

Consolidated Statements of Cash Flows

USD in thousands	FINANCIAL YEAR ENDED MARCH 31, 2023	2022
Cash flow from operating activities		
Net income	207,119	79,438
Adjustments to reconcile net income to net cash provided by (used in) operating activities:		
Depreciation and amortization	82,182	81,500
Net loss (income) from equity investments	(229,717)	19,596
Share-based compensation	5,105	1,986
Gain on sale of investments	–	(2,488)
Loss on disposal of property, plant and equipment	252	44
Loss (income) on foreign exchange, net	(17,245)	2,567
Change in allowance for doubtful accounts	1,251	(485)
Deferred income tax	(1,706)	(18,743)
Change in operating assets and liabilities, net of effect of businesses acquired and effect of changes in exchange rates:		
Accounts receivable	(37,347)	(32,585)
Inventories, including advance payments	(139,227)	(15,899)
Trade accounts payable	60,033	34,341
Other assets and liabilities	23,526	(33,494)
Net cash provided by (used in) operating activities	**(45,774)**	**115,778**
Cash flow from investing activities		
Payments for property, plant and equipment	(28,300)	(27,087)
Payments for intangible assets	(971)	(25)
Proceeds from the sale of property, plant and equipment	214	349
Business acquisitions, net of cash received	–	(150,699)
Purchase of investments	–	(5,000)
Proceeds from the sale of investments	237,842	2,488
Net cash from settlement of foreign currency derivatives to hedge investing activities	(3,005)	(4,200)
Net cash proved by (used in) investing activities	**205,780**	**(184,174)**

USD in thousands	FINANCIAL YEAR ENDED MARCH 31, 2023	2022
Cash flow from financing activities		
Proceeds from third party facility	264,006	154,023
Repayment of borrowings to third party facility	(320,106)	(73,891)
Purchase of treasury shares	(409)	–
Dividends paid	(64,700)	(65,908)
Net cash from settlement of foreign currency derivatives to hedge financing activities	1,289	–
Issuance of shares	1,046	–
Net cash provided by (used in) financing activities	**(118,874)**	**14,224**
Net increase (decrease) in cash and cash equivalents	**41,132**	**(54,172)**
Cash and cash equivalents at beginning of period, including restricted cash	85,539	140,549
Effects of foreign exchange rate changes on cash and cash equivalents	(8,685)	(838)
Cash and cash equivalents at end of period, including restricted cash	**117,986**	**85,539**
Reconciliation of cash, cash equivalents, and restricted cash reported in the Consolidated Balance Sheet		
Cash and cash equivalents	117,370	84,850
Restricted cash included in other long-term assets	616	689
Total cash, cash equivalents, and restricted cash shown in the Consolidated Statement of Cash Flows	**117,986**	**85,539**
Supplemental cash flow information		
Cash paid for income tax	83,018	19,912
Cash paid for interest	6,722	3,120

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

Notes to the Consolidated Financial Statements

Note 1: Description of Business and Organization

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

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

Note 2: Summary of Significant Accounting Principles

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

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

The Company presents noncontrolling interests in less-than-wholly-owned subsidiaries within the equity section of its Consolidated Financial Statements. At March 31, 2023, and at March 31, 2022, the Company had two less-than-wholly-owned subsidiaries, Landis+Gyr (Pty) Ltd in South Africa, with an ownership interest of 76.7% in both periods, and Etrel d.o.o. (“Etrel”) in Slovenia with an ownership interest of 75%. The noncontrolling interest holders of Etrel have the option, which is embedded in the noncontrolling interest, to require the Company to acquire their ownership interests between October 1, 2024 and March 31, 2025 (see Note 25: Redeemable Noncontrolling Interests).

All intercompany balances and transactions have been eliminated.

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

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

The COVID-19 pandemic has had global economic impacts including disrupting customer demand and global supply chains, resulting in market volatility. New variants of the virus may cause previously lifted restrictions to be reinstated, which could result in more disruptions. As economies have reopened, global supply chains have struggled to keep pace with rapidly changing demand and the timeline to a full recovery remains uncertain. Efforts are ongoing with suppliers to increase supply, including the approval of alternate sources. Recently, inflation in the Company’s raw materials and component costs, freight charges, and labor costs have increased above historical levels, due to, among other things, the continuing impacts of the pandemic and uncertain economic environment. The Company may or may not be able to fully recover these increased costs through pricing actions with its customers. At this time, Landis+Gyr has not identified any significant decrease in long-term customer demand for its products and services. However, certain of the Company’s customer projects have experienced delays in deliveries, with revenue originally forecasted in prior periods shifting to future periods.

The Russian military actions in Ukraine and the resulting sanctions could adversely affect the global economy, as well as further disrupt the supply chain. A major disruption in the global economy and supply chain could have a material adverse effect on the Company’s business, prospects, financial condition, results of operations, and cash flows. The extent and duration of the military action, sanctions, and resulting market and/or supply disruptions are impossible to predict, but could be substantial.

2.4 Revenue Recognition

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

2.5 Accounting for Business and Assets Acquisitions

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

2.11 Accounts Receivable and Allowance for Doubtful Accounts

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

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

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

2.12 Inventories

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

2.13 Property, Plant & Equipment

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

ESTIMATED USEFUL LIVES

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

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

2.14 Goodwill

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

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

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

2.15 Intangible Assets with Finite Lives

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

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

2.16 Investments

Investments in Affiliated Companies

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

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

Other Investments

Other investments include participation in other entities where the Company does not have the power to exercise significant influence nor to exercise control. Equity investments with readily determinable fair values are measured at fair value. Other investments without readily determinable fair values are accounted at cost minus impairment, if any, plus or minus changes resulting from observable price changes in orderly transactions for an identical or similar investment of the same issuer. Changes in value are recorded in Other income (expense), net.

2.17 Warranty

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

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

2.18 Commitments and Contingencies

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

The Company has asset retirement obligations ("ARO") arising from contractual requirements to remove certain leasehold improvements at the time that the Company vacates leased property. The liability is initially measured on the date of executing the lease agreement at fair value, and subsequently is adjusted for accretion expense and changes in the amount or timing of the estimated cash flows. In determining the fair value of the ARO, the Company has considered, among other factors, the estimated cost to remove the assets based on consultations with, and written estimates from, third-party contractors, the expected settlement dates, ranging from financial year ending March 31, 2024 to 2031, and an effective interest rate, which for the Company is based on the credit-adjusted risk-free rate. The corresponding AROs are capitalized as part of the carrying amount of the related long-lived asset and depreciated over the shorter of the asset's remaining useful life or the lease term. The Company classifies such liabilities in Other long-term liabilities in the Consolidated Balance Sheets.

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

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

2.19 Employee Benefit Plans

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

Employee Benefits

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

Retirement Benefits

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

2.24 Advertising
Advertising costs are expensed as incurred. Advertising expenses included in Sales and marketing expenses were USD 4.2 million and USD 1.9 million, respectively, for the financial years ended March 31, 2023 and March 31, 2022.

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

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

As of March 31, 2023 and March 31, 2022, the Company had 115,222 and nil, respectively, dilutive shares outstanding.

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

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

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

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

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

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

2.27 Recent Accounting Pronouncements Applicable for Future Periods

In June 2016, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2016-13 – Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments, amending the accounting for the impairment of financial instruments, including trade receivables. The new guidance requires the use of a "current expected credit loss" model for most financial assets. Under the new model, an entity recognizes as an allowance its estimate of expected credit losses, rather than the current methodology requiring delay of recognition of credit losses until it is probable a loss has been incurred. In November 2018, the FASB issued ASU 2018-19 – Codification Improvements to Topic 326, Financial Instruments – Credit Losses to clarify, improve, and correct various aspects of ASU 2016-13. In May 2019, the FASB issued ASU 2019-05 – Financial Instruments – Credit Losses (Topic 326): Targeted Transition Relief, to simplify transition requirements. In November 2019, the FASB issued ASU 2019-11 – Codification Improvements to Topic 326, Financial Instruments – Credit Losses to clarify, improve, and correct various aspects of ASU 2016-13. In March 2020, the FASB issued ASU 2020-03 – Codification Improvements to Financial Instruments, which improves the financial instruments guidance, including the current expected credit losses guidance. The effective date and transition requirements in ASU 2018-19, ASU 2019-05, ASU 2019-11 and ASU 2020-03 are the same as the effective date and transition requirements of ASU 2016-13. In November 2019, the FASB issued ASU 2019-10, – Financial Instruments – Credit Losses (Topic 326), Derivatives and Hedging (Topic 815), and Leases (Topic 842): Effective Dates, deferring the effective dates for certain major Updates. As a result, 2016-13 is effective for the Company for annual and interim periods beginning on April 1, 2023, with early adoption in any interim period permitted. The requirements of the amended guidance should be applied using a modified retrospective approach except for debt securities, which require a prospective transition approach. The Company will adopt the new standard as of April 1, 2023, but does not expect this update to have a significant impact on its Consolidated Financial Statements.

In October 2021, the FASB issued ASU 2021-08 – Business Combinations (Topic 805): Accounting for Contract Assets and Contract Liabilities from Contracts with Customers, which provides guidance on the accounting for revenue contracts acquired in a business combination. The update requires revenue contract assets and liabilities acquired in a business combination be recognized and measured under the revenue standard provided in Topic 606. Under previous guidance, revenue contract assets and liabilities would have been measured at fair value. The effective date for this amendment is April 1, 2023, and all interim periods thereafter. These amendments are to be applied prospectively to business combinations occurring on or after the effective date of the amendments. The Company will apply the practical expedients as needed for any future acquisition. The practical expedients cover contracts that were modified prior to acquisition date as well as determining which date an acquirer would have to determine the standalone selling price of each performance obligation in an acquired contract.

In September 2022, the FASB issued ASU 2022-04 – Liabilities – Supplier Finance Programs (Subtopic 405-50): Disclosure of Supplier Finance Program Obligations, which requires entities to disclose the key terms of supplier finance programs they use in connection with the purchase of goods and services along with information about their obligations under these programs, including a roll-forward of those obligations. This update is effective prospectively for the Company for annual and interim reporting periods beginning April 1, 2023, except for the roll-forward requirement, which is effective for the financial year beginning April 1, 2024, with early adoption permitted in any interim period. The Company does not expect this update to have a significant impact on its Consolidated Financial Statements.

Recently Adopted Accounting Pronouncements

In May 2021, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2021-04 amending Earnings Per Share (Topic 260), Debt-Modifications and Extinguishments (Subtopic 470-50), Compensation – Stock Compensation (Topic 718), and Derivatives and Hedging – Contracts in Entity's Own Equity (Subtopic 815-40). The amendment affects entities when a freestanding equity-classified written call option is modified or exchanged and remains equity classified after the modification or exchange. This update was effective for the Company on April 1, 2022, and did not have any impact on the Consolidated Financial Statements.

In July 2021, the FASB issued ASU 2021-05 – Leases (Topic 842) – Lessors – Certain Leases with Variable Lease Payments, which requires lessors to classify leases as operating leases if they have variable lease payments that do not depend on an index or rate and would have selling losses if they were classified as sales-type or direct financing leases. This update was effective for the Company on April 1, 2022, and did not have any impact on the Consolidated Financial Statements.

In November 2021, the FASB issued ASU 2021-10 amending Government Assistance: (Topic 832). The FASB issued this update to increase the transparency of government assistance including the disclosure of (1) the types of assistance, (2) an entity's accounting for the assistance, and (3) the effect of the assistance on an entity's financial statements. The effective date for this amendment was April 1, 2022. The adoption of this amendment did not have any impact on the Consolidated Financial Statements.

Note 3: Shareholder's Equity

At March 31, 2023 and 2022, the capital structure reflected 28,908,944 authorized, registered and issued ordinary shares with restricted transferability. The restricted transferability is related to the fact that the Board of Directors can reject a shareholder not disclosing the beneficial owner; see art. 5 of Landis+Gyr's articles of association for further information.

Registered ordinary shares carry one vote per share, as well as the right to dividends.

Conditional Share Capital

The share capital of the Company may be increased by up to CHF 4,500,000 by issuing up to 450,000 fully paid-in registered shares with a nominal value of CHF 10 each, upon the exercise of option rights or in connection with similar rights regarding shares granted to officers and employees at all levels of the Company and its group companies according to respective regulations and resolutions of the Board of Directors. This conditional share capital has been approved and is available for use. As of March 31, 2023, no shares were issued from this conditional share capital.

Furthermore, the share capital of the Company may be increased by up to CHF 28,908,940, at any time until June 24, 2024, by the issuance of up to 2,890,894 fully paid-in registered shares with a nominal value of CHF 10 each, upon the exercise or mandatory exercise of conversion, exchange, option, warrant or similar rights for the subscription of shares granted to shareholders or third parties alone or in connection with bonds, notes, loans, options, warrants or other securities or contractual obligations of the Company or any of its group companies. As of March 31, 2023, no shares were issued from this conditional share capital.

Authorized Share Capital

The Board of Directors is authorized to increase the share capital at any time by a maximum amount of CHF 28,908,940 through the issuance of a maximum of 2,890,894 fully paid-in registered shares with a nominal value of CHF 10 each until June 24, 2024. Increases in partial amounts are permissible. As of March 31, 2023, no shares were issued from this authorized share capital.

The aggregate number of registered shares issued until June 24, 2024 in connection with the above conditional share capital, with the exclusion of advance subscription rights of existing shareholders, and/or the authorized share capital, with the exclusion of pre-emptive rights of existing shareholders, must not exceed 2,890,894 registered shares.

Treasury Shares

From time to time, the Company may repurchase shares of its common stock under programs authorized by the Board of Directors. Share repurchases are made in the open market and in accordance with applicable securities laws. Shares repurchased are displayed separately as Treasury shares in the Consolidated Financial Statements.

The changes in Treasury shares during the financial years ended March 31, 2023 and 2022 were as follows:

TREASURY SHARES

	FINANCIAL YEAR ENDED MARCH 31,			
	2023	**2023**	2022	2022
	Number of shares	**Average acquisition price per share (in CHF)**	Number of shares	Average acquisition price per share (in CHF)
Treasury shares – opening balance as of April 1,	74,344	84.94	81,777	82.46
Purchases	5,400	71.09	–	–
Delivery of shares	(24,980)	66.53	(7,433)	57.65
Treasury shares – closing balance as of March 31,	**54,764**	**91.98**	**74,344**	**84.94**

Dividend

At the Annual General Meeting of Shareholders on June 24, 2022, shareholders approved the proposal of the Board of Directors to distribute CHF 2.15 per share to shareholders. The declared dividend amounted to CHF 62.0 million (USD 64.7 million at the exchange rate prevailing on June 24, 2022) and was paid in June 2022.

At the Annual General Meeting of Shareholders on June 24, 2021, shareholders approved the proposal of the Board of Directors to distribute CHF 2.10 per share to shareholders. The declared dividend amounted to CHF 60.5 million (USD 65.9 million at the exchange rate prevailing on June 24, 2021) and was paid in June 2021.

Accumulated Other Comprehensive Loss

The components of accumulated other comprehensive loss ("AOCL") of the Company consist of:

ACCUMULATED OTHER COMPREHENSIVE LOSS

	MARCH 31,	
USD in thousands	**2023**	2022
Foreign currency translation adjustments, net of tax	(63,937)	(41,138)
Pension plan benefits liability adjustments, net of taxes of USD (2,020) and USD (164) as of March 31, 2023 and March 31, 2022, respectively	11,519	4,542
Accumulated other comprehensive loss	**(52,418)**	**(36,596)**

The following tables present the reclassification adjustments in AOCL by component:

ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS) – FY 2022 USD in thousands	Defined benefit pension items	Foreign currency items	Total
Beginning balance, April 1, 2022	**4,542**	**(41,138)**	**(36,596)**
Other comprehensive income before reclassifications	7,292	(22,799)	(15,507)
Amounts reclassified from accumulated other comprehensive income	(315)	–	(315)
Net current-period other comprehensive income (loss)	6,977	(22,799)	(15,822)
Ending balance, March 31, 2023	**11,519**	**(63,937)**	**(52,418)**

ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS) – FY 2021 USD in thousands	Defined benefit pension items	Foreign currency items	Total
Beginning balance, April 1, 2021	**(4,786)**	**(30,760)**	**(35,546)**
Other comprehensive loss before reclassifications	9,059	(10,378)	(1,319)
Amounts reclassified from accumulated other comprehensive income	269	–	269
Net current-period other comprehensive income (loss)	9,328	(10,378)	(1,050)
Ending balance, March 31, 2022	**4,542**	**(41,138)**	**(36,596)**

The pension plan benefits liability adjustment, net of taxes, in the AOCL changed by USD 7.0 million and USD 9.3 million in the financial years ended March 31, 2023 and March 31, 2022, respectively. These changes represent the movement of the current year activity including the reclassified amounts from accumulated other comprehensive income to net income:

AOCL – PENSION PLAN BENEFIT LIABILITY ADJUSTMENT	FINANCIAL YEAR ENDED MARCH 31,	
USD in thousands	2023	2022
Amortization of actuarial loss	697	1,353
Amortization of prior service credit	(1,012)	(1,084)
Amounts reclassified from other comprehensive income to net income (1)	(315)	269
Net actuarial gain	9,609	10,854
Prior service cost	(461)	–
Total before tax	**8,833**	**11,123**
Tax benefit	(1,856)	(1,795)
Total other comprehensive income from defined benefit pension plans (net of tax) for the financial year ended March 31,	**6,977**	**9,328**

1) These accumulated other comprehensive income components are included in the computation of net periodic pension costs (see Note 21: Pension and Post-retirement Benefit Plans for additional details).

Note 4: Earnings per Share

Basic earnings per share is calculated by dividing net income by the weighted-average number of shares outstanding during the period.

Diluted earnings per share is calculated by dividing net income by the weighted-average number of shares outstanding during the period, assuming that all potentially dilutive securities were exercised, if dilutive. Potentially dilutive securities comprise shares granted subject to certain conditions under the Company's share-based payment arrangements (see Note 22: Share-based Compensation).

Treasury shares are not considered outstanding for share count purposes and they were excluded from the average number of ordinary shares outstanding for the purpose of calculating the basic and diluted earnings per share.

The following table sets forth the computation of basic and diluted earnings per share (EPS):

EARNINGS PER SHARE

USD in thousands, except per share data	FINANCIAL YEAR ENDED MARCH 31, 2023	2022
Basic earnings per share		
Net income attributable to Landis+Gyr Group AG Shareholders	207,934	79,403
Accretion of redeemable noncontrolling interest, net of tax	4,169	(4,653)
Net income attributable to Landis+Gyr Group AG Shareholders after accretion of redeemable noncontrolling interest	**212,103**	**74,750**
Weighted-average number of shares used in computing earnings per share	**28,843,658**	**28,831,212**
Basic earnings per share attributable to Landis+Gyr Group AG shareholders	**7.35**	**2.59**
Diluted earnings per share		
Net income attributable to Landis+Gyr Group AG Shareholders	207,934	79,403
Accretion of redeemable noncontrolling interest, net of tax	4,169	(4,653)
Net income attributable to Landis+Gyr Group AG Shareholders after accretion of redeemable noncontrolling interest	**212,103**	**74,750**
Weighted-average number of shares used in computing earnings per share	**28,843,658**	**28,831,212**
Effect of dilutive securities	115,222	–
Adjusted weighted-average number of shares outstanding	**28,958,880**	**28,831,212**
Diluted earnings per share attributable to Landis+Gyr Group AG shareholders	**7.32**	**2.59**

There were 339,696 potentially dilutive securities from the Company's share-based long-term incentive plans for the financial year ended March 31, 2023, of which 115,222 were included in the computation of the adjusted weighted-average number of shares outstanding. The remaining 224,474 stock-based awards could be dilutive in future periods.

There were 299,476 potentially dilutive securities from the Company's share-based long-term incentive plans for the financial year ended March 31, 2022, of which none were included in the computation of the adjusted weighted-average number of shares outstanding as their effect was nil.

Note 5: Other Income (Expense), net

The components of Other income (expense), net were as follows:

OTHER INCOME (EXPENSE), NET

USD in thousands	FINANCIAL YEAR ENDED MARCH 31, 2023	2022
Interest income	1,347	575
Interest expense	(10,273)	(4,298)
Income (loss) on foreign exchange, net	17,245	(2,567)
Non-operational pension credit	3,985	4,458
Gain on sale of investments	–	2,533
Gain from change in fair value of earn-out liabilities	1,300	–
Gain (loss) from change in fair value of investments in equity securities	(6,355)	2,560
Other income (expense), net	**7,249**	**3,261**

Gain on Sale of Investments

On May 31, 2018, the Company had entered into an agreement with Pacific Equity Partners ("PEP"), an Australian private equity firm, to establish Spark Investment Holdco Pty Ltd ("Spark"). Under the agreement, the Company had contributed all of the 100 outstanding shares of its wholly owned subsidiary IntelliHUB Operations Pty Ltd ("IntelliHUB") and a cash consideration, in exchange for a minority equity interest in Spark.

As part of the IntelliHUB contribution, the Company was entitled to receive additional contingent consideration from Spark if specified future events occur or conditions are met, such as the achievement of certain commercial milestones until June 30, 2023. During the financial year ended March 31, 2022, the Company received additional cash consideration from Spark in the amount of USD 2.5 million, which is included within Other income (expense), net in the Consolidated Statement of Operations.

On April 1, 2022, Landis+Gyr fully divested its equity investment in Spark (see Note 15: Investments in Affiliated Companies). As result of the divestment, the Company is no longer entitled to receive additional contingent consideration from Spark.

Gain from Change in Fair Value of Earn-out Liabilities

In connection with the acquisition of Luna (see Note 11: Acquisitions and Divestments), the Company recorded a contingent consideration liability, which is payable subject to the achievement of certain financial targets by December 31, 2024. During the financial years ended March 31, 2023 and March 31, 2022, the Company recorded gains from the change in value of the Luna earn-out liability of USD 1.3 million and nil, respectively, which are included within Other income (expense), net, in the Consolidated Statement of Operations.

Gains (Loss) from Change in Fair Value of Investments in Equity Securities
Since March 16, 2022, the Company has an equity interest in Allego N.V. ("Allego"), whose shares are listed on the New York Stock Exchange. For the financial years ended March 31, 2023 and 2022, the Company recorded a loss and a gain from the change in value of its equity interest in Allego of USD (6.4) million and 2.6 million, respectively, which is included within Other income (expense), net in the Consolidated Statement of Operations.

Note 6: Revenue

The following table provides information about contract assets and liabilities with customers:

CONTRACT LIABILITIES

	MARCH 31,	
USD in thousands	**2023**	2022
Advances from customers	8,058	8,479
Deferred revenue	72,100	61,985
Contract liabilities	**80,158**	**70,464**

Contract liabilities primarily relate to advances received on orders from customers as well as amounts invoiced to customers in excess of revenues recognized predominantly on long-term projects. Contract liabilities are reduced as work is performed and as revenues are recognized.

Of the contract liabilities as of March 31, 2022, the Company recognized revenue of USD 45.2 million during the financial year ended March 31, 2023.

Contract liabilities are included within Other current liabilities and Other non-current liabilities in the Consolidated Balance Sheets.

Transaction Price Allocated to the Remaining Performance Obligations
Total transaction price allocated to remaining performance obligations represents committed, but undelivered products and services for contracts and purchase orders at period end. Twelve-month remaining performance obligations represent the portion of total transaction price allocated to remaining performance obligations that the Company estimates will be recognized as revenue over the next 12 months. Total transaction price allocated to remaining performance obligations is not a complete measure of future revenues as the Company also receives orders where the customer may have legal termination rights but is not likely to exercise such rights.
Total transaction price allocated to remaining performance obligations related to contracts is approximately USD 1,598.8 million for the next twelve months and approximately USD 2,149.9 million for periods longer than 12 months. The total remaining performance obligations are comprised of product and services components. The services component relates primarily to maintenance agreements for which customers pay a full year's maintenance in advance, and revenue is generally recognized over the service period. Total transaction price allocated to remaining performance obligations also includes the Company's extended warranty contracts, for which revenue is recognized over the warranty period, and hardware, which is recognized as units are delivered. The estimate of when remaining performance obligations will be recognized requires significant judgment.

Costs to Obtain a Contract and Costs to Fulfill a Contract with a Customer
Costs to obtain a contract and costs to fulfill a contract are capitalized and amortized using a systematic rational approach to align with the transfer of control of underlying contracts with customers.

As of March 31, 2023, and 2022, the carrying balances of assets recognized from the costs incurred to obtain a contract were USD 3.2 million and USD 3.0 million, respectively. These amounts are included in Other long-term assets in the Consolidated Balance Sheets.

For the financial years ended March 31, 2023 and 2022, the Company recognized USD 1.4 million and USD 1.2 million, respectively, amortization of capitalized costs incurred to obtain a contract. These amounts are included within Sales and marketing expenses in the Consolidated Statements of Operations.

Disaggregation of Revenue
The disaggregation of revenue into categories, which depicts how revenue is affected by economic factors, is disclosed in Note 31: Segment Information.

Note 7: Accounts Receivable, net

A summary of accounts receivable, net is as follows:

TRADE ACCOUNTS RECEIVABLE

	MARCH 31,	
USD in thousands	**2023**	2022
Trade accounts receivable	305,848	283,046
Contract receivable	53,188	47,990
Allowance for doubtful accounts	(7,418)	(6,166)
Total trade accounts receivable, net	**351,618**	**324,870**
Less: current portion of accounts receivable, net	351,379	323,612
Long-term accounts receivable, net	**239**	**1,258**

The long-term portion of accounts receivable, net, is included in Other long-term assets in the Consolidated Balance Sheets.

The carrying amount of accounts receivable approximates their fair value. Normal credit terms are 30 to 90 days, averaging slightly more than 60 days.

Contract receivable amounts are recorded when revenues are recognized and rights to receive payment become unconditional, upon product shipment/installation or service delivery, and invoicing occurs at a later date. Generally, contract receivable amounts are invoiced within one week after month-end.

A summary of the provision for doubtful accounts activity is as follows:

PROVISION FOR DOUBTFUL ACCOUNTS

	FINANCIAL YEAR ENDED MARCH 31,	
USD in thousands	**2023**	2022
Beginning balance	(6,166)	(6,652)
Provisions for doubtful accounts	(2,429)	(1,213)
Deductions, net of recoveries	1,177	1,699
Balance at March 31,	**(7,418)**	**(6,166)**

Note 8: Inventories, net

Inventories, net consist of the following:

INVENTORIES

	MARCH 31,	
USD in thousands	**2023**	2022
Raw material and supplies	174,435	113,148
Work in progress	14,417	16,214
Finished goods	84,899	44,280
Total inventories gross	**273,751**	**173,642**
Inventory reserve	(31,411)	(30,536)
Total inventories, net	**242,340**	**143,106**

Note 9: Prepaid Expenses and Other Current Assets

A summary of the prepaid expenses and other current assets balance is as follows:

PREPAID EXPENSES AND OTHER CURRENT ASSETS

	MARCH 31,	
USD in thousands	**2023**	2022
Prepaid expenses and advance payments	53,304	14,488
Sales and other non-income tax receivables	28,013	23,502
Income tax receivables/advances	6,831	5,305
Derivative financial instruments	3,326	2,149
Others	17,544	14,236
Total prepaid expenses and other current assets	**109,018**	**59,680**

Note 10: Property, Plant & Equipment

A summary of the property, plant & equipment balance is as follows:

PROPERTY, PLANT AND EQUIPMENT

USD in thousands	MARCH 31, 2023	2022
Land	3,491	3,156
Buildings	25,385	26,424
Network equipment (1)	126,176	123,073
Machinery and equipment	143,237	127,505
Vehicles and other equipment	106,641	107,648
Construction in progress	18,361	12,581
Total cost	**423,291**	**400,387**
Less accumulated depreciation	(306,076)	(284,077)
Property, plant and equipment, net	**117,215**	**116,310**

1) Network equipment is comprised of meters, and meter reading equipment that is deployed under various customer contracts of Landis+Gyr Technology Inc., a US based subsidiary of Landis+Gyr Group AG.

Total depreciation expense for the financial years ended March 31, 2023 and March 31, 2022 was USD 25.3 million and USD 30.6 million, respectively. The difference between the total change in accumulated depreciation and the depreciation expense of property, plant & equipment represents the effect from the disposal of assets and the change in exchange rates.

Note 11: Acquisitions and Divestments

During the financial year ended March 31, 2022, the Company's cash outflow for business acquisitions was USD 150.7 million, being the total consideration transferred for the acquisitions described below of USD 163.1 million less cash acquired and customary holdback amounts that will be paid at a later date.

Acquisition of True Energy A/S

On April 16, 2021, the Company acquired all the issued and outstanding shares and voting interests of True Energy A/S ("True Energy"), incorporated in Denmark. The consideration transferred, net of cash acquired, was USD 5.9 million. True Energy is a software provider offering intelligent automatic power consumption software and services for electric vehicles charging infrastructure, home appliances and solar solutions. The acquisition of True Energy complements the Company's portfolio by expanding its smart infrastructure. Consequently, the goodwill acquired represents expected operating synergies and cost savings as well as intangible assets that are not separable such as employee know-how and expertise.

The Group allocated the purchase price to the assets acquired and liabilities assumed in accordance with ASC 805, Accounting for Business Combinations and Noncontrolling Interests.

The following table discloses the allocation of the purchase price to the identifiable assets acquired and liabilities assumed as of the date of acquisition:

USD in thousands	Fair Value	Useful life
Total consideration transferred – cash	**6,271**	
Cash	351	
Other current assets	99	
Property, plant and equipment, net	–	
Current liabilities	(278)	
Fair value of tangible assets acquired and liabilities assumed, net	**172**	
Identified intangible assets – definite life:		
Brand	673	3 years
Technology	1,638	10 years
Goodwill	4,273	
Recognition of deferred tax liabilities	(485)	
Total net assets acquired	**6,271**	

The value assigned to the identified brand intangible asset was estimated using the income approach. Under the income approach, the fair value reflects the present value of the projected cash flows that are expected to be generated. The value assigned to the technology intangible asset was estimated using the replacement cost approach. Under the cost approach, the fair value reflects the costs that the Company would incur to develop the same technology. The intangible assets are being amortized on a straight-line basis, which management has determined is the methodology most reflective of the expected benefits arising from the intangibles. The residual balance of the purchase price, after the allocations to all identified assets and liabilities based on their fair value, represents goodwill. Goodwill related to this acquisition is not deductible for tax purposes. As of April 16, 2022, the purchase price allocation has been finalized.

The results of True Energy are included in the Company's Consolidated Financial Statements from the date of acquisition. The impact to the Consolidated Financial Statements is not material.

During the financial year ended March 31, 2022, Landis+Gyr paid a total amount of USD 108 thousands in transaction related expenses, primarily consisting of professional services. The Company has expensed such transaction related expenses as incurred and included them within General and administrative expenses in the Consolidated Statements of Operations.

Acquisition of Etrel d.o.o.

On July 29, 2021, the Company acquired 75% of the issued and outstanding shares and voting interests of Etrel d.o.o. ("Etrel"). The consideration transferred, net of cash acquired, was USD 42.5 million. Etrel provides interactive smart 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. The acquisition of Etrel strengthens the Company's position in the EV market as the rise of EVs and other smart appliances offer opportunities for demand response and flexibility management to save cost for customers and reach ambitious CO_2 targets. Consequently, the goodwill acquired represents expected operating synergies and cost savings as well as intangible assets that are not separable such as employee know-how and expertise.

Pursuant to the respective agreement, the Company has the option to purchase at any time starting from May 31, 2024 the remaining 25% interest of Etrel, and the noncontrolling equity holders have the option to sell their interest of Etrel within six months after September 30, 2024. Both options are non-transferrable. Under both options, the cash consideration for the 25% interest in Etrel is contingent upon the entity achieving certain financial objectives and the noncontrolling shareholders fulfilling certain service requirements. The redemption feature causes the interest to be classified as redeemable equity under the applicable guidance (see Note 25: Redeemable Noncontrolling Interests).

The Group allocated the purchase price to the assets acquired, liabilities assumed and noncontrolling interests in accordance with ASC 805, Accounting for Business Combinations and Noncontrolling Interests.

The following table discloses the allocation of the purchase price to the identifiable assets acquired and liabilities assumed as of the date of acquisition:

USD in thousands	Fair Value	Useful life
Total consideration transferred – cash	**42,530**	
Cash	39	
Other current assets	5,108	
Property, plant and equipment, net	351	
Other noncurrent assets	383	
Current liabilities	(2,911)	
Noncurrent liabilities	(1,205)	
Fair value of tangible assets acquired and liabilities assumed, net	**1,765**	
Identified intangible assets – definite life:		
Brand	4,024	10 years
Technology	13,294	10 years
Customer relationships	10,930	12.5 years
Goodwill	25,928	
Recognition of deferred tax liabilities	(5,323)	
Redeemable noncontrolling interest	(8,088)	
Total net assets acquired	**42,530**	

The value assigned to the identified intangible assets was estimated using the income approach. Under the income approach, the fair value reflects the present value of the projected cash flows that are expected to be generated. The intangible assets are being amortized on a straight-line basis, which management has determined is the methodology most reflective of the expected benefits arising from the intangibles. The residual balance of the purchase price, after the allocations to all identified assets and liabilities based on their fair value, represents goodwill. Goodwill related to this acquisition is not deductible for tax purposes. As of July 29, 2022, the purchase price allocation has been finalized.

The results of Etrel are included in the Company's Consolidated Financial Statements from the date of acquisition. The impact to the Consolidated Financial Statements is not material.

During the financial year ended March 31, 2022, Landis+Gyr paid a total amount of USD 0.6 million in transaction related expenses, primarily consisting of professional services. The Company has expensed such transaction related expenses as incurred and included them within General and administrative expenses in the Consolidated Statements of Operations.

Acquisition of Luna Elektrik Elektronik Sanayi ve Ticaret A.Ş.
On January 31, 2022, the Company acquired all of the issued and outstanding shares and voting interests of Luna Elektrik Elektronik Sanayi ve Ticaret A.Ş. ("Luna"). The total consideration transferred, net of cash acquired, was USD 101.8 million. Of the total consideration transferred USD 99.5 million was paid in cash. The remaining USD 2.3 million relates to the fair value of additional contingent consideration to be paid by the Company if specified future events occur or conditions are met, such as the achievement of certain financial targets until December 31, 2024. The fair value of this additional contingent consideration was estimated using the Monte Carlo simulation methodology.

Luna is a provider of smart metering devices for electricity, water and heat and associated software solutions, with headquarters in Izmir, Turkey. The acquisition of Luna strengthens the Company's position in the Smart Electricity and Water Metering markets while increasing the Company's manufacturing capabilities. Consequently, the goodwill acquired represents expected operating synergies and cost savings as well as intangible assets that are not separable such as employee know-how and expertise.

The Group allocated the purchase price to the assets acquired and liabilities assumed in accordance with ASC 805, Accounting for Business Combinations and Noncontrolling Interests.

The following table discloses the allocation of the purchase price to the identifiable assets acquired and liabilities assumed as of the date of acquisition:

USD in thousands	Fair Value	Useful life
Total consideration transferred	**107,300**	
Cash	5,530	
Other current assets	24,605	
Property, plant and equipment, net	3,634	
Other noncurrent assets	100	
Current liabilities	(9,853)	
Noncurrent liabilities	(350)	
Fair value of tangible assets acquired and liabilities assumed, net	**23,666**	
Identified intangible assets – definite life:		
Brand	3,318	8 years
Technology	15,624	8 years
Customer relationships	15,251	10 years
Backlog	3,565	1 year
Non-compete agreement	897	5 years
Goodwill	52,114	
Recognition of deferred tax liabilities	(7,135)	
Total net assets acquired	**107,300**	

The value assigned to the identified intangible assets was estimated using the income approach. Under the income approach, the fair value reflects the present value of the projected cash flows that are expected to be generated. The intangible assets are being amortized on a straight-line basis, which management has determined is the methodology most reflective of the expected benefits arising from the intangibles. The residual balance of the purchase price, after the allocations to all identified assets and liabilities based on their fair value, represents goodwill. Goodwill related to this acquisition is not deductible for tax purposes.

During the financial year ended March 31, 2023, the Company finalized the measurement period including reviewing and identifying acquisition accounting adjustments for current liabilities in the amount of USD 0.8 million.

The results of Luna are included in the Company's Consolidated Financial Statements from the date of acquisition. The Company's Consolidated Statement of Operations for the financial year ended March 31, 2022, includes total revenues of USD 6.0 million and net loss of USD 2.4 million in respect of Luna since the date of acquisition.

The unaudited pro forma financial information in the table below summarizes the combined pro forma results of the Company and Luna for the financial year ended March 31, 2022, as if Luna had been acquired on April 1, 2021.

USD in thousands	FINANCIAL YEAR ENDED MARCH 31, 2022
Net revenue	1,515,654
Net income attributable to Landis+Gyr Group AG Shareholders	85,273

The pro forma results are for information purposes only and do not include any anticipated cost synergies or other effects of the planned integration of Luna. Accordingly, such pro forma amounts are not necessarily indicative of the results that would have occurred had the acquisition been completed on the date indicated, nor are they indicative of the future operating results of the combined company.

The unaudited pro forma results above include certain adjustments related to the Luna acquisition. The table below summarizes the adjustments necessary to present the pro forma financial information of the combined entity as if Luna had been acquired on April 1, 2021.

USD in thousands	FINANCIAL YEAR ENDED MARCH 31, 2022
Impact on cost of revenue from additional amortization of intangible assets	(1,628)
Impact on sales and marketing expenses from additional amortization of intangible assets	(4,737)
Taxation adjustments	1,591
Total pro forma adjustments	**(4,774)**

During the financial year ended March 31, 2022, Landis+Gyr paid a total amount of USD 2.0 million in transaction related expenses, primarily consisting of professional services. The Company has expensed such transaction related expenses as incurred and included them within General and administrative expenses in the Consolidated Statements of Operations.

Acquisition of Telia Finland Oyj's Automated Meter Reading business

On October 19, 2021, the Company acquired the Automated Meter Reading ("AMR") business of Telia Finland Oyj ("Telia"). The scope of service currently delivered by Telia consists of meter reading for more than 950,000 residential smart meters, data collection services and transfer of the measurement data to 23 utilities. The consideration transferred was USD 7.0 million, of which USD 1.9 million represents goodwill. The results of Telia's AMR business are included in the Company's Consolidated Financial Statements from the date of acquisition. The impact to the Consolidated Financial Statements is not material.

Note 12: Intangible Assets, net

The gross carrying amount, accumulated amortization, and impairments of the Company's intangible assets, other than goodwill, are as follows:

INTANGIBLE ASSETS

March 31, 2023 (USD in thousands)	Gross asset	Accumulated amortization	Accumulated impairment	Carrying amount	Weighted average useful life (in years)
Finite Lived Intangibles:					
Trade name and trademarks	122,933	(82,722)	–	40,211	5
Order backlog	44,311	(44,311)	–	–	–
Customer contracts & relationships	445,462	(306,688)	–	138,774	6
Developed technologies & others	227,836	(179,343)	(11,166)	37,327	6
Total finite lived intangibles	**840,542**	**(613,064)**	**(11,166)**	**216,312**	

INTANGIBLE ASSETS

March 31, 2022 (USD in thousands)	Gross asset	Accumulated amortization	Accumulated impairment	Carrying amount	Weighted average useful life (in years)
Finite Lived Intangibles:					
Trade name and trademarks	123,044	(74,325)	–	48,719	8
Order backlog	44,530	(41,559)	–	2,971	1
Customer contracts & relationships	446,607	(279,983)	–	166,624	7
Developed technologies	226,920	(163,475)	(11,166)	52,279	6
Total finite lived intangibles	**841,101**	**(559,342)**	**(11,166)**	**270,593**	

Refer to Note 11: Acquisitions and Divestments for information about the finite live intangibles acquired in business combinations.

The following table presents the line items within the Consolidated Statement of Operations that include amortization of intangible assets:

AMORTIZATION EXPENSE

	FINANCIAL YEAR ENDED MARCH 31,	
USD in thousands	**2023**	2022
Cost of revenue	17,626	15,730
Operating expenses	39,237	35,147
Total	**56,863**	**50,877**

Estimated future annual amortization expense related to identified intangible assets for each of the five years to March 31, 2028 and thereafter is as follows:

FUTURE AMORTIZATION EXPENSE

Financial year ending March 31, (USD in thousands)	Estimated annual amortization
2024	40,856
2025	40,702
2026	41,106
2027	40,386
2028	31,603
Thereafter	21,659
Total identifiable intangibles, net	**216,312**

Note 13: Goodwill

Landis+Gyr has three reporting units with goodwill: Americas, EMEA (Europe, Middle East and Africa) and Asia Pacific, which are also the Company's reportable segments.

The changes in the carrying amount of goodwill for the year ended March 31, 2023 and 2022, are as follows:

GOODWILL

USD in thousands	Americas	EMEA	Asia Pacific	Total
Balance as of March 31, 2021	**737,350**	**205,970**	**23,503**	**966,823**
Business acquisitions (1)	–	83,984	–	83,984
Effect of change in exchange rates	–	(2,403)	–	(2,403)
Balance as of March 31, 2022	**737,350**	**287,551**	**23,503**	**1,048,404**
Adjustments during the measurement period	–	774	–	774
Effect of change in exchange rates	–	(670)	–	(670)
Balance as of March 31, 2023 (2)	**737,350**	**287,655**	**23,503**	**1,048,508**

1) See Note 11: Acquisitions and Divestments.
2) As of March 31, 2023 and March 31, 2022, the gross goodwill amounted to USD 1,504.5 million and USD 1,504.4 million, respectively. The accumulated impairment charges as of March 31, 2023 and March 31, 2022 amounted to USD 456.0 million, thereof USD 396.0 million, USD 30.0 million and USD 30.0 million related to the Americas, EMEA and Asia Pacific segments, respectively.

Note 14: Impairment of Intangible Assets

Finite Lived Intangibles

No impairment charges for finite lived intangibles were recorded in the financial years ended March 31, 2023 and 2022.

Goodwill

In the last quarter of the financial years ended March 31, 2023 and March 31, 2022, the Company performed a quantitative goodwill impairment analysis for all its reporting units that included an assessment of certain qualitative factors, the overall financial performance, macroeconomic and industry conditions, as well as determining the fair value of the reporting units and comparing that fair value to the carrying values. As a result of the assessment performed, no goodwill impairment charges were recorded in the financial years ended March 31, 2023 and March 31, 2022.

Note 15: Other Long-term Assets

The components of Other long-term assets are as follows:

OTHER LONG-TERM ASSETS

USD in thousands	MARCH 31, 2023	2022
Investments in affiliated companies	–	7,048
Other investments	3,205	9,560
Overfunded pension plans (1)	34,293	23,022
Operating lease right-of-use assets (2)	88,698	98,032
Washington State Court Deposit (3)	20,000	20,000
Others	32,095	40,243
Total other long-term assets	**178,291**	**197,905**

1) See Note 21: Pension and Post-retirement Benefit Plans.
2) See Note 24: Leases.
3) See Note 26: Commitments and Contingencies – Legal Proceedings.

Investments in Affiliated Companies

As of March 31, 2022, the carrying amount of the Company's share in Spark was USD 7.0 million. The Company included this amount within Other long-term assets on the Consolidated Balance Sheets.

On April 1, 2022, the Company fully divested its 19.92% equity interest in Spark in exchange for USD 237.8 million cash consideration. Upon divestment, the Company recognized a net benefit in the Consolidated Statements of Operations of USD 229.7 million, including the consideration received in excess of the investment's carrying amount of USD 237.8 million, net of the Company's share of loss from Spark for the three-month lag period ended March 31, 2022 of USD (7.5) million and the reclass of the Company's share of Spark's accumulated currency translation adjustment from AOCL to net income of USD (0.6) million. For the financial year ended March 31, 2022, the Company's share of loss from Spark was USD 19.6 million, representing the investee's operations through December 31, 2021. The Company included these amounts within Net loss from equity investments in the Consolidated Statements of Operations.

Other Investments

Since March 16, 2022, the Company has an equity interest in Allego N.V. ("Allego"), whose shares are listed on the New York Stock Exchange. The market price of Allego's stock as of March 31, 2023, and 2022 was USD 2.41/share, and USD 15.12/share, respectively. As of March 31, 2023, and March 31, 2022, the carrying amount of the Company's equity interest in Allego was USD 1.2 million, and USD 7.6 million, respectively, which is included within Other long-term assets in the Consolidated Balance Sheets.

The Company owns a 3% equity interest in Sense Labs, Inc. ("Sense") that was acquired on January 16, 2019. Sense develops and provides electronic devices for analyzing electricity usage in households in the USA, as well as related application software. As of March 31, 2023, and March 31 2022, the carrying amount of the Company's share in Sense was USD 2.0 million, and USD 2.0 million, respectively. The Company performed an impairment analysis that included an assessment of certain qualitative indicators. As a result of the assessment performed, no impairment charges were recorded in the financial years ended March 31, 2023 and March 31, 2022.

Note 16: Other Current Liabilities

The components of Other current liabilities are as follows:

OTHER CURRENT LIABILITIES

USD in thousands	MARCH 31, 2023	2022
Contract liabilities	53,917	45,170
Income tax provision	4,755	6,308
Sales tax payable	27,061	20,392
Others	16,304	19,040
Total other current liabilities	**102,037**	**90,910**

Note 17: Loans Payable

The components of the loans payable are as follows:

LOANS PAYABLE

USD in thousands	March 31, 2023		March 31, 2022	
	Balance	Weighted average interest rate	Balance	Weighted average interest rate
Multicurrency Credit Facility	170,000	5.6%	220,000	1.0%
Other borrowings	10,661	7.2%	8,831	6.6%
Loans payable	**180,661**		**228,831**	

At March 31, 2023, the Company had in place two credit facility agreements ("Credit Facility"), provided by a bank syndicate led by UBS Switzerland AG, to be used for general corporate purposes: (a) a USD 240 million Credit Facility (the "Multicurrency Credit Facility") maturing in February 2025 and (b) a CHF 300 million Credit Facility (the "CHF Credit Facility"), thereof CHF 200 million (the "Facility B") maturing in May 2023 with the remaining balance (the "Facility A") maturing in February 2025.

In general, borrowings under the Credit Facility agreements bear interest at a rate based on the London Interbank Offered Rate (LIBOR) in the case of borrowings in U.S. Dollar, the Euro Interbank Offered Rate (EURIBOR) in the case of borrowings in Euro, or the Swiss Average Rate Overnight (SARON) in case of the borrowings in Swiss Francs, plus a margin ranging from 0.6% to 2.1% depending on the Net Total Debt / EBITDA ratio calculated every half-year at March 31 and September 30.

The Credit Facility agreements contain affirmative and negative covenants customarily found in loan agreements for similar transactions, subject to certain agreed exceptions, for the borrower and the Group, including with respect to, among other actions, maintaining the Group's business operations and assets, carrying out transactions with third parties at market conditions, ranking all obligations at least pari passu with present or future payment obligations, complying with laws and reporting obligations, and preparation of financial statements in accordance with US GAAP. The Credit Facility agreements restrict, among other actions, the following, subject to certain exceptions: entering into certain acquisitions, mergers and joint ventures, carrying out material changes to the Group's activities or structure, changing its accounting standards, incurring further indebtedness, granting security for indebtedness, granting credit to third parties, and carrying out certain disposals of assets. The Credit Facility agreements also contain a financial covenant requiring that the Group's Net Total Debt (as defined therein) divided by EBITDA be not greater than a maximum threshold and its EBITDA be greater than zero, on a semi-annual rolling basis in respect of the most recent two semesters of the Company. From March 31, 2023 the Net Total Debt/ EBITDA ratio shall be not greater than 2.50x.

The Credit Facility agreements contain events of default, which include, among others, payment defaults, breach of other obligations under the Agreement, cross-default, insolvency, material adverse change, or a material reservation of the auditors. Indebtedness under the Credit Facility agreement may be voluntarily prepaid in whole or in part, subject to notice, minimum amounts and break costs.

Multicurrency Credit Facility
Under the Multicurrency Credit Facility, the Company may borrow loans in U.S. Dollar or in Euro with consecutive interest periods of one, three, six or twelve months, or other interest periods and currencies subject to the receipt of required approvals.

There may be a maximum of ten simultaneously outstanding loans with a minimum amount of USD 10 million each, or its approximate equivalent in other currencies.

As of March 31, 2023, and March 31, 2022, the Company has drawn loans for a total amount of USD 170 million and USD 220 million, respectively.

As of March 31, 2023, and 2022, the Multicurrency Credit Facility's unused portion was USD 70 million and USD 20 million, respectively.

The Company incurs a quarterly commitment fee equal to 35% of the applicable margin of the unused portion of the revolving credit facility, as well as an annual agency fee in the amount of USD 40 thousand.

CHF Credit Facility
Under the CHF Credit Facility, the Company may borrow loans with consecutive interest periods of one, three, six or twelve months, or other interest periods subject to the receipt of required approvals.

For drawings under the Facility A, there may be a maximum of ten simultaneously outstanding loans with a minimum amount of CHF 10 million each. For drawings under the Facility B, there may be a maximum of twenty simultaneously outstanding loans with a minimum amount depending on the selected currency.

As of March 31, 2023, and March 31, 2022, the CHF Credit Facility's unused portion was CHF 300 million.

The Company incurs a quarterly commitment fee equal to 35% of the applicable margin of the unused portion of the revolving credit facility, as well as an annual agency fee in the amount of CHF 45 thousand. The Company also incurs a quarterly utilization fee up to 0.3% of all outstanding Facility B loans.

Note 18: Other Long-term Liabilities

The components of Other long-term liabilities are as follows:

OTHER LONG-TERM LIABILITIES

	MARCH 31,	
USD in thousands	**2023**	2022
Contract liabilities	26,241	25,294
Others	29,754	40,945
Total other long-term liabilities	**55,995**	**66,239**

Note 19: Derivative Financial Instruments

The Company is exposed to certain currency risks arising from its global operating, financing and investing activities. The Company uses derivative instruments to reduce and manage the economic impact of these exposures. Forward foreign exchange contracts are the main instrument used to protect the Company against the volatility of future cash flows (caused by changes in exchange rates) arising from transactions denominated in foreign currencies.

The gross notional amounts of outstanding foreign exchange contracts as of March 31, 2023 and March 31, 2022 were USD 266.6 million and USD 317.0 million, respectively.

For the financial year ended March 31, 2023 and 2022, the Company recognized gains from changes in the fair value of forward foreign exchange contracts of USD 3.3 million and USD 13.1 million, respectively. These amounts are included within Cost of revenue in the Consolidated Statements of Operations.

The fair values of the outstanding derivatives, included in the Consolidated Balance Sheet as of March 31, 2023 and March 31, 2022, were as follows:

DERIVATIVE FINANCIAL INSTRUMENTS

		Derivative assets		Derivative liabilities	
March 31, 2023 (USD in thousands)	Notional amount	Prepaid expenses and other current assets	Other long-term assets	Other current liabilities	Other long-term liabilities
Foreign exchange contracts:					
Foreign currency forward contracts in EUR	86,684	1,548	–	98	–
Foreign currency forward contracts in GBP	72,207	238	–	1,232	–
Foreign currency forward contracts in CHF	29,960	233	–	283	–
Foreign currency forward contracts in JPY	24,877	184	–	255	–
Foreign currency forward contracts in HKD	15,429	41	–	–	–
Foreign currency forward contracts in SEK	12,406	70	–	201	–
Foreign currency forward contracts in MXN	10,403	749	–	–	–
Foreign currency forward contracts in AUD	8,603	195	–	42	–
Foreign currency forward contracts in CAD	3,121	6	–	40	–
Foreign currency forward contracts in ZAR	2,892	62	–	37	–
Total derivative financial instruments		**3,326**	**–**	**2,188**	**–**

DERIVATIVE FINANCIAL INSTRUMENTS

		Derivative assets		Derivative liabilities	
March 31, 2022 (USD in thousands)	Notional amount	Prepaid expenses and other current assets	Other long-term assets	Other current liabilities	Other long-term liabilities
Foreign exchange contracts:					
Foreign currency forward contracts in GBP	103,013	662	–	1,721	–
Foreign currency forward contracts in AUD	100,292	114	–	224	–
Foreign currency forward contracts in EUR	53,720	207	–	1,861	–
Foreign currency forward contracts in CHF	26,109	102	–	91	–
Foreign currency forward contracts in SEK	18,655	320	–	163	–
Foreign currency forward contracts in JPY	12,175	700	–	204	–
Foreign currency forward contracts in ZAR	3,034	44	–	81	–
Total derivative financial instruments		**2,149**	**–**	**4,345**	**–**

A summary of the effect of netting arrangements on the Company's financial position related to the offsetting of its recognized derivative assets and liabilities under master netting arrangements or similar agreements is as follows:

DERIVATIVE FINANCIAL INSTRUMENTS OFFSETTING

		Gross amounts not offset in the Consolidated Balance Sheets		
Offsetting of derivative assets	Gross amounts of recognized assets	Derivative financial instruments	Cash collateral received	Net amount
March 31, 2023	3,326	(2,009)	–	1,317
March 31, 2022	2,149	(1,915)		234

		Gross amounts not offset in the Consolidated Balance Sheets		
Offsetting of derivative liabilities	Gross amounts of recognized liabilities	Derivative financial instruments	Cash collateral pledged	Net amount
March 31, 2023	2,188	(2,009)	–	179
March 31, 2022	4,345	(1,915)	–	2,430

The Company's derivative assets and liabilities subject to netting arrangements include foreign exchange forward contracts with six counterparties on March 31, 2023 and six counterparties on March 31, 2022. No derivative asset or liability balance with any of Landis+Gyr's counterparties was individually significant on March 31, 2023 and March 31, 2022. The Company's derivative contracts with each of these counterparties exist under agreements that provide for the net settlement of all contracts through a single payment in a single currency in the event of default. The Company has no pledges of cash collateral against its obligations, and it has not received pledges of cash collateral from its counterparties under the associated derivative contracts.

Note 20: Fair Value

The Company measures financial assets and liabilities at fair value. Foreign currency exchange contracts are measured at fair value on a recurring basis by means of various valuation techniques and models and the inputs used are classified based on the hierarchy outlined within the Company's significant accounting policies.

In addition, certain assets are measured at fair value on a nonrecurring basis; that is, the instruments are not measured at fair value on an ongoing basis but are subject to fair value adjustments in certain circumstances (for example, when there is evidence of impairment).

The valuation techniques and models utilized for measuring financial assets and liabilities are reviewed and validated at least annually.

Recurring Fair Value Measurements

At March 31, 2023, for each of the fair value hierarchy levels, the following assets and liabilities were measured at fair value on a recurring basis:

FAIR VALUE MEASUREMENTS

March 31, 2023 (USD in thousands)	Total	Level 1	Level 2	Level 3
Assets				
Foreign currency forward contracts	3,326	–	3,326	–
Other long-term assets – Investments in equity securities	1,205	1,205	–	–
Total	**4,531**	**1,205**	**3,326**	**–**
Liabilities				
Foreign currency forward contracts	2,188	–	2,188	–
Other long-term liabilities – Contingent consideration	1,000	–	–	1,000
Total	**3,188**	**–**	**2,188**	**1,000**

At March 31, 2022, for each of the fair value hierarchy levels, the following assets and liabilities were measured at fair value on a recurring basis:

FAIR VALUE MEASUREMENTS

March 31, 2022 (USD in thousands)	Total	Level 1	Level 2	Level 3
Assets				
Foreign currency forward contracts	2,149	–	2,149	–
Other long-term assets – Investments in equity securities	7,560	7,560	–	–
Total	**9,709**	**7,560**	**2,149**	**–**
Liabilities				
Foreign currency forward contracts	4,345	–	4,345	–
Other long-term liabilities – Contingent consideration	2,300	–	–	2,300
Total	**6,645**	**–**	**4,345**	**2,300**

Investments in Equity Securities

The Company's equity interest in Allego is traded on a public stock exchange for which quoted prices are readily and regularly available and is therefore categorized as level 1 instrument.

Foreign Currency Forward Contracts

The fair value of the foreign currency forward exchange contracts has been determined using price quotes for similar instruments, appropriately adjusted, or present value techniques, based on available market data, or option pricing, under the assumption that the unit of account is an individual derivative transaction, and that derivative could be sold or transferred on a stand-alone basis. The foreign currency forward exchange contracts are classified as Level 2. The key inputs used in valuing derivatives include foreign exchange spot and forward rates, all of which are available in an observable market. The fair value does not reflect subsequent changes in the economy, interest and tax rates and other variables that may affect the determination of fair value.

Contingent Consideration Liability

In connection with the acquisition of Luna (see Note 11: Acquisitions and Divestments), the Company recorded a contingent consideration liability, which is payable subject to the achievement of certain financial targets by December 31, 2024. The fair value of this contingent consideration liability was estimated with a Monte Carlo simulation model using Level 3 inputs, including EBITDA volatility and other market variables to assess the probability of achieving the targets, and any subsequent changes in fair value are recorded in the Consolidated Statements of Operations until settlement.

Fair Value of other Financial Instruments
The fair value of the Company's financial instruments approximates carrying value due to their short maturities.

Refer to Note 25: Redeemable Noncontrolling Interests for a discussion of certain temporary equity instruments issued by the Company.

Note 21: Pension and Post-retirement Benefit Plans

A large portion of the Company's employees are covered by defined benefit plans which are funded by the Company, the employees, and in certain countries, by state authorities. The Company has pension plans in various countries with the majority of the Company's pension liabilities deriving from Germany, the US and Switzerland. Such plans can be set up as state or company-controlled institutions, as contracts with private insurance companies, as independent trusts or pension funds. The benefits provided by such entities vary by country based on the legal and economic environment and primarily are based on employees' years of service and average compensation, covering the risks of old age, death and disability in accordance with legal requirements and the pension legislation in the respective countries.

Net periodic pension cost and the pension obligation of the Company's defined benefit plans are calculated based on actuarial valuations. Such valuations consider, inter alia, the years of service rendered by employees and assumptions about future salary increases. The latest actuarial valuations were performed for the defined benefit plans as of March 31, 2023 and using that as the measurement date.

The underlying actuarial assumptions are based on the actual local economic circumstances of the countries where the defined benefit plans are situated. The Company contributes to the employee benefit plans in accordance with applicable laws and requirements and the pension plan assets are invested in accordance with applicable regulations.

The following tables summarize the movement of the benefit obligation, plan assets, funded status and amounts recognized in the Consolidated Balance Sheets for the defined benefit pension plans for the periods indicated in the tables below:

BENEFIT OBLIGATION

	FINANCIAL YEAR ENDED MARCH 31,	
USD in thousands	**2023**	2022
Change in benefit obligation:		
Benefit obligation at April 1,	261,462	289,302
Service cost	3,809	4,803
Interest cost	3,703	1,883
Employee contributions	2,714	3,134
Benefits paid by employer	(920)	(889)
Benefits paid through pension assets	(14,251)	(12,593)
Actuarial (gains) / losses	(20,517)	(23,552)
Liabilities extinguished on settlements	(308)	(4,372)
Plan amendments	461	–
Business combinations	–	132
Effect of changes in exchange rates	192	3,614
Benefit obligation at March 31,	**236,345**	**261,462**

PLAN ASSETS

	FINANCIAL YEAR ENDED MARCH 31,	
USD in thousands	**2023**	2022
Change in plan assets:		
Fair value of plan assets at April 1,	259,584	270,128
Actual return on plan assets	(3,763)	(6,466)
Employer contributions	4,132	4,555
Employee contributions	2,714	3,134
Benefits paid through pension assets	(14,251)	(12,593)
Assets distributed on settlement	(308)	(4,097)
Effect of changes in exchange rates	1,746	4,923
Fair value of plan assets at March 31,	**249,854**	**259,584**
Funded status at March 31,	**13,509**	**(1,878)**
Accumulated benefit obligation	**231,714**	**257,739**

As of March 31, 2023 and March 31, 2022, the net plan assets for the overfunded plans were equal to USD 34.3 million and USD 23.0 million, respectively. These amounts are included within Other long-term assets in the Consolidated Balance Sheets.

As of March 31, 2023, and March 31, 2022, the net benefit obligations for the Company's underfunded plans were equal to USD 20.8 million and USD 24.9 million, respectively. These amounts are included within Pension and other employee liabilities in the Consolidated Balance Sheets.

The projected benefit obligation ("PBO"), accumulated benefit obligation ("ABO") and fair value of plan assets, for pension plans with a PBO in excess of fair value of plan assets or ABO in excess of fair value of plan assets, was as follows:

	PBO exceeds fair value of plan assets		ABO exceeds fair value of plan assets	
March 31, (USD in thousands)	**2023**	**2022**	**2023**	**2022**
PBO	34,944	46,077	34,944	46,077
ABO	32,633	43,867	32,633	43,867
Fair value of plan assets	14,161	21,167	14,161	21,167

Net periodic pension benefit costs for the Company's defined benefit plans include the following components:

NET PERIODIC PENSION BENEFIT COST

	FINANCIAL YEAR ENDED MARCH 31,	
USD in thousands	**2023**	2022
Service cost	3,809	4,803
Operational pension cost	**3,809**	**4,803**
Interest cost	3,716	1,891
Expected return on plan assets	(7,343)	(6,344)
Amortization of prior service costs	(1,012)	(1,084)
Amortization of actuarial loss	634	1,353
Settlements and curtailments	20	(274)
Non-operational credit (1)	**(3,985)**	**(4,458)**
Net periodic benefit cost (credit)	**(176)**	**345**

1) Non-operational credit is included within Other income (expense), net in the Consolidated Statements of Operations.

Changes in plan assets and benefit obligations recognized in other comprehensive loss (pre-tax) are as follows:

CHANGES IN PLAN ASSETS AND BENEFIT OBLIGATIONS RECOGNIZED IN AOCL

	FINANCIAL YEAR ENDED MARCH 31,	
USD in thousands	**2023**	2022
Net actuarial gain	(9,609)	(10,854)
Amortization of actuarial loss	(697)	(1,353)
Prior service cost	461	–
Amortization of prior service credit	1,012	1,084
Total change recognized in AOCL	**(8,833)**	**(11,123)**

The following represents the amounts included in accumulated other comprehensive loss related to the Company's defined benefit pension plans:

AMOUNTS RECOGNIZED IN AOCL FROM DEFINED BENEFIT PENSION PLANS

	MARCH 31,	
USD in thousands	**2023**	2022
Actuarial gain	(10,840)	(534)
Prior service cost	(2,929)	(4,402)
Deferred tax liability	2,020	164
Effect of changes in exchange rates	230	230
Total	**(11,519)**	**(4,542)**

The weighted average assumptions used in accounting for the defined benefit pension plans are as follows:

WEIGHTED AVERAGE ASSUMPTIONS

	March 31, 2023	March 31, 2022
Weighted average assumptions to determine benefit obligations:		
Discount rate (1)	2.67%	0.67%
Expected rate of increase in future compensation (2)	1.62%	1.05%
Expected rate of increase in future pension benefits (3)	0.10%	0.12%
Weighted average assumptions to determine net periodic pension costs:		
Discount rate (1)	2.67%	0.67%
Expected long-term rate of return on plan assets (4)	2.96%	2.33%

1) The Company determined a discount rate for each individual defined benefit pension plan based on high-quality corporate bonds with currency and duration matching the associated liabilities. Where there is no deep market for such bonds, government bonds with an appropriate spread are used.
2) The Company determined the expected rate of increase in future compensation levels based on expectation of expected inflation rates and merit-based increases.
3) The Company determined the expected rate of increase in future pension benefits based on expected inflation in the plans' national markets, if such increase is included in the plan benefits.
4) The expected rate of return on plan assets was determined on the basis of the weighted average expected return on plan assets. The Company's assessment of the expected returns is based on historical return trends for equities, real estate and other assets and analysts' predictions of the market for debt instruments. The assets do not include any financial instruments issued by the Company.

Holding all other assumptions constant, a 0.5-percentage point decrease in the discount rate would have increased the PBO related to the defined benefit pension plans by USD 13.8 million while a 0.5-percentage point increase in the discount rate would have decreased the PBO related to the defined benefit pension plans by USD 12.1 million.

Holding all other assumptions constant, a decrease or increase of 0.5 percentage points in the discount rate would have decreased the interest cost in the financial year ended March 31, 2023 by USD 0.8 million or increased the interest cost by USD 0.8 million, respectively. The actual asset allocation for the defined benefit pension plan assets is as follows:

ACTUAL ASSET ALLOCATION

	March 31, 2023	March 31, 2022
Equity Instruments	32%	20%
Debt Instruments	38%	47%
Property	21%	23%
Other	9%	10%

The Company's pension plan assets for each individual plan are invested in accordance with statutory regulations, pension plan rules and decisions of the pension fund trustees. The Company's actual invested positions in various securities change over time based on short and longer-term investment opportunities. Strategic pension plan asset allocations are determined by the objective to achieve an investment return, which together with the contributions paid, is sufficient to maintain reasonable control over the various funding risks of the plans. Based upon current market and economic environments, the actual asset allocation may periodically be permitted to deviate from policy targets. The plan's assets are divided according to asset class. The financial year ending March 31, 2024 targeted allocations are equities (32%), debt securities (38%), real estate (21%) and others (9%).

Annual benefit payments, including amounts to be paid from the Company's assets for unfunded plans, and reflecting expected future service, as appropriate, are expected to be as follows:

FUTURE BENEFIT PAYMENTS

Financial year ending March 31, (USD in thousands)	
2024	17,092
2025	15,813
2026	15,736
2027	15,884
2028	16,421
2029–2034	77,057

The following tables present, for each of the fair-value hierarchy levels, the Company's defined benefit pension plan assets that are measured at fair value on a recurring basis as at March 31, 2023 and at March 31, 2022:

PENSION PLAN ASSETS

Fair Value Measurements March 31, 2023 (USD in thousands)	**Total**	**Level 1**	**Level 2**	**Level 3**
Cash and cash equivalents	–	–	–	–
Equity instruments	79,305	73,218	6,087	–
Debt instruments	95,120	75,676	19,444	–
Real estate	51,707	–	51,357	350
Other	23,722	10,490	13,232	–
Total	**249,854**	**159,384**	**90,120**	**350**

PENSION PLAN ASSETS

Fair Value Measurements March 31, 2022 (USD in thousands)	**Total**	**Level 1**	**Level 2**	**Level 3**
Cash and cash equivalents	–	–	–	–
Equity instruments	53,076	46,361	6,715	–
Debt instruments	122,514	98,188	24,326	–
Real estate	59,091	–	7,638	51,453
Other	24,903	2,477	22,426	–
Total	**259,584**	**147,026**	**61,105**	**51,453**

The classification of fair value measurements within the hierarchy is based upon the lowest level of input that is significant to the measurement. Valuation methodologies used for assets and liabilities measured at fair value are as follows:

Debt and Equity Instruments

Debt and equity instruments classified as Level 1 are valued at the closing price reported on the active market where the individual securities are traded. Equity instruments classified as Level 2 consist of investments in traded institutional funds, which are not actively traded, valued at the repurchase price as calculated by the fund manager on a daily basis and alternative investments valued at their net asset value which is based on the fair value of the underlying assets that are traded in active markets and have quoted market prices.

Real Estate
Real estate investments classified as Level 2 are valued at the repurchase price as calculated by the fund manager on a daily basis. Real estate investments classified as Level 3 are valued using a discounted cash-flow approach, the discount rates are based on the age of the real estate and stand at 4.5%.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Company believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following table sets forth a summary of changes in the fair value of the Level 3 assets:

CHANGES IN FAIR VALUE – LEVEL 3

	FINANCIAL YEAR ENDED MARCH 31,	
USD in thousands	**2023**	2,022
Balance at April 1,	51,453	47,057
Actual return on plan assets	(23)	3,380
Sales	(49,341)	–
Effect of changes in exchange rates	(1,739)	1,016
Balance at March 31,	**350**	**51,453**

In addition to its defined benefit plans, the Company also provides post-retirement health care benefit plans to certain of its employees. As of March 31, 2023, and March 31, 2022, the post-retirement benefit plans had an obligation of USD 0.2 million and USD 0.2 million, respectively.

For the post-retirement plan, the expected premium for financial year ending March 31, 2024 is assumed to be USD 3,180 both for retired employees and spouse. The medical trend rate is assumed to increase to 5.2% for the financial year ending March 31, 2024 and gradually decrease to 4.3% thereafter.

Furthermore, the Company sponsors various defined contribution plans in which employees of certain subsidiaries are eligible to participate. Total expenses related to such plans for the financial years ended March 31, 2023 and March 31, 2022 were USD 9.3 million and USD 6.7 million, respectively.

Note 22: Share-based Compensation

Long-term Incentive Plan
The Company sponsors a share-based long-term incentive plan ("LTIP") providing the members of the Group Executive Management and other eligible key managers with a possibility to receive shares in the Company, subject to certain conditions.

Each new award under the LTIP is a contingent entitlement (Performance Stock Unit or "PSU") to receive shares in the Company, provided certain results are achieved during the three-year period. The LTIP consists of two components that are weighted equally: (i) a component with a market condition that is based on the total shareholders' return ("TSR"), summarized under the heading PSP-TSR, and (ii) a component with a performance condition that is based on the Company's fully diluted earnings per share ("EPS") performance, summarized under the heading PSP-EPS. The board of directors, at its discretion, may allow the EPS normalization of certain significant one-off events.

The following table summarizes the number of outstanding nonvested share equivalents allocated to each component of the LTIP as of March 31, 2023 and March 31, 2022:

MAXIMUM OUTSTANDING NONVESTED SHARE EQUIVALENTS UNDER THE LTIP

	March 31, 2023	**March 31, 2022**
Maximum share equivalents under the PSP-TSR	169,848	149,738
Maximum share equivalents under the PSP-EPS	169,848	149,738
Total maximum outstanding nonvested share equivalents under the LTIP	**339,696**	**299,476**
Exercisable	–	–

The number of share equivalents represents the maximum number of shares that can potentially vest and be distributed to employees if the Company were to achieve the highest vesting scenario for each component.

Total compensation costs recognized in the Consolidated Statement of Operations with respect to the LTIP for the financial years ended March 31, 2023 and 2022 were USD 4.5 million and USD 1.5 million, respectively.

Performance Stock Plan with a Market Condition (PSP-TSR Plan)

The Company allocates annually PSUs of its publicly traded shares to eligible employees who are employed with the Company at the grant date. These awards are subject to a TSR market condition, which compares the Company's TSR measured over three years relative to the performance of the SPI Industrials or a peer group of comparable publicly traded companies. The relative TSR condition is calculated considering not only the variations of the closing price over the three-year period but also the dividends distributed in the same period, assuming that those dividends are reinvested at the time of distribution in the shares of the Company.

PSUs granted under the PSP-TSR component will cliff-vest and be converted into the Company's shares in a range of 0% to 200% following the 3-year measurement period. With respect to the award cycle started on April 1, 2020, none of the PSP-TSR awards will vest if Landis+Gyr's absolute TSR attributable to the relevant three-year measurement period is negative, regardless of the Company's performance relative to the SPI Industrials. With respect to the award cycles started on April 1, 2021 and April 1, 2022, the PSP-TSR awards multiple shall be capped at 100% if Landis+Gyr's absolute TSR attributable to the relevant three-year measurement period is negative, regardless of the Company's performance relative to the peer group.

The following tables summarize the activities under the PSP-TSR component for the financial year ended March 31, 2023 and 2022:

TSR COMPONENT

	FINANCIAL YEAR ENDED MARCH 31, 2023		
	Number of awards	Maximum number of shares conditionally granted	Weighted-average grant-date fair value per share (Swiss francs)
Nonvested at April 1, 2022	74,868	149,738	55.11
Granted	39,115	78,230	52.80
Vested	–	–	–
Forfeited	(29,059)	(58,120)	52.23
Nonvested at March 31, 2023	**84,924**	**169,848**	**55.03**
Exercisable at March 31, 2023	–	–	–

TSR COMPONENT

	FINANCIAL YEAR ENDED MARCH 31, 2022		
	Number of awards	Maximum number of shares conditionally granted	Weighted-average grant-date fair value per share (Swiss francs)
Nonvested at April 1, 2021	72,687	145,376	49.70
Granted	30,827	61,654	68.57
Vested	–	–	–
Forfeited	(28,646)	(57,292)	55.87
Nonvested at March 31, 2022	**74,868**	**149,738**	**55.11**
Exercisable at March 31, 2022	–	–	–

The Company recorded share-based compensation expense for the PSP-TSR Plan of USD 1.5 million and USD 1.2 million, respectively, for the financial years ended March 31, 2023 and 2022, which is included within General and administrative expense in the Consolidated Statements of Operations. As of March 31, 2023, total unrecognized compensation costs related to nonvested PSP-TSR awards amount to USD 1.9 million. These costs are expected to be recognized over a weighted-average period of 1.8 years.

Equity-settled awards are recorded in the "Additional paid-in capital" component of Shareholders' equity, with compensation cost recorded in General and administrative expenses over the vesting period, which is from the grant date to the end of the vesting period, including adjustments for actual forfeitures. The PSP-TSR awards are subject to a market condition, which based on the guidance in ASC 718 is reflected in the grant-date fair value. Compensation cost is recognized for the PSP-TSR awards, provided that the requisite service is rendered, regardless of when, if ever, the market condition is satisfied. In case of an outperformance of the PSP-TSR award compared to the targets, there will be no adjustment as long as the employee performs the requisite service period.

The weighted-average exercise price of PSP-TSR awards is zero. The following assumptions have been applied in the valuation model:

TSR COMPONENT

	FINANCIAL YEAR ENDED MARCH 31,	
	2023	2022
Expected term	3 years	3 years
Risk free rate	0.990%	(0.240%)
Expected dividend yield	3.5%	4.0%

Performance Stock Plan with an Earnings per Share Condition (PSP-EPS Plan)
The Company allocates annually PSUs of its publicly traded shares to eligible employees, who are employed with the Company at the grant date. These awards are subject to a predefined cumulative diluted earnings per share performance condition, which has to be met over a measurement period of three years. The EPS condition is set based on an outside-in view, taking into account growth expectations, risk profile, investment levels and profitability levels.

PSUs granted under the PSP-EPS Plan will cliff-vest and be converted into the Company's shares in a range of 0% to 200% following the 3-year performance period, if the performance conditions are met. None of the PSP-EPS awards will vest if a minimum cumulative target on fully diluted EPS has not been achieved over the performance period.

With respect to the award cycle started on April 1, 2020, the Board of Directors has approved the EPS normalization of certain significant and unforeseen one-off events such as the impact from the global supply chain challenges and the goodwill impairment in FY 2020 as such events are not indicative of the underlying performance.

The following tables summarize the activities under the PSP-EPS Plan for the financial years ended March 31, 2023 and 2022:

EPS COMPONENT	FINANCIAL YEAR ENDED MARCH 31, 2023		
	Number of awards	Maximum number of shares conditionally granted	Weighted-average grant-date fair value per share (Swiss francs)
Nonvested at April 1, 2022	74,868	149,738	55.92
Granted	39,115	78,230	45.37
Vested		–	–
Forfeited	(29,059)	(58,120)	55.65
Nonvested at March 31, 2023	**84,924**	**169,848**	**51.15**
Exercisable at March 31, 2023	–	–	–

EPS COMPONENT	FINANCIAL YEAR ENDED MARCH 31, 2022		
	Number of awards	Maximum number of shares conditionally granted	Weighted-average grant-date fair value per share (Swiss francs)
Nonvested at April 1, 2021	72,687	145,376	58.30
Granted	30,827	61,654	57.30
Vested	–	–	–
Forfeited	(28,646)	(57,292)	63.44
Nonvested at March 31, 2022	**74,868**	**149,738**	**55.92**
Exercisable at March 31, 2022	–	–	–

The Company recorded stock-based compensation expense for the PSP-EPS Plan of USD 3.0 million and USD 0.3 million, respectively, for the financial years ended March 31, 2023 and 2022, which is included within General and administrative expense in the Consolidated Statements of Operations. As of March 31, 2023, total unrecognized compensation costs related to nonvested PSP-EPS awards are USD 2.2 million. These costs are expected to be recognized over a weighted-average period of 1.7 years.

Equity-settled awards are recorded in the "Additional paid-in capital" component of Shareholders' equity, with compensation cost recorded in General and administrative expenses over the vesting period, which is from the grant date to the end of the vesting period, including adjustments for actual forfeitures. The PSP-EPS awards are subject to a performance condition, which based on the guidance in ASC 718 is not reflected in the grant-date fair value. The actual number of PSUs that will vest can range from 0% to 200% of the grant, depending upon actual Company performance below or above the target level. The Company estimates performance in relation to the established target when determining the projected number of PSUs that will vest and calculating the compensation cost related to these awards. If it is not probable that the performance target for the EPS component will be achieved, then compensation expense recorded to date will be reversed.

The weighted-average exercise price of PSP-EPS awards is zero. The fair value of performance stock units granted under the PSP-EPS Plan is determined based on the closing price of the Company's shares at the day preceding the grant date less the present value of expected dividends.

Other Share-based Compensation

The remuneration of the members of the Company's Board of Directors is paid 65% in cash and 35% in Landis+Gyr's shares, which are blocked for sale for a period of three years. In the financial years ended March 31, 2023 and 2022, the Company allotted 7,637 and 7,433 shares, respectively, out of the treasury stock, and recorded USD 0.5 million and USD 0.4 million, respectively, of expense which is included within General and administrative expense in the Consolidated Statements of Operations.

On October 31, 2022, the Company launched an Employee Stock Purchase Plan ("ESPP"). The ESPP provides an opportunity for eligible employees to purchase Landis+Gyr's stock at preferential conditions. The Company's Board of Directors in its sole discretion determines if and when an offering shall be made, as well as the detailed parameters of such offering. By participating in the ESPP, an eligible employee may purchase Landis+Gyr's shares at a 15% discount from the SIX Swiss Exchange closing price at the date identified in each offering.

In connection with the ESPP, during the financial year ended March 31, 2023, the Company issued 17,343 shares, out of treasury stock and recognized USD 0.2 million expense which is included within General and administrative expense in the Consolidated Statements of Operations. The proceeds from the issuance of shares under the ESPP were USD 1.0 million, which is included within Cash flow from financing activities in the Consolidated Cash Flow Statements.

Note 23: Income Taxes

The components of profit (loss) before income tax expense, are as follows:

INCOME BEFORE INCOME TAX EXPENSE

	FINANCIAL YEAR ENDED MARCH 31,	
USD in thousands	**2023**	2022
Domestic (1)	13,574	(783)
Foreign	44,710	92,815
L+G Group	**58,284**	**92,032**

1) Domestic jurisdiction represents Switzerland, the country where the Company is incorporated.

Income tax benefit (expense) by location of the taxing jurisdiction consisted of the following:

INCOME TAX BENEFIT (EXPENSE)

	FINANCIAL YEAR ENDED MARCH 31,	
USD in thousands	**2023**	2022
Current income taxes:		
Domestic (1)	(1,216)	(1,242)
Foreign	(81,372)	(10,499)
Total current taxes	(82,588)	(11,741)
Deferred taxes:		
Domestic (1)	(1,866)	(3,890)
Foreign	3,572	22,633
Total deferred taxes	1,706	18,743
Total income taxes	**(80,882)**	**7,002**

1) Domestic jurisdiction represents Switzerland, the country where the Company is incorporated.

The Company is a global corporation, generating income in several jurisdictions. Although the company is headquartered in Switzerland, taxable income generated outside of Switzerland is subject to the locally enacted tax rates and not the Swiss statutory rate.

The weighted average tax rate for the Company is derived by dividing the aggregated subsidiaries' tax charge by the group's income before income tax expense. The subsidiaries' tax charge is calculated by aggregating the income/loss before income tax expense in each subsidiary, multiplied by the locally enacted tax rate.

The reconciliation of the tax expense at the company's weighted average tax rate to the provision for income taxes is shown in the table below.

INCOME TAX EXPENSE RECONCILIATION

USD in thousands	FINANCIAL YEAR ENDED MARCH 31, 2023	2022
Income before income tax expense	**58,284**	**92,032**
Weighted average global tax rate	**21.50%**	**24.84%**
Items taxed at weighted average rate	(12,531)	(22,861)
Items taxed at rates other than the Company's weighted average rate	(5,592)	(7,716)
Tax on the divestment of Spark	(69,055)	–
Other permanent adjustments	5,144	7,248
Provision for uncertain tax positions	2,192	6,823
Tax credits	1,591	1,392
Withholding taxes	(1,177)	(1,507)
Change in valuation allowance	(3,517)	23,698
Adjustments to prior year	(128)	(82)
Effects of changes in tax rate, net	2,191	7
Tax benefit (expense)	**(80,882)**	**7,002**

The mix of income and loss before income tax expense by jurisdiction impacts the weighted average tax rate and the corresponding tax charge disclosed in "items taxed at the weighted average rate". Losses in certain jurisdictions can have substantial impacts on the weighted average rate.

The current year tax expense is primarily driven by the Spark transaction. "Tax on the divestment of Spark" segregates the tax impact of this transaction. Income related to this divestment is recorded in "Net income from equity investments" and does not form part of the "Income before income tax expense".

"Other permanent adjustments" are comparatively lower, mainly due to a negative impact from the indirect participation exemption mechanism in Switzerland.

"Change in valuation allowance" is an expense in the current year compared to a benefit in the prior year. In the prior year the announcement of the Spark divestment in Australia provided sufficient positive evidence for the valuation allowance on available tax losses to be released.

Deferred Taxes

The significant components of the deferred tax assets and liabilities are as follows:

DEFERRED TAX ASSETS AND LIABILITIES

USD in thousands	MARCH 31, 2023	2,022
Deferred tax assets:		
Net operating loss carryforwards	68,721	74,386
Inventories	7,698	7,749
Prepaid expenses and other	562	534
Accrued liabilities	8,503	8,749
Intangible assets	7,231	7,485
Operating leases	19,053	18,981
Pension and other employee related liabilities	16,049	16,299
Other	31,658	37,247
Total gross deferred tax assets	**159,475**	**171,430**
Deferred tax liabilities:		
Accrued liabilities	(1)	(5)
Property, plant, and equipment	(4,434)	(4,932)
Intangible assets	(29,123)	(49,878)
Operating leases	(17,524)	(17,813)
Other	(30,705)	(23,218)
Total gross deferred tax liabilities	**(81,787)**	**(95,846)**
Net deferred tax assets before valuation allowance	**77,688**	**75,584**
Valuation allowance	(71,364)	(68,573)
Net deferred tax assets	**6,324**	**7,011**
Included in:		
Deferred tax assets – non-current	43,789	43,557
Deferred tax liabilities – non-current	(37,465)	(36,546)
Net deferred tax assets	**6,324**	**7,011**

As of March 31, 2023, and March 31, 2022, the Company had total tax losses carried forward in the amount of USD 166.6 million and USD 216.6 million, respectively.

The expiration of the tax losses carried forward as of March 31, 2023 is as follows:

TAX LOSSES CARRIED FORWARD

Financial year ending March 31, (USD in thousands)	
2024	661
2025	2,618
2026	–
2027	8,320
2028	9,662
Thereafter	34,671
Never expire	110,686
Total	**166,618**

Due to "change in ownership" provisions in certain jurisdictions, the use of a portion of the Company's tax losses may be limited in future periods.

The Company believes that it is more likely than not that the benefit from certain net operating loss carryforwards and other deferred tax assets will not be realized due to insufficient profit projections.

The Company considered all available evidence, both positive and negative, including historical levels of income, expectations and risks associated with estimates of future taxable income and ongoing prudent and feasible tax planning strategies in assessing the need for a valuation allowance.

The valuation allowances are mainly provided against net deferred tax assets in the United States, the United Kingdom, France, India, Switzerland, and Brazil. In the event that certain deferred tax assets become realizable, the reversal of the valuation allowance would result in a reduction in income tax expense, as in the prior year.

Deferred taxes on undistributed earnings of foreign subsidiaries as of March 31, 2023 and March 31, 2022 are USD 10.9 million and USD 7.8 million, respectively.

The Company does not provide deferred taxes on temporary differences related to its foreign subsidiaries that are considered permanent in duration. Determination of the amount of deferred taxes on these temporary differences is not practical.

Provisions for Uncertain Tax Positions

ASC 740 clarifies the accounting for uncertainty in income taxes recognized in an enterprise's financial statements. This interpretation prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return.

A reconciliation of the beginning and ending balances of the total amounts of gross unrecognized tax benefits is as follows:

GROSS UNRECOGNIZED TAX BENEFITS

	FINANCIAL YEAR ENDED MARCH 31,	
USD in thousands	**2023**	2022
Balance as of April 1,	26,068	30,492
Gross increases to positions in prior years	859	75
Gross increases to current period tax positions	2,862	3,263
Audit settlements	(370)	(369)
Expiry of statute of limitations	(5,651)	(6,153)
Gross decreases to prior year positions	(839)	(1,188)
Effect on change in exchange rates	(95)	(52)
Balance as of March 31,	**22,834**	**26,068**

In the financial years ended March 31, 2023 and 2022, the net interest and penalties benefit related to unrecognized tax were USD 1.4 million and USD 1.5 million, respectively.

As of March 31, 2023, and March 31, 2022, accrued interest and penalties were USD 4.8 million and USD 6.2 million, respectively.

The Company does not expect any material changes in unrecognized tax benefits within the next 12 months.

The Company is subject to taxation in various states and foreign jurisdictions. As of March 31, 2023, the Company could be subject to income tax examination by the tax authorities in the following major tax jurisdictions:

STATUTE OF LIMITATIONS

Tax Jurisdiction	Open tax years
Australia	April 1, 2015 – March 31, 2023
Switzerland	April 1, 2021 – March 31, 2023
U.S. Federal	April 1, 2019 – March 31, 2023
Germany	April 1, 2014 – March 31, 2023
Greece	April 1, 2017 – March 31, 2023
United Kingdom	April 1, 2020 – March 31, 2023
Brazil	January 1, 2018 – March 31, 2023

Note 24: Leases

The Company is party to several noncancelable operating leases, primarily for office space and company vehicles, that expire over the next 12 years. These leases might include renewal options and do not contain material residual value guarantees.

The components of lease expense are as follows:

OPERATING & FINANCE LEASE COST

USD in thousands	FINANCIAL YEAR ENDED MARCH 31, 2023	2022
Finance lease cost – Right-of-use assets amortization	1,208	1,073
Finance lease cost – Interest on lease liabilities	89	101
Operating lease cost	16,843	18,941
Variable lease cost	958	329
Short-term lease cost	6,768	7,056
Total lease cost	**25,866**	**27,500**

Supplemental cash flow information related to leases is as follows:

OPERATING & FINANCE LEASES

USD in thousands	FINANCIAL YEAR ENDED MARCH 31, 2023	2022
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows from operating leases	16,236	19,015
Financing cash flows from finance leases	166	243
Right-of-use assets obtained in exchange for lease liabilities:		
Operating leases	11,547	7,749
Finance leases	2,692	142

Supplemental balance sheet information related to leases is as follows:

OPERATING & FINANCE LEASES

USD in thousands, unless otherwise stated	MARCH 31, 2023	2022
Operating Leases		
Right-of-use assets, net	88,698	98,032
Lease liabilities	95,592	103,656
Finance Leases		
Property, plant and equipment, net	4,364	2,892
Lease liabilities	2,646	2,291
Weighted-average remaining lease term (years)		
Operating leases	8.5	9.2
Finance leases	3.8	4.0
Weighted-average discount rate (percentage)		
Operating leases	2.4%	2.2%
Finance leases	4.3%	3.3%

Remaining maturities of lease liabilities as of March 31, 2023 are as follows:

FUTURE LEASE PAYMENTS

Financial year ending March 31, (USD in thousands)	Finance Leases	Operating Leases
March 31, 2024	908	16,619
March 31, 2025	812	16,822
March 31, 2026	508	13,443
March 31, 2027	409	12,396
March 31, 2028	237	9,909
Thereafter	–	40,695
Total lease payments	**2,874**	**109,884**
Less: Imputed interest	(228)	(14,292)
Total lease liabilities	**2,646**	**95,592**

As of March 31, 2023, the Company has additional operating lease commitments, primarily for office space, that have not yet commenced of USD 2.8 million. These operating leases will commence in the following financial year with lease terms of 7 years.

Note 25: Redeemable Noncontrolling Interests

As described in Note 11: Acquisitions and Divestments, the Company completed the acquisition of 75 percent of the issued and outstanding shares of Etrel on July 29, 2021. The resulting 25 percent noncontrolling interest was recorded at fair value as of the acquisition date. The noncontrolling interest holders have the option, which is embedded in the noncontrolling interest, to require the Company to acquire their ownership interests between October 1, 2024 and March 31, 2025. The combination of a noncontrolling interest and a redemption feature, outside of the control of the Company, resulted in a redeemable noncontrolling interest, which is presented after liabilities and before stockholders' equity on the Consolidated Balance Sheets.

This noncontrolling interest is redeemable at the redemption value that is determined based on a specified, financial results driven formula. The noncontrolling interest becomes redeemable after passage of time and has to be revalued to redemption amount at each balance sheet date. The Company adjusts the balance of the redeemable noncontrolling interests at the greater of (1) the initial carrying amount, increased or decreased for each noncontrolling interest's share of net income or loss and its share of other comprehensive income or loss and dividends ("carrying amount") or (2) the theoretical redemption value assuming the noncontrolling interest was redeemable at the reporting date. As of March 31, 2023, the redeemable noncontrolling interest of Etrel is recorded at the carrying amount.

The redemption value was estimated using the Monte Carlo simulation methodology. The following assumptions have been applied in the valuation model:

	Financial year ended March 31, 2023
Risk free rate	2.10%
Expected volatility – EBITDA	72.00%

According to the authoritative accounting guidance for redeemable noncontrolling interests, adjustments to the redemption value of the noncontrolling interest, if any, are recorded against the "Additional paid-in capital" component of Shareholders' equity. For the financial years ended March 31, 2023 and March 31, 2022, the adjustments to the Redeemable noncontrolling interests' balance were USD (4.2) million and USD 4.7 million.

Note 26: Commitments & Contingencies

Guarantees

The following table provides quantitative data regarding the Company's third-party guarantees. The maximum potential payments represent a "worst-case scenario", and do not reflect management's expected outcomes.

GUARANTEES

Maximum potential payments (USD in million)	March 31, 2023
Performance guarantees obtained from third parties	168.0
Financial guarantees issued in connection with financing activities	323.9
Financial guarantees issued in connection with lease agreements	6.9
Total	**498.8**

The Company is often required to obtain bank guarantees, bid bonds, or performance bonds in support of its obligations for customer tenders and contracts. These guarantees or bonds typically provide a guarantee to the customer for future performance, which usually covers the delivery phase of a contract and may, on occasion, cover the warranty phase. As of March 31, 2023, the Company had total outstanding performance bonds and bank and insurance guarantees of USD 168.0 million. In the event any such bank or insurance guarantee or performance bond is called, the Company would be obligated to reimburse the issuer of the guarantee or bond; however, the Company has no reason to expect that any outstanding guarantee or bond will be called.

In addition, the Company has entered into guarantees that provide financial assurances to certain third parties related to the outstanding lines of credit or to leasing arrangements, predominantly for office leases. The total amount was USD 330.8 million as of March 31, 2023.

Furthermore, the Company is party to various guarantees whereby the Company has assured the performance of its wholly owned subsidiaries' products or services according to the terms of specific contracts. Such guarantees may include guarantees that a project will be completed within a specified time. If the subsidiary were to fail to fulfil its obligations under the contract, then the Company could be held responsible for the other party's damages resulting from such failure. Because the Company's liability under the guarantees typically matches the subsidiaries' liability under the primary contracts, such guarantees generally do not limit the guarantor's total potential liability where the liability results, for example, from personal injury or death or from intellectual property infringement. Therefore, it is not possible to specify the maximum potential amount of future payments that could be made under these or similar agreements. However, the Company has no reason to believe that any of the outstanding parent guarantees will ever be exercised, and the Company has not had to make payments against any such parent guarantees in the past.

Legal Proceedings

The Company is subject to various legal proceedings and claims of which the outcomes are subject to significant uncertainty. The Company's policy is to assess the likelihood of any adverse judgments or outcomes related to legal matters, as well as ranges of probable losses. A determination of the amount of the liability required, if any, for these contingencies is made after an analysis of each known issue. A liability is recognized and charged to operating expense when the Company determines that a loss is probable, and the amount can be reasonably estimated.

The State of Washington Department of Revenue ("Department") had conducted an audit of business & occupation tax, sales tax and other taxes in the Company for the period between January 1, 2010 through March 31, 2016. The Company had received a non-income tax assessment from the Department for approximately USD 20.0 million, including penalties and interest. The Company strongly disagreed with this assessment and believed it to be contradictory to applicable statutes and court rulings in similar cases. The Company paid the assessment in November 2020 and filed an appeal in Washington State Court to obtain a refund. The payment was included in Other long-term assets on the Consolidated Balance Sheets as of March 31, 2023 and March 31, 2022. After both Company and Department filed a motion for summary judgement, the Washington State Superior Court judge ruled in favor of the Department in a hearing held on March 18, 2022. The Company and its outside legal counsel believed the lower court's decision was flawed and filed an appeal to the Washington State Appellate Court. On March 28, 2023, the Washington State Appellate Court reversed the Washington State Superior Court's decision, ruling in the Company's favor that the Company's services were indeed non-taxable data processing services. The Department decided to not appeal the decision from the Washington State Appellate Court, the judgment in the Company's favor is now final. Following this summary judgment, the Company expects the tax assessment, originally paid in November 2020, to be refunded as soon as the required court steps are completed.

In August 2015, Energisa SA and a number of related plaintiffs filed two related lawsuits in Brazil, alleging that the Company's electric meters were excessively vulnerable to fraud. The initial petitions requested the Company to provide new firmware to the plaintiffs and to reimburse their cost of installation in meters supplied with this firmware. A technical expert report has been completed and the cases have been consolidated. After hearing the case on November 22, 2022, and submissions of final briefs by both parties, the court is to issue its judgment on the case. Although the Company cannot predict the ultimate outcome of this case, it believes that the allegations are massively exaggerated and any ruling in favor of Energisa would comprise only a fraction of the claim.

On October 5, 2015, the Romanian Competition Council ("RCC") launched an ex officio investigation against the Company together with several of its competitors on the alleged infringement of certain provisions of Romanian competition law in connection with auctions on the market of electricity meters and connected equipment. In response the Company immediately engaged external experts to conduct an extensive internal forensic investigation that did not reveal any violation of competition law. Additionally, the Company provided the RCC evidence demonstrating that it had not engaged in any of the alleged anti-competitive conduct. The Company is not materially active in the Romanian metering market nor was it materially active during the period under investigation. On January 4, 2018, the Plenum of the RCC issued its preliminary decision against the Company and five other companies and imposed a fine of RON 27.4 million (or USD 6.0 million, converted at the exchange rate as of March 31, 2023). In May 2018, the Company filed an appeal of the decision on the basis that it is significantly flawed and incorrect at fact and law. The referral request to the ECJ was dismissed by the Court on April 26, 2022. On August 8, 2022, the Court released an oral verdict, dismissing the Company's appeal and its subsidiary request to reduce the fine. The Court is yet to issue its written judgement, including the arguments for its decision. The Company will initiate the additional appeal process as soon as the written judgement is received. Although the Company cannot predict the ultimate outcome of this case, it believes that it is probable that the fine will be reduced.

In July 2020, the Company received a claim from the utility company Areti in respect of damages allegedly sustained as a consequence of a limited product recall. The recall was initiated by the Company as a consequence of a component failure that could, under very particular circumstances, lead to a potential safety concern. The amount claimed by Areti, comprising third-party product purchase costs, reputational damages etc., amounts to EUR 4.1 million (or USD 4.4 million, converted at the exchange rate as of March 31, 2023). The Company has joined the component manufacturer to the litigation, which is now tripartite. After deciding on the parties' evidence requests and hearing the parties' witnesses on October 25, 2022 and January 24, 2023, the court is to issue its decision regarding Areti's request to rule the matter on a technical appraisal.

In addition to the cases listed above, Landis+Gyr and its subsidiaries are parties to various employment-related and administrative proceedings in jurisdictions where the Company operates. None of the proceedings are individually material to Landis+Gyr, and the Company believes that it has made adequate provision such that the ultimate disposition of the proceedings will not materially affect its business or financial condition.

In the normal course of business, the Company is party to various legal claims, actions, and complaints. It is not possible to predict with certainty whether or not the Company will ultimately be successful in any of these legal matters, or if not, what the impact might be. However, the Company's management does not expect that the results of any of these legal proceedings will have a material adverse effect on the Company's results of operations, financial position or cash flows.

Due to the nature of the Company's business, it may be subject to claims alleging infringement of intellectual property rights belonging to third parties in connection with various of the Company's products and technologies. In this context, the Company may also be exposed to allegations of patent infringement relating to communication or other technologies from time to time, for example, where the Company purchases components or technology from vendors, which may incorporate technology belonging to third parties. In these instances, the Company relies on the contractual indemnification from such vendors against the infringement of such third-party intellectual property rights. However, where such contractual rights prove unenforceable or no collectible, the Company may need to bear the full responsibility for damages, fees, and costs resulting from such allegations of infringement. It could also be necessary for the Company to enter into direct licenses from third parties with regard to technologies incorporated into products supplied to the Company from such vendors. As of the date of these Consolidated Financial Statements there is no active or ongoing litigation related to such allegations of infringement and associated indemnification from vendors.

Indemnification

The Company generally provides an indemnification related to the infringement of any patent, copyright, trademark, or other intellectual property right on software or equipment within its customer contracts. This indemnification typically covers damages and related costs, including attorney's fees with respect to an indemnified claim, provided that (a) the customer promptly notifies the Company in writing of the claim and (b) the Company controls the defense and all related settlement negotiations. The Company may also provide an indemnification to its customers for third party claims resulting from damages caused by the negligence or willful misconduct of its employees/agents under certain contracts. These indemnification obligations typically do not have liability caps. It is not possible to predict the maximum potential amount of future payments under these or similar agreements.

Warranty

A summary of the warranty provision account activity is as follows:

WARRANTY PROVISION

USD in thousands	FINANCIAL YEAR ENDED MARCH 31, 2023	2022
Beginning balance, April 1	48,325	57,570
Business combinations	–	1,383
New product warranties	11,233	6,696
Other changes/adjustments to warranties	(1,791)	(1,058)
Claims activity	(10,278)	(16,049)
Effect of changes in exchange rates	(1,223)	(217)
Ending balance, March 31,	**46,266**	**48,325**
Less: current portion of warranty	(30,862)	(33,433)
Long-term warranty	15,404	14,892

The Company calculates its provision for product warranties based on historical claims experience, projected failures and specific review of certain contracts.

New product warranties recorded during the financial year ended March 31, 2023, and the financial year ended March 31, 2022, primarily consist of additions in line with the ordinary course of business.

Note 27: Restructuring Charges

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

During the financial year ended March 31, 2023, the Company continued its restructuring effort, aimed at reducing costs and improving operating performance. In connection with these restructuring plans, the Company recognized costs related to termination benefits for employee positions that were eliminated. The total initiatives in the financial year ended March 31, 2023 represent approximately USD 11.8 million in primarily severance related costs in connection with the discontinuation of manufacturing activities in India. Some of the severance payments were completed during the financial year ended March 31, 2023 and the remaining payments are expected to be completed during the financial year ending March 31, 2024.

A summary of the Company's restructuring activity, including costs incurred during the financial years ended March 31, 2023 and March 31, 2022 is as follows:

RESTRUCTURING ACTIVITY

	FINANCIAL YEAR ENDED MARCH 31,	
USD in thousands	**2023**	2022
Beginning balance, April 1,	1,553	5,567
Restructuring charges	11,760	2,921
Cash payments	(6,445)	(6,939)
Effect of changes in exchange rates	(161)	4
Balance as of March 31,	**6,707**	**1,553**

The outstanding balance at March 31, 2023 and at March 31, 2022, respectively, is included under Accrued liabilities and Other long-term liabilities in the Consolidated Balance Sheets.

A summary of the Consolidated Statement of Operations line items where restructuring activity charges have been recognized is as follows:

RESTRUCTURING COST

	FINANCIAL YEAR ENDED MARCH 31,	
USD in thousands	**2023**	2022
Cost of revenue	7,323	1,305
Research and development	110	65
Sales and marketing	526	219
General and administrative	3,801	1,332
Total	**11,760**	**2,921**

The following table outlines the cumulative and current costs incurred to date per operating segment:

RESTRUCTURING BY SEGMENT

USD in thousands	**Cumulative costs incurred up to March 31, 2023**	**Total costs incurred in the financial year ended March 31, 2023**
Americas	6,760	399
EMEA	10,035	1,338
Asia Pacific	12,119	10,023
Corporate	1,065	–
Restructuring Charges	**29,979**	**11,760**

The cumulative costs incurred up to March 31, 2023 represent the Company's ongoing restructuring efforts under various programs over the last three financial years. The expected future costs for the restructuring programs are USD 10.9 million spread over the next year and are primarily related to EMEA.

Note 28: Asset Retirement Obligations

AROs exist in Germany, Switzerland, the UK, Australia and New Zealand. The following table presents the activity for the AROs, excluding environmental remediation liabilities:

ASSET RETIREMENT OBLIGATION

	FINANCIAL YEAR ENDED MARCH 31,	
USD in thousands	**2023**	2022
Beginning balance, April 1	3,498	6,562
Additional obligations incurred	55	33
Obligations settled in current period	(670)	(3,098)
Changes in estimates, including timing	221	21
Accretion expense	31	63
Effect of changes in exchange rates	(118)	(83)
Obligation balances, March 31,	**3,017**	**3,498**

Note 29: Related Party Transactions

Transactions with Affiliated Companies

Until April 1, 2023, the Company had a 19.92% equity interest in Spark Holdco Pty Ltd ("Spark"). In the financial year ended March 31, 2022, revenues from Spark were USD 21.8 million. Sales of goods were made at the Company's usual prices.

As of March 31, 2022, receivables due from Spark were USD 10.6 million. The amounts outstanding were settled in cash.

Transactions with Other Related Parties

The Company conducts business with certain companies where members of the Company's Board of Directors or Executive Committee act, or in recent years have acted, as directors or senior executives.

Eric A. Elzvik is a board member of LM Ericsson, Sweden. In the financial years ended March 31, 2023 and March 31, 2022, sales to LM Ericsson and its group companies were USD 4.4 million and USD 3.4 million, respectively.

Andreas Umbach is the chairman of Techem GmbH's supervisory board. Techem GmbH is a service provider for smart and green buildings incorporated in Germany. In the financial year ended March 31, 2023, the Company sold products to Techem GmbH and its group companies of USD 2.1 million.

Note 30: Concentrations

The Company generates the majority of its revenue in the United States and Europe, with the balance in Asia Pacific, Middle East, Africa, South America, and Canada. None of the Company's customers exceeded ten percent of the consolidated revenue for the financial years ended March 31, 2023 and 2022. The majority of the revenue is derived from the sale of energy meters.

Approximately 37% of the Company's workforce is subject to collective bargaining agreements expiring between 2023 and 2037. Approximately 6% of the Company's workforce is subject to collective bargaining agreements expiring within one year.

Note 31: Segment Information

As noted in Note 13: Goodwill, the Company is organized into the following operating segments:

Americas
The Americas generates the majority of its revenue in the United States, with the balance produced in Canada, Central America, South America, Japan and certain other markets which adopt US standards. The Americas reportable segment designs, manufactures, markets, and sells products for the Company's three growth platforms Smart Metering, Grid Edge Intelligence and Smart Infrastructure technology. Product examples are Landis+Gyr's Gridstream® Connect platform, advanced metering infrastructure solutions, Revelo® meters, smart electricity meters, commercial/industrial and grid meters, communication modules for water and gas meters, street light controllers, distribution automation, system deployment services, managed network services, and other advanced metering infrastructure offerings including software (head end system (HES), meter data management (MDM), analytics), installation, implementation, consulting, maintenance support, and related services.

EMEA
The EMEA segment produces the majority of its revenue in Europe with the balance generated in the Middle East, South Africa and certain other markets which adopt European standards. The EMEA reportable segment designs, manufactures, markets, and sells products for the Company's three growth platforms Smart Metering, Grid Edge Intelligence and Smart Infrastructure technology. Product examples are advanced metering infrastructure solutions, smart electricity meters, prepayment electricity meters, commercial/industrial and grid meters, smart gas meters and prepayment solutions, heat meters and solutions, load control devices, system deployment services, managed network services, and advanced metering infrastructure offerings including software (HES, MDM, analytics), installation, implementation, consulting, maintenance support, and related services. With the recent acquisitions, the Company is expanding its offering with EV charging hardware and smart charging software, including demand response and flexibility management as well as cybersecurity solutions.

Asia Pacific
The Asia Pacific segment generates the majority of its revenue in Australia, China, Hong Kong and India, while the balance is generated in Singapore and other markets in Asia. The Asia Pacific reportable segment designs, manufactures, markets, and sells products for the Company's three growth platforms Smart Metering, Grid Edge Intelligence and Smart Infrastructure technology. Product examples are advanced metering infrastructure solutions, non-smart and smart electricity meters, prepayment electricity meters, commercial/industrial and grid meters, gas meters, heat and water meters and solutions, load control devices, system deployment services, and advanced metering infrastructure offerings including software (HES, MDM, analytics), installation, implementation, consulting, maintenance support, and related services.

The Chief Operating Decision Maker ("CODM") is the Company's Chief Executive Officer. The CODM allocates resources to and assesses the performance of each operating segment using the information outlined in the table below. Each operating segment offers products for different applications and markets and provides separate financial information that is evaluated regularly by the CODM. Decisions by the CODM on how to allocate resources and assess performance are based on a reported measure of segment profitability.

The Company has two primary measures for evaluating segment performance: net revenue to third parties (excluding any inter-company sales) and the adjusted earnings before interest, taxes, depreciation and amortization (Adjusted EBITDA). Management defines Adjusted EBITDA as operating income (loss) excluding (i) depreciation and amortization, (ii) impairment of intangible assets, (iii) restructuring charges, (iv) warranty normalization adjustments and (v) change in unrealized gains and losses on derivatives where the underlying hedged transactions have not yet been realized.

The CODM primarily reviews the results of each segment on a basis that is before the elimination of profits made on inventory sales between segments. Segment results below are presented before these eliminations, with a total deduction for intersegment profits to arrive at the Company's consolidated Adjusted EBITDA.

SEGMENT INFORMATION

USD in thousands	FINANCIAL YEAR ENDED MARCH 31, 2023	2022
Net revenues		
Americas	891,513	709,520
thereof to external customers	887,950	706,682
thereof to other segments	3,563	2,838
EMEA	663,216	645,598
thereof to external customers	602,270	590,115
thereof to other segments	60,946	55,483
Asia Pacific	194,320	170,711
thereof to external customers	191,166	167,164
thereof to other segments	3,154	3,547
Elimination	(67,663)	(61,868)
Total Company	**1,681,386**	**1,463,961**
Adjusted EBITDA		
Americas	118,972	109,417
EMEA	(14,081)	25,659
Asia Pacific	13,272	7,812
Corporate unallocated	21,739	4,129
Total Company	**139,902**	**147,017**
Restructuring charges (1)	(11,760)	(2,921)
Warranty normalization adjustments (2)	5,093	13,812
Timing difference on FX derivatives (3)	(18)	12,363
Depreciation	(25,319)	(30,623)
Amortization of intangible assets	(56,863)	(50,877)
Other income (expense), net	7,249	3,261
Income before income tax expense	**58,284**	**92,032**

1) Restructuring charges are summarized in Note 27: Restructuring Charges including the line items in the Consolidated Statements of Operations that include the restructuring charges.
2) Warranty normalization adjustments represents warranty expense that diverges from three-year average of actual warranty costs incurred (in cash or the value of other compensation paid out to customers) in respect of warranty claims.
3) Timing difference on FX derivatives represents unrealized gains and losses on derivatives where the underlying hedged transactions have not yet been realized.

The following table presents segment depreciation and amortization and capital expenditures for the financial years ended March 31, 2023 and 2022:

SEGMENT INFORMATION

	DEPRECIATION AND AMORTIZATION		CAPITAL EXPENDITURE	
	FINANCIAL YEAR ENDED MARCH 31,		FINANCIAL YEAR ENDED MARCH 31,	
USD in thousands	2023	2022	2023	2022
Americas	41,205	43,343	10,478	14,833
EMEA	28,657	25,140	15,346	10,179
Asia Pacific	4,203	4,826	3,249	2,034
Corporate	8,117	8,191	198	66
Total	**82,182**	**81,500**	**29,271**	**27,112**

The Company does not monitor total assets by operating segment and such information is not reviewed by the CODM.

The following tables represent the continuing operations' revenue for the financial years ended March 31, 2023 and 2022:

SEGMENT REVENUE

Financial year ended March 31, 2023 (USD in thousands)	Total	Americas	EMEA	Asia Pacific
Total revenue	**1,681,386**	**887,950**	**602,270**	**191,166**
thereof United States	735,953	734,368	1,564	21
thereof United Kingdom	160,489	–	160,489	–
thereof Switzerland	63,877	–	63,877	–
thereof Australia	81,399	–	735	80,664

SEGMENT REVENUE

Financial year ended March 31, 2022 (USD in thousands)	Total	Americas	EMEA	Asia Pacific
Total revenue	**1,463,961**	**706,682**	**590,115**	**167,164**
thereof United States	603,346	602,524	822	–
thereof United Kingdom	211,681	–	211,681	–
thereof Switzerland	45,605	–	45,605	–
thereof Australia	65,869	–	569	65,300

The following tables represent the property, plant and equipment, net as of March 31, 2023 and 2022:

SEGMENT PP&E

March 31, 2023 (USD in thousands)	Total	Americas	EMEA	Asia Pacific
Property, plant and equipment	**117,215**	**48,127**	**61,337**	**7,751**
thereof United States	32,026	32,026	–	–
thereof United Kingdom	6,407	–	6,407	–
thereof Switzerland	9,001	–	9,001	–
thereof Australia	2,762	–	–	2,762

SEGMENT PP&E

March 31, 2022 (USD in thousands)	Total	Americas	EMEA	Asia Pacific
Property, plant and equipment	**116,310**	**48,576**	**59,544**	**8,187**
thereof United States	35,709	35,709	–	–
thereof United Kingdom	8,836	–	8,836	–
thereof Switzerland	9,830	–	9,830	–
thereof Australia	1,886	–	–	1,886

Sales to external customers are based on the location of the customer (destination). Disclosure of long-lived assets is based on the location of the asset.

Note 32: Subsequent Events

The Company evaluated subsequent events and transactions that occurred after the balance sheet date through May 25, 2023, which is the date that the Consolidated Financial Statements were available to be issued.

No significant events occurred subsequent to the balance sheet date but prior to May 25, 2023 that would have a material impact on the Consolidated Financial Statements.

Statutory Financial Statements of Landis+Gyr Group AG

Report of the statutory auditor

to the General Meeting of Landis+Gyr Group AG

Cham

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Landis+Gyr Group AG (the Company), which comprise the balance sheet as at March 31, 2023, and the income statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements (pages 71 to 77) comply with Swiss law and the Company's articles of incorporation.

Basis for opinion

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

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

Our audit approach

Overview

Overall materiality: CHF 15'880'000

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the financial statements as a whole, taking into account the structure of the Company, the accounting processes and controls, and the industry in which the Company operates.

As key audit matter the following area of focus has been identified:

Valuation of investment in and long-term loan receivable from subsidiary

Materiality

The scope of our audit was influenced by our application of materiality. Our audit opinion aims to provide reasonable assurance that the financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall materiality for the financial statements as a whole as set out in the table below. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate, on the financial statements as a whole.

Overall materiality	CHF 15'880'000
Benchmark applied	Total assets
Rationale for the materiality benchmark applied	We chose total assets as the benchmark because, in our view, it is the most relevant measure for the activities of Landis+Gyr Group AG as a holding company.

We agreed with the Audit, Finance and Risk Committee that we would report to them misstatements above CHF 790'000 identified during our audit as well as any misstatements below that amount which, in our view, warranted reporting for qualitative reasons.

Audit scope

We designed our audit by determining materiality and assessing the risks of material misstatement in the financial statements. In particular, we considered where subjective judgements were made; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

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Key audit matters

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

Valuation of investment in and long-term loan receivable from subsidiary

Key audit matter	How our audit addressed the key audit matter
On March 31, 2023, the carrying value of the Company's investment in and long-term loan receivable from subsidiary amount to CHF 0.9 Billion and CHF 0.3 Billion, respectively. We consider the valuation of investment in and long-term loan receivable from subsidiary a key audit matter due to the estimation uncertainty and judgement involved in determining the recoverable amount used to support the recoverability of these assets. Refer to Note 3.2 Investment, Note 3.3 Long-term loan receivable, and Note 5 Investments of the financial statements.	We assessed whether the combined carrying value of the investment in and long-term loan receivable from subsidiary is recoverable as of March 31, 2023 by performing the following procedures: • We compared the recoverable amount of the Company to the combined carrying value of the investment in and long-term loan receivable from subsidiary company. • We considered the reasonableness of the recoverable amount of the Company by assessing management's impairment analyses. • We compared the market capitalisation of the Company at March 31, 2023 to the combined carrying value of the investment in and long-term loan receivable from subsidiary. On the basis of work performed, we determined the principles used by management to assess the carrying value of the investment in and long-term loan receivable from subsidiary to be reasonable.

Other information

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

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

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

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

Board of Directors' responsibilities for the financial statements

The Board of Directors is responsible for the preparation of the financial statements in accordance with the provisions of Swiss law and the Company's articles of incorporation, and for such internal control as the Board of Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

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

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

Report on other legal and regulatory requirements

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

We further confirm that the proposed appropriation of the accumulated deficit and the statutory capital reserves comply with Swiss law and the Company's articles of incorporation. We recommend that the financial statements submitted to you be approved.

PricewaterhouseCoopers AG

Rolf Johner	Rahel Sopi
Licensed audit expert Auditor in charge	Licensed audit expert

Zug, May 25, 2023

Balance Sheet

CHF	Notes	March 31, 2023	March 31, 2022
ASSETS			
Current assets			
Cash and cash equivalents		2,752	186
Total current assets		**2,752**	**186**
NON-CURRENT ASSETS			
Long-term loan receivable from subsidiary		288,585,380	284,165,045
Investment	5	897,205,088	897,205,088
Total non-current assets		**1,185,790,468**	**1,181,370,133**
TOTAL ASSETS		**1,185,793,220**	**1,181,370,319**
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities			
Trade accounts payable to subsidiary		10,824,358	9,572,307
Accrued liabilities		16,450	72,813
Total current liabilities		**10,840,808**	**9,645,120**
Non-current liabilities			
Long-term loan payable to subsidiary		354,653,798	278,313,574
Provision for unrealized FX gain		43,800,320	40,648,229
Total non current liabilities		**398,454,118**	**318,961,803**
Total liabilities		**409,294,926**	**328,606,923**

CHF	Notes	March 31, 2023	March 31, 2022
SHAREHOLDERS' EQUITY			
Share capital	6	289,089,440	289,089,440
Statutory capital reserves	7	682,489,451	743,210,042
Reserve for treasury shares held by subsidiary			
– against statutory capital reserves	8	5,036,990	6,315,057
Statutory retained earnings		2,952,483	2,952,483
Accumulated deficit		(203,070,070)	(188,803,626)
Accumulated deficit brought forward		(188,803,626)	(178,693,380)
Loss for the year		(14,266,444)	(10,110,246)
Treasury shares			
– against statutory capital reserves	8	–	–
Total shareholders' equity		**776,498,294**	**852,763,396**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**1,185,793,220**	**1,181,370,319**

See notes to the statutory financial statements.

Income Statement

CHF	Notes	FINANCIAL YEAR ENDED MARCH 31, 2023	2022
Operating expenses		(11,330,138)	(9,478,122)
OPERATING LOSS		**(11,330,138)**	**(9,478,122)**
Financial income		7,189,636	4,100,243
Financial expense		(10,167,123)	(4,698,910)
LOSS BEFORE TAXES		**(14,307,625)**	**(10,076,789)**
Direct taxes		41,181	(33,457)
LOSS FOR THE YEAR		**(14,266,444)**	**(10,110,246)**

See notes to the statutory financial statements.

Notes to the Statutory Financial Statements

Note 1: General

Landis+Gyr Group AG, Cham Switzerland (the Company) is the parent company of the Landis+Gyr Group which is a leading global provider of energy metering products and solutions to utilities.

The Company's registered ordinary shares are listed on the SIX Swiss Exchange.

Note 2: Applicable Accounting Law

These standalone financial statements have been prepared in accordance with the articles 957–963b of the Swiss Code of Obligations (CO).

Note 3: Summary of Significant Accounting Principles

3.1 Conversion of Foreign Currencies
The functional currency is the US Dollar, translated into Swiss Francs for statutory financial reporting purposes. Transactions during the year denominated in foreign currencies are translated and recorded in US Dollars at actual exchange rates prevailing at the dates of the transactions. Profits and losses on exchange are recognized in the income statement, with the exception of unrealized gains, which are deferred until they are realized.

With the exception of investments and equity which are translated at historical rates, all other assets and liabilities are translated into Swiss Francs using the year-end closing rate, whereas income and expenses are translated using the average exchange rate. Foreign currency exchange losses arising from translation are shown as currency translation differences under financial expense. Foreign currency exchange gains arising from translation are deferred on the balance sheet. A foreign exchange translation gain of CHF 43.8 million (prior year: CHF 40.6 million) has been deferred on the balance sheet.

The current year foreign exchange rate realized gain is CHF 0.1 million. In the prior year a foreign exchange gain of CHF 0.4 million was realized. These realized exchange rate gains and losses are not taxable as the taxable currency is equivalent to the functional currency which is the US Dollar.

3.2 Investment

The investment in subsidiary is carried at cost less adjustments for impairment, if any. The investment is reviewed annually for impairment and adjusted to the recoverable amount in instances where the carrying value is determined to be in excess of the recoverable amount.

3.3 Long-term Loan Receivable

Financial assets are valued at acquisition cost less adjustments for foreign currency losses and any other impairment of value.

Note 4: Number of Employees

The Company did not have any employees in the financial years ended March 31, 2023 and 2022.

Note 5: Investments

As at the balance sheet date, the Company holds the following direct investment:

COMPANY	NOMINAL CAPITAL	OWNERSHIP & VOTING RIGHTS MARCH 31,	
		2023	2022
Landis+Gyr AG, Alte Steinhauserstrasse 18, Cham	CHF 29,700,000	100%	100%

At March 31, 2023 and 2022, the Company performed an impairment analysis. No impairment charge was recorded in the financial years ended March 31, 2023 and 2022.

As at the balance sheet date, the Company holds the following substantial indirect investments:

COMPANY	NOMINAL CAPITAL	OWNERSHIP & VOTING RIGHTS MARCH 31,	
		2023	2022
Landis+Gyr Investments LLC, Lafayette USA	USD 100	100%	100%
Bayard Metering (UK) Unlimited, Peterborough, United Kingdom	GBP 6,986,361	100%	100%

Note 6: Share Capital

At March 31, 2023 the share capital represents 28,908,944 (prior year: 28,908,944) authorized, registered and issued ordinary shares with restricted transferability with a nominal value of CHF 10 each. The restricted transferability is related to the fact that the Board of Directors can reject a shareholder not disclosing the beneficial owner. Registered ordinary shares carry one vote per share, as well as the right to dividend.

Conditional Share Capital

The share capital of the Company may be increased by up to CHF 4,500,000 by issuing up to 450,000 fully paid up registered shares with a nominal value of CHF 10 each, upon the exercise of option rights or in connection with similar rights regarding shares granted to officers and employees at all levels of the Company and its group companies according to respective regulations and resolutions of the Board of Directors. This conditional share capital has been approved and is available for use. As of March 31, 2023, no shares were issued from this conditional share capital.

Furthermore, the share capital of the Company may be increased by up to CHF 28,908,940 by the issuance of up to 2,890,894 fully paid up registered shares with a nominal value of CHF 10 each, upon the exercise or mandatory exercise of conversion, exchange, option, warrant or similar rights for the subscription of shares granted to shareholders or third parties alone or in connection with bonds, notes, loans, options, warrants or other securities or contractual obligations of the Company or any of its group companies. As of March 31, 2023, no shares were issued from this conditional share capital.

Authorized Share Capital
The Board of Directors is authorized to increase the share capital at any time by a maximum amount of CHF 28,908,940 through the issuance of 2,890,894 fully paid-in registered shares with a nominal value of CHF 10 each until June 24, 2024. Increases in partial amounts are permissible. As of March 31, 2023, no shares were issued from this authorized share capital.

The aggregate number of registered shares issued until June 24, 2024 in connection with the above conditional share capital, with the exclusion of advance subscription rights of existing shareholders, and/or the authorized share capital, with the exclusion of pre-emptive rights of existing shareholders, must not exceed 2,890,894 registered shares.

Note 7: Statutory Capital Reserves

MOVEMENT IN STATUTORY CAPITAL RESERVES

	FINANCIAL YEAR ENDED MARCH 31,	
CHF	**2023**	2022
Statutory capital reserves as at April 1,	743,210,042	803,322,563
Dividend payment of CHF 2.15 (prior year: CHF 2.10) per share	(61,998,658)	(60,541,020)
Retirement of shares	–	–
Transfer to reserve for treasury shares held by subsidiary – against statutory capital reserves	1,278,067	428,499
Statutory capital reserves carried forward	**682,489,451**	**743,210,042**

The statutory capital reserves from additional paid-in capital resulted from a contribution in kind of shares in Landis+Gyr AG, Cham and a loan from Landis+Gyr AG, Cham. The balance per March 31, 2022 has been approved by the tax authorities.

The transfer to the reserve for treasury shares held by subsidiary is outlined in Note 8.

Note 8: Treasury Shares and Reserve for Treasury Shares Held by Subsidiary

During the financial years ended March 31, 2023 and 2022, 7,637 and 7,433 treasury shares, respectively, were purchased and delivered as compensation-in-kind to the members of the Board of Directors.

The movement in the number of Treasury shares during the year was as follows:

	FINANCIAL YEAR ENDED MARCH 31,			
	2023	**2023**	2022	2022
	Number of shares	**Average acquisition price per share (in CHF)**	Number of shares	Average acquisition price per share (in CHF)
Treasury shares – opening balance as of April 1,	–	–	–	–
Purchase of shares	7,637	69.00	7,433	57.65
Delivery of shares	(7,637)	69.00	(7,433)	57.65
Treasury shares – closing balance as of March 31,	**–**	**–**	**–**	**–**

In addition, a subsidiary company, Landis+Gyr AG, also purchased shares in the Company, and as at March 31, 2023 held 54,764 shares (prior year: 74,344 shares) at an average acquisition price of CHF 91.98 per share (prior year: CHF 84.94) which are reserved for the employee and board compensation plans.

During the year the subsidiary purchased 5,400 additional shares and the number of shares transferred to the Company for distribution to Board members was 7,637 (average purchase price of CHF 69.00).

The value of the movement during the year of shares held by Landis+Gyr AG, amounting to CHF 1.28 million (Prior Year: CHF 0.43 million) has been credited to the Statutory capital reserves and debited to the Reserve for treasury shares held by subsidiary.

Note 9: Contingent Liabilities

Landis+Gyr Group AG forms part of the Swiss VAT group of Landis+Gyr and is therefore a liable party for any tax liabilities. The VAT group consists of Landis+Gyr AG, Landis+Gyr Group AG and Caligyr AG.

Note 10: Third Party Guarantees

The Company has entered into guarantees that provide financial assurances to certain third parties related to the outstanding lines of credit. The total amount was CHF 245 million and CHF 335 million as of March 31, 2023 and 2022, respectively. The exchange rates used to convert the maximum liability amounts into CHF are USD 0.91 (Prior Year: 0.92) and EUR 0.99 (Prior Year: 1.0).

The Company is party to various guarantees whereby the Company has assured the performance of its wholly owned subsidiaries' products or services according to the terms of specific contracts. Such guarantees may include guarantees that a project will be completed within a specified time. If the subsidiary were to fail to fulfil its obligations under the contract, then the Company could be held responsible for the other party's damages resulting from such failure. Because the Company's liability under the guarantees typically matches the subsidiaries' liability under the primary contracts, such guarantees generally do not limit the guarantor's total potential liability where the liability results, for example, from personal injury or death or from intellectual property infringement. Therefore, it is not possible to specify the maximum potential amount of future payments that could be made under these or similar agreements. However, the Company has no reason to believe that any of the outstanding parent guarantees will ever be exercised, and the Company has not had to make payments against any such parent guarantees in the past.

Note 11: Shareholdings of Board and Group Executive Management

At March 31, 2023 and 2022, the members of the Board held the following number of shares in the Company:

NAME	FUNCTION	NUMBER OF SHARES HELD AT MARCH 31,	
		2023	2022
Andreas Umbach	Chair of the Board of Directors	75,751	73,553
Eric Elzvik	Lead Independent Director	9,636	7,886
Dave Geary [(a)]	Independent Member	n/a	2,626
Andreas Spreiter	Independent Member	10,236	9,330
Christina Stercken	Independent Member	4,160	3,276
Peter Mainz	Independent Member	3,405	2,499
Søren Thorup Sørensen [(b)]	Not independent; representative of largest shareholder	–	–
Laureen Tolson	Independent Member	1,289	496

(a) Did not stand for re-election at the 2022 AGM.
(b) Representative of the Company's largest shareholder KIRKBI Invest A/S, holding 4,445,265 shares, which amounts to 15.38% of outstanding share capital.

At March 31, 2023 and 2022, respectively, the members of the Group Executive Management held the following number of shares in the Company and the conditional rights to receive Landis+Gyr Group AG shares under the long-term incentive plan ("LTIP"):

		FINANCIAL YEAR ENDED MARCH 31, 2023	
NAME	FUNCTION	NUMBER OF SHARES HELD	NONVESTED SHARE EQUIVALENTS UNDER THE LTIP
Werner Lieberherr	Chief Executive Officer	3,300	29,253
Elodie Cingari	Chief Financial Officer	1,000	8,318
Sean Cromie	Head of Americas	–	8,486
Bodo Zeug	Head of EMEA	–	7,966

		FINANCIAL YEAR ENDED MARCH 31, 2022	
NAME	FUNCTION	NUMBER OF SHARES HELD	NONVESTED SHARE EQUIVALENTS UNDER THE LTIP
Werner Lieberherr	Chief Executive Officer	3,300	18,115
Elodie Cingari	Chief Financial Officer	1,000	3,677
Sean Cromie [(a)]	Head of Americas	–	4,945
Bodo Zeug [(b)]	Head of EMEA	–	6,696

(a) Member of the GEM as of January 1, 2022.
(b) Member of the GEM as of September 1, 2021.

Note 12: Significant Shareholders

At March 31, 2023 and 2022, respectively, the significant shareholders in the Company, holding more than 3% of the total shares, were:

	MARCH 31, 2023	
Name (Beneficial owner / legal shareholder)	**Number of Shares**	**Holding %**
Kjeld Kirk Kristiansen, Thomas Kirk Kristiansen, Sofie Kirk Kristiansen, Agnete Kirk Thinggaard / KIRKBI Invest A/S	4,445,265	15.38%
Rudolf Maag	3,000,000	10.38%
PGGM Vermögensbeheer B.V.	890,700	3.08%

	MARCH 31, 2022	
Name (Beneficial owner / legal shareholder)	**Number of Shares**	**Holding %**
Kjeld Kirk Kristiansen, Thomas Kirk Kristiansen, Sofie Kirk Kristiansen, Agnete Kirk Thinggaard / KIRKBI Invest A/S	4,445,265	15.38%
Rudolf Maag	3,000,000	10.38%
PGGM Vermögensbeheer B.V.	890,700	3.08%

To the best of the Company's knowledge no other shareholders held 3% or more of Landis+Gyr Group AG's total share capital and voting rights on March 31, 2023 and March 31, 2022.

Proposed Appropriation of the Accumulated Deficit and Statutory Capital Reserves

PROPOSED APPROPRIATION OF THE ACCUMULATED DEFICIT

	FINANCIAL YEAR ENDED MARCH 31,	
CHF	**2023**	2022
Balance carried forward from previous year	(188,803,626)	(178,693,380)
Loss for the year	(14,266,444)	(10,110,246)
Accumulated deficit	**(203,070,070)**	**(188,803,626)**

The Board of Directors proposes to the Annual General Meeting to carry forward the accumulated deficit.

PROPOSED APPROPRIATION OF STATUTORY CAPITAL RESERVES

	FINANCIAL YEAR ENDED MARCH 31,	
CHF	**2023**	2022
Statutory capital reserves as at March 31 [a]	682,489,451	743,210,042
Proposed dividend payment of CHF 2.20 per share on 28,908,944 shares out of statutory capital reserves [b]	(63,599,677)	(62,154,229)
Statutory capital reserves carried forward [c]	**618,889,774**	**681,055,813**

(a) Refer to Note 7 for the movements in statutory capital reserves during the year.
(b) Treasury shares held by Landis+Gyr AG at the record date will not receive dividends. Accordingly, the total amount distributed will be lower.
(c) Amount depends on the total distribution.

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Sustainability Report 2022

Landis+Gyr

Contents

About Landis+Gyr

A Global Industry Leader

For more than 125 years, Landis+Gyr has been an industry leader in energy management solutions. Using our advanced metering infrastructure and other cutting-edge smart grid technologies, we help utility companies around the globe to improve their operations, protect their assets, lower their operating costs, and provide better customer service. With a focus on quality, reliability, and innovation, Landis+Gyr's portfolio of products and services are critical to modernize the smart grid for the future.

Our Mission

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

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

Together, we manage energy better.

Our Values

Customer Intimacy
We are a trusted partner and deliver on our commitments

Uncompromising Performance
We strive to deliver high quality on time, every time

Innovative Technology
We passionately innovate true differentiators for our customers

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

Sustainable Impact
We manage energy better for a more sustainable world

Introduction

5

At a Glance

At Landis+Gyr, we work toward creating a greener tomorrow, one where environmental stewardship, social justice, good governance and economic prosperity become the norm. The Company has further strengthened its sustainability commitment and engagement with numerous initiatives and measures and the disclosure of specific targets in the areas of Products&Solutions, Climate&Environment, People&Well-being and Business Ecosystem.

After joining the Science Based Targets initiative in March 2022, the Company submitted its targets for validation in November 2022. On this account, Landis+Gyr performed a detailed inventory of Scope 3 GHG emissions and identified the 'Use of sold products' and 'Purchased goods and services' as the two most relevant categories, representing over 94% Landis+Gyr's total Scope 3 emissions.

The higher business volume in FY 2022 and the end of the COVID-19 restrictions affected the environmental metrics. Specifically, waste generated was impacted by office relocations, among other reasons.

In FY 2022, Landis+Gyr further enhanced its ESG due diligence process for new and existing suppliers and screened all new suppliers against ESG risks. The Company is currently working towards strengthening its human rights efforts, by developing a human rights policy, enhancing the due diligence process, and conducting a human rights impact assessment.

To further encourage learning and development opportunities for its employees, Landis+Gyr hosted several learning weeks during the reporting year, expanded its learning offers and increased the number of training hours per employee.

This Sustainability Report illustrates how Landis+Gyr contributes to sustainable development and describes the Company's impact on people, the economy and the environment as well as the progress achieved in the reporting year.

MSCI ESG RATINGS — CCC | B | BB | BBB | A | AA | AAA

AA-rated since 2018 (top 11% in peer universe)

Reporting according to GRI core since 2020

WE SUPPORT — UN Global Compact

Joined in January 2020

Corporate ESG Performance — Prime — Rated by ISS ESG

Prime status (top decile) since 2022

Company grade of "B+" since 2022"

GOLD 2022 ecovadis Sustainability Rating

In 2022, top 5% of sustainable companies

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

In 2022, ESG Risk Rating of 10.7 (Low Risk)

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

Committed in 2022. Target validation ongoing

Carbon Neutral

by 2030 (for scope 1 and 2)

Direct CO_2 emissions avoided

9.56 million tons

CO_2 emissions avoided through Landis+Gyr's installed Smart Metering Base in 2022

21	9.05 m tons
22	9.56 m tons

Direct CO_2 emissions from Landis+Gyr operations

0.76 kg

CO_2 per USD 100 turnover[1]

21	0.60 kg
22	0.76 kg

1 Turnover as reported in the Financial Report

Change of Landis+Gyr indicators in FY 2022 compared to FY 2021[2]

Water withdrawal
+12%

Chemical use
–28%

Waste generated
+26%

CO_2 emissions
–3%

2 Water, Waste, Chemicals and CO_2 figures exclude Luna and Etrel to make these indicators comparable to last year's data. CO_2 emissions figure is based on 2022 emission factors.

Customers served

Landis+Gyr serves electricity, gas, and water utilities as well as other companies in the fields of energy generation, distribution, and management. Our customers include public, private, and non-profit organizations of different sizes, ranging from investor-owned utilities to municipalities and cooperatives. We provide our customers with tailored solutions at different scales, from a few thousand endpoints to several millions. Landis+Gyr supports its customers in their journey to a smarter, cleaner, and more reliable grid and efficient use of natural resources.

Landis+Gyr is active in over 100 countries with its own presence in approximately 30 countries. The Company has served over 3,500 customers with its products, solutions, software, and service offerings across Smart Metering (electricity, gas, water/heat), Grid Edge Intelligence (monitor, detect, manage) and Smart Infrastructure (EV charging and its management, analytics platform).

Product groups

Hardware: Intelligent endpoints (Electricity, Gas, and Heat and Cooling Meters (Pre- and Post-Pay); Communication, Modules (wired and wireless), Data Loggers and Data Concentrators (including Volume Correctors), Handheld Terminals; Load Management Receivers (one-way and two-way), Street Light Controllers, Line Sensors and Thermostats; Gas Quality Analyzer Controller; Distributed, Automation Devices and Systems; Meter Test Equipment;

Software: Smart Metering Management, Analytics, Field Operation Manager, Network Monitor, Substation Platform, SCADA Center Enterprise Information, System, SAP Utility Adapter, Grid Management and Consumer Engagement App Platform, Applications (Field Operation Manager, Operational Data Panel, Grid Flex Control); Cybersecurity solution, EV solutions

Service: IoT Connectivity as a Service (cooperation with Vodafone), SaaS, Metering as a Service, Infrastructure as a Service (Solution Consulting, Cloud Service, Deployment and Project Delivery Services, Managed Services, Operational Support Services, Smart Grid Services, Support Service); Training

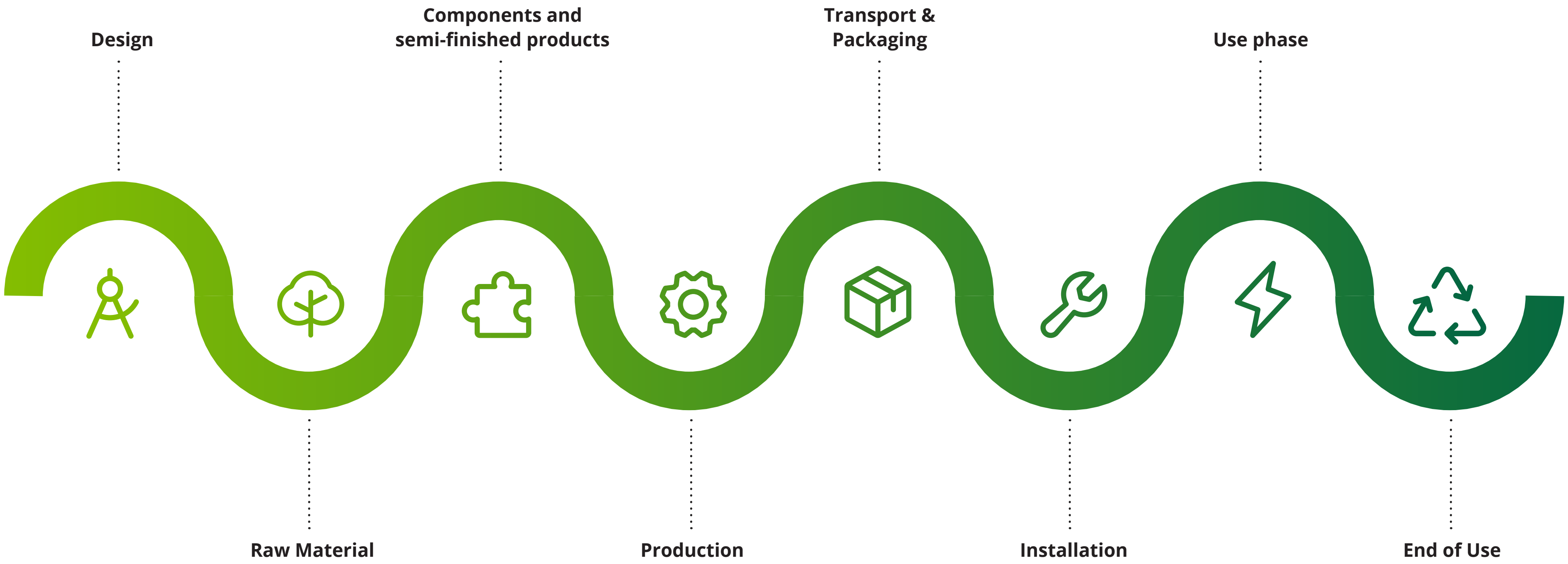
Landis+Gyr does not have banned products or services. A large portion of our products need approval for being installed in the marketplace. More information on Landis+Gyr's products to be found on Landis+Gyr's website.

Revelo® – an industry game changer

The E360 – a smart residential meter for the IoT world

Sustainability at Landis+Gyr

Value chain


Design
Components and semi-finished products
Transport & Packaging
Use phase
Raw Material
Production
Installation
End of Use

Landis+Gyr's impact on the economy, environment, and people along its value chain.

	Design	Raw material	Components and Semi-finished products	Production
	L+G influence High **L+G impact** High	**L+G influence** Low **L+G impact** Low	**L+G influence** Medium **L+G impact** Medium	**L+G influence** High **L+G impact** Low
Description of impact	During the design of the product, critical decisions are made, including the materials used, the use of the product itself as well as the potential for re-use and recycling. Therefore, product design has a great impact on the environment, but also on the users and economic performance. During the design stage, Landis+Gyr considers the entire value chain (incl. end-of-life aspects) and applies circular economy principles. Landis+Gyr has specific design guidelines in place and trains its engineers on the topic.	Landis+Gyr relies on a variety of raw materials to produce its meters and devices. The use of critical raw materials, such as conflict minerals (e.g., gold) is limited. Wherever possible Landis+Gyr uses recycled instead of virgin materials. Landis+Gyr closely monitors, in collaboration with its suppliers, the use of material that could potentially originate from conflict zones.	Our suppliers provide crucial components and semi-finished products for our meters and devices. We work closely with our suppliers to ensure that they comply with our strict environmental and social requirements. Furthermore, we provide our suppliers with the relevant knowledge to prevent or reduce any harmful impacts on people or the natural environment. 85% of our suppliers have signed our 'Supplier Code of Conduct' and 'Green Procurement Requirements'. In addition, we perform risk-based assessments and supplier audits to assess the ESG risks in our supply chain and take appropriate mitigating actions.	Our manufacturing processes involve water, chemicals, materials and produce waste. However, the overall environmental impact from production activities is rather low. We continuously work on further minimizing negative environmental impacts by training our employees, using resources efficiently and responsibly, reducing waste and water withdrawals and consumption, and curbing the harmful effects of chemicals. To reduce negative impacts, our OH&S measures ensure a safe and sound working environment for our employees. Through our community engagement activities, we make sure that the communities we operate in are aware of and benefit from our business activities.
Facts and KPIs	~11% of turnover spent on R&D	– 217 'Conflict Mineral Reporting Templates' (CMRT) collected from suppliers – 7% of suppliers assessed were identified as 'at-risk' and escalated for further action, e.g. audit – All new suppliers are evaluated for their social (e.g., child labor) and environmental impact (e.g., conflict minerals)	– Tons of materials used: 28,000 – 88% of suppliers* have confirmed adherence to Landis+Gyr's 'Supplier Code of Conduct' and 'Green Procurement Requirements'. – % of GHG emissions related to 'Purchased goods and services' (Scope 3, Cat. 1) out of total GHG emissions: 25.3%	– Lost Time Injury Frequency Rate (LTIFR) 1.42 – RoHS compliance. – Global ISO 14001 certification – % of Scope 1+2 GHG emissions out of total GHG emissions: <1%

	Transport (& packaging) up- and downstream	Installation	Use phase	End of use
	L+G influence Medium **L+G impact** Medium	**L+G influence** Medium **L+G impact** Medium	**L+G influence** High **L+G impact** Medium	**L+G influence** Medium **L+G impact** Medium
Description of impact	The transportation of components, semi-finished and final products by our partners generates GHG emissions. Landis+Gyr has a limited influence on the selection of the means of transport unless the freight is paid by the Company. Packaging is key to protecting our products during transportation. To reduce waste and foster resource efficiency, we use recycled, returnable, reusable and recyclable packaging materials from renewable sources, whenever possible. We also work closely with our partners to reduce packaging materials and promote circularity.	Landis+Gyr's devices are installed by our customers or our dedicated service partners. The Company provides installation training and manuals to its customers and partners for the safe handling of the devices.	Our metering infrastructure and other smart grid technologies enable our customers all over the world to improve their operations, protect their assets and lower their operating costs, while at the same time improve efficiency and manage energy better. Our products and devices allow utilities and energy consumers to reduce their CO_2 emissions. Yet, using Landis+Gyr products requires electricity, which results in indirect CO_2 emissions.	Landis+Gyr products are designed with their end of life in mind. Recyclability and re-use of product components are an integral part of product design. The aim is that all products are covered by a take-back scheme to ensure correct treatment at the end of their useful life.
Facts and KPIs	– 'Upstream transportation & distribution' emissions (Scope 3, Cat. 4) out of total GHG emissions: less than 1%. – As result of package/ transport optimizations performed in FY 22, the Company expects to reduce emissions by more than 120 tCO_2e in FY 2023	– GHG emissions related to product installation: less than 1% of total GHG emissions – Products shipped: ~16 million units	– 'Use of sold products' emissions (Scope 3, Cat. 11) out of total GHG emissions: 68%.	– 'End-of-life treatment' emissions (Scope 3, Cat. 12) out of total GHG emissions: 2%

Strategy

Our vision for a sustainable tomorrow

At Landis+Gyr, we work toward creating a greener tomorrow, one where environmental stewardship, social justice, good governance and economic prosperity become the norm. The nature and scale of the challenges to be addressed imply that this vision can only be realized by working together – with our team members, customers, business partners and society at large.

Our role in enabling a sustainable tomorrow

While the world and business have transformed since Landis+Gyr's founding in 1896, the very reason why the Company exists has remained the same over the years: to manage energy better. Our mission continues to be relevant in today's world, particularly as we navigate the energy transition from non-sustainable fuels into green sources of energy.

Our portfolio of products and solutions empowers people to preserve resources and decarbonize the grid by innovating efficiency solutions to create a sustainable and more equal tomorrow:

- Our Smart Electricity Metering solutions enable utilities and end-consumers to be more aware and in control of their energy consumption; thereby contributing to financial savings, efficient use of energy resources and lower emissions.
- Our Smart Water Metering solutions help to preserve scarce water resources by combatting leaks; thus, supporting reliable utility service as well as affordability of the resource.
- Our Grid Edge Intelligence services help utilities modernize and decarbonize the grid by enabling improved energy efficiency and the integration of renewable energy sources from an increasingly decentralized generation and new loads such as electric vehicles and energy storage. They help utilities to manage peak demands and ensure grid reliability during times when demand is high, and generation is low.
- Our Smart Infrastructure solutions are paving the way for the Smart Cities of our future, advancing electric vehicle (EV) charging infrastructure, and safely enabling digital transformation.

Our commitment to run a sustainable business

As a company, we take pride in our products and solutions and the positive impact they have both on people and the planet. We firmly believe that the way in which this positive impact is achieved is just as important as the impact itself. For this reason, Landis+Gyr has established the following fundamental commitments along four critical dimensions, with the aim of guiding the Company and its employees towards a sustainable business approach:

Products & Solutions

We develop and deliver innovative products and solutions that enable a more efficient use of resources and contribute to decarbonize the grid.

Climate & Environment

We protect the environment and make best efforts to avoid or minimize negative environmental impacts through our operations, our value chain and our products. We use resources efficiently and responsibly.

People & Well-being

We care for our employees' health and well-being and promote diversity, inclusion and equal opportunity in the workplace. We are partners to the local communities where we operate and are active players in supporting their development

Business Ecosystem

We run our business with integrity and apply the highest ethical standards of honesty, fairness, and respect for everyone's rights.

Our public pledges and commitments

The following commitments lie at the core of Landis+Gyr's sustainability agenda:

United Nations Global Compact (UNGC):
Landis+Gyr joined the UNGC in 2020. The Company aligns its policies and operations to the ten universal principles related to human rights, labor, environment, and anti-corruption. Furthermore, Landis+Gyr continues to demonstrate its enduring commitment to driving progress in support of the UN Sustainable Development Goals.

United Nations Sustainable Development Goals (UN SDGs):
Landis+Gyr contributes to the achievement of the UN SDGs. As a global leader in energy management, Landis+Gyr offers products and solutions that significantly support SDG 7 (Affordable and Clean Energy) and SDG 13 (Climate Change) and, to a lesser extent, SDG 6 (Clean Water and Sanitation), by enabling customers and consumers to manage resources more efficiently and by facilitating the integration of renewable energy sources into the grids. Furthermore, Landis+Gyr has developed pre-payment solutions which allow customers to manage their energy purchase in line with their needs and budget; thus, contributing to SDG 1 (No Poverty).

The Company supports additional SDGs, but its impact is limited to smaller groups, such as the Company's own employees (SDG 3,4,5 and 8), and the business ecosystems in which we operate (SDG 9, 12 and 16).

As a leader in innovative energy management solutions, Landis+Gyr invests a significant share of its annual turnover on R&D. A large portion of our innovations support the UN SDGs. For further information, see 'Linking Landis+Gyr's Patents to the SDGs' section on p. 78

Science Based Targets initiative (SBTi):
Driven by its responsibility for driving decarbonization, in March 2022, Landis+Gyr committed to join the Science Based Targets initiative, the world's leading corporate initiative aimed at driving climate action in the private sector by supporting companies in setting and disclosing emissions reductions and net-zero targets. The Company submitted its targets to the SBTi in November 2022 and is currently awaiting validation.

Furthermore, the Company is committed to complying with the following international standards/reference texts:
- the Universal Declaration of Human Rights;
- the Declaration on the Fundamental Principles and Rights at Work of the International Labour Organization (ILO); and
- the Global Reporting Initiative (GRI)

SUSTAINABLE DEVELOPMENT GOALS

WE SUPPORT UN GLOBAL COMPACT

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

Targets

Relying on our materiality assessment (see 'Stakeholder engagement and materiality assessment' section below) as the basis for its ESG strategy, Landis+Gyr has identified ten key material topics within four dimensions.

Products & Solutions

- Product Social Impact
- Resource Efficiency

Climate & Environment

- Energy Efficiency & Climate Protection, incl:
  - GHG emissions
  - Water
  - Waste

People & Well-being

- Occupational Health & Safety
- Fair Labor Practices
- Employee Engagement
- Community Engagement

Business Ecosystem

- Business Integrity
- Strategic Responsible Sourcing
- Security & Data Privacy

The Company has defined long-term ambitions, targets, KPIs and actions to drive progress in all four dimensions:

Dimensions	Ambitions	KPIs	FY 2020	FY 2021	FY 2022	Target 2025
Environment	– Attain carbon neutrality in Landis+Gyr's operations (Scope 1 & 2) by 2030 – Achieve SBTi targets	1. Share of renewable electricity 2. CO_2e per 100 USD turnover 3. Water per employee 4. Waste to landfill	34% 0.97 kg 17.2 m^3 7.14%	64% 0.66 kg 13.4 m^3 7.03%	**59%** **0.76 kg** **12.4 m^3** **6.17%**	100% 0.45 kg 12 m^3 1%
Social	– Nourish a global safety culture – Be recognized as employer of choice – Nurture and sustain a culture of diversity, equity, and inclusion – Be recognized as an industry leader in responsible sourcing	5. Lost Time Incident Frequency Rate	0.70	0.74	**1.42**	0.60
		6. Average hours of employee training	12.7 h	16.5 h	**16.8 h**	n/a [a]
		7. Share of suppliers who adhere to our 'Supplier Code of Conduct' (SCoC)	73%	85%	**88%**	90%
		8. Share of suppliers assessed for ESG risks	n/a	n/a	**Process definition**	100%
		9. Share of audited 'at-risk' suppliers	n/a	n/a	**Process definition**	100%
		10. Share of females in senior roles	n/a	n/a	**17.2%**	20%
Governance	– Maintain an undisputed reputation as a trusted and reliable partner, with the highest integrity standards	11. Employees trained on business ethics	41.6%	100%	**98.3%**	100%
		12. Annual year-over-year increase in combined level of security compliance with pertinent frameworks	n/a	n/a	**+ 15%**	+5% per year
Portfolio Impact	– Deliver solutions which empower customers and consumers to achieve their financial and environmental targets	13. CO_2 avoided through products (Scope 4)	8.5 m tons	9.05 m tons	**9.56 m tons**	n/a [b]
		14. Share of products in EcoPortfolio	74%	74%	**78%**	90%

Description of KPIs

1. Percentage of electricity derived from renewable sources versus total electricity used
2. CO_2e emissions (Scope 1+2) measured against 100 USD turnover
3. Water withdrawal per company employee (in m^3)
4. Percentage of waste, out of total amount of waste, sent to landfill
5. Number of lost time injuries occurring in the workplace per 1 million exposure hours
6. Average of hours dedicated to training per employee
7. Percentage of direct material suppliers (based on spend) who have signed Landis+Gyr's 'Supplier Code of Conduct' (SCoC), or equivalent
8. Percentage of direct material suppliers (based on number of suppliers) who have been assessed to determine their ESG risk profile
9. Percentage of suppliers flagged as 'at-risk', who were audited
10. Percentage of female employees in leadership positions
11. Percentage of white-collar employees trained on business ethics per year
12. Combined result of annual security assessments performed following different frameworks (e.g., BSIMM)
13. Tons of CO_2e avoided through Landis+Gyr's global smart meter base (9.56 m tons based on calculation with the original carbon savings enablement model). Model is under review. For details, see explanations on page 31.
14. Percentage of products shipped that satisfied Landis+Gyr's Eco-Portfolio criteria (for a description of 'Eco-Portfolio', see section 'Resource efficiency')

a) This KPI will be reviewed during FY23, with the aim to replace it with a metric that better reflects the engagement levels of our employees.
b) KPI and underlying model under review

The following FY 2022 metrics do not include Luna and Etrel: 6, 7, 12, 14. All FY 2025 targets include Luna and Etrel

Sustainability governance

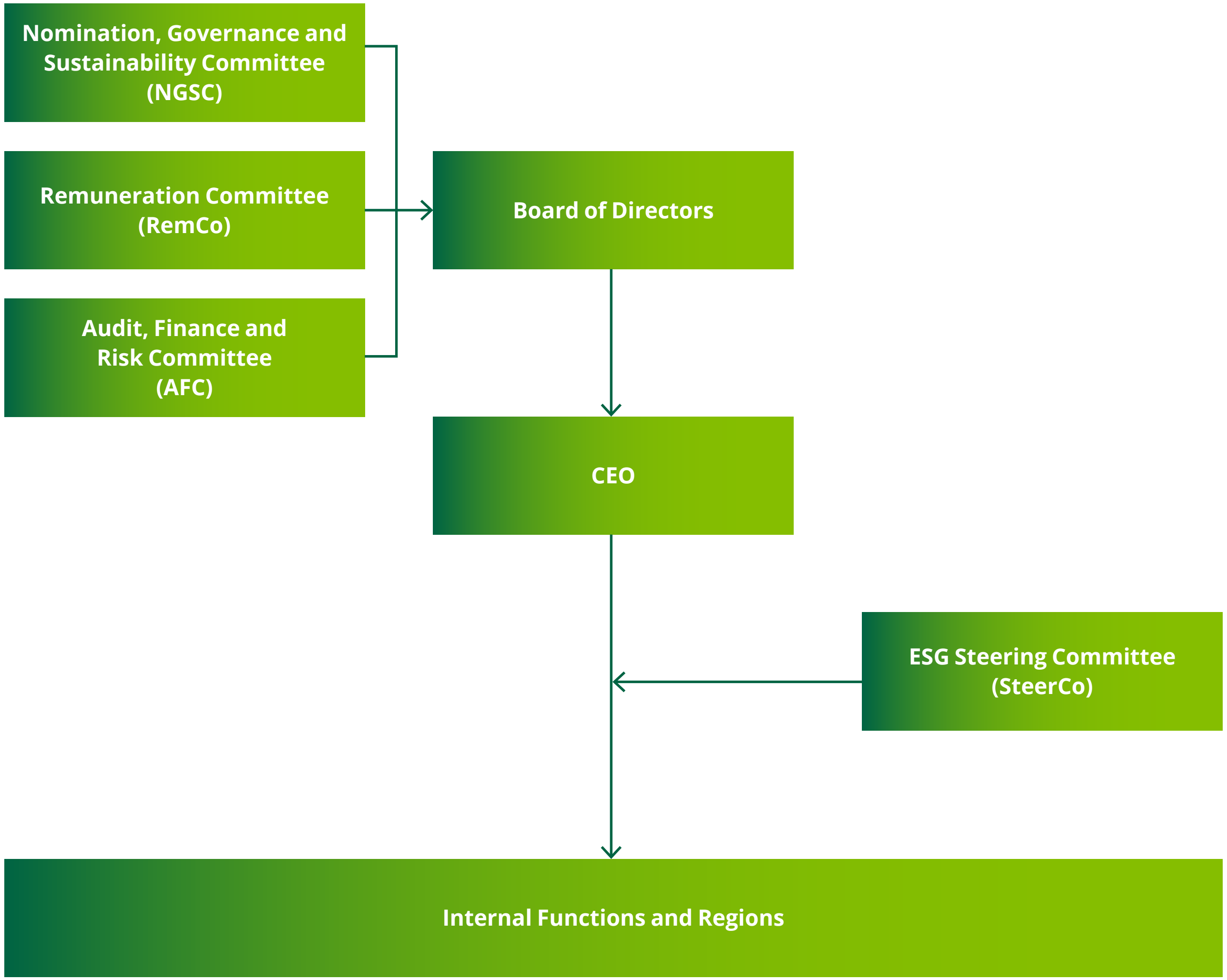
Sustainability organization

The Board of Directors (BoD) is actively engaged in promoting and embedding sustainability into Landis+Gyr strategy and behavior. The BoD has established three committees: the 'Nomination, Governance and Sustainability Committee' (NGSC), the 'Audit, Finance and Risk Committee' (AFC) and the 'Remuneration Committee' (RemCo). The NGSC is responsible for ESG matters, including the Sustainability Report, setting and monitoring ESG targets, and the implementation of various strategic initiatives. ESG topics are discussed in every NGSC meeting. The AFC reviews risks (incl. ESG-related risks) and ensures the Company has established risk management systems which are efficient and effective. The RemCo oversees ESG targets in connection with employee pay incentives.

The NGSC and ultimately the BoD itself are responsible for overseeing the development, approval, and updating of the organization's purpose, value or mission statements, strategies, policies, and goals related to economic, environmental, and social topics. More information can be found in Landis+Gyr's Corporate Governance Report.

At the company level, the ESG Steering Committee (ESG SteerCo) is responsible for providing oversight and strategic advice for the definition and the implementation of the Company's 3-year ESG roadmap. Except for two members of the ESG SteerCo, all members of this committee report to the Group's CEO. There is a dedicated Global ESG function; however, this team is kept relatively small to ensure that ownership and responsibility for ESG topics are allocated across the entire organization.

Board Advisory Committees (engaged in Sustainability)



Managing sustainability at Landis+Gyr

'Code of Business Ethics and Conduct' and grievance mechanism

The ethical compass for all principles, integrity standards and norms of behavior at Landis+Gyr is the 'Code of Business Ethics and Conduct', which applies to all directors, officers and employees of the Company. The 'Code of Business Ethics and Conduct' also applies to third-party partners engaging in business on Landis+Gyr's behalf, such as agents and distributors. With regard to suppliers, the Company's policy commitments are outlined in the 'Supplier Code of Conduct'. The 'Code of Business Ethics and Conduct' is generally provided to stakeholders prior to a contractual relationship, as applicable. Adherence to the principles outlined therein is thus a contractual obligation for employees or third-party partners.

Landis+Gyr's 'Code of Business Ethics and Conduct' and 'Supplier Code of Conduct' are publicly available on the Company's website. These policies set out the principles that guide internal and external operations, and which are further elaborated in supporting policies, such as the 'Anti-Corruption Policy'. Any material amendments to the Landis+Gyr 'Code of Business Ethics and Conduct' require approval from the Group's Board of Directors. Landis+Gyr employees are surveyed at a global level to understand their knowledge of internal policies, difficulties in adhering to the processes, as well as to gather feedback regarding the effectiveness of the process. Such surveys are also conducted by location as part of country visits conducted by the Chief Compliance Officer. Findings from these surveys are used to improve the process, and tailor specific training to address any gaps in knowledge or misconceptions about the process.

Compliance with the 'Code of Business Ethics and Conduct' is overseen by the Legal and Compliance team and compliance systems and tools are regularly audited by the Group Internal Audit Team.

Landis+Gyr strongly encourages every employee who knows of or suspects a violation of applicable laws, regulations, the 'Code of Business Ethics and Conduct' or the Company's related policies, including those relating to accounting, internal controls and auditing matters, to report that information immediately to their supervisor, their Compliance Officer, the Chief Compliance Officer or using the Speak-Up tool.

The anonymous grievance Speak-Up system or Ombudsperson is accessible to all internal and external stakeholders (via Landis+Gyr's website or telephone, in local language).

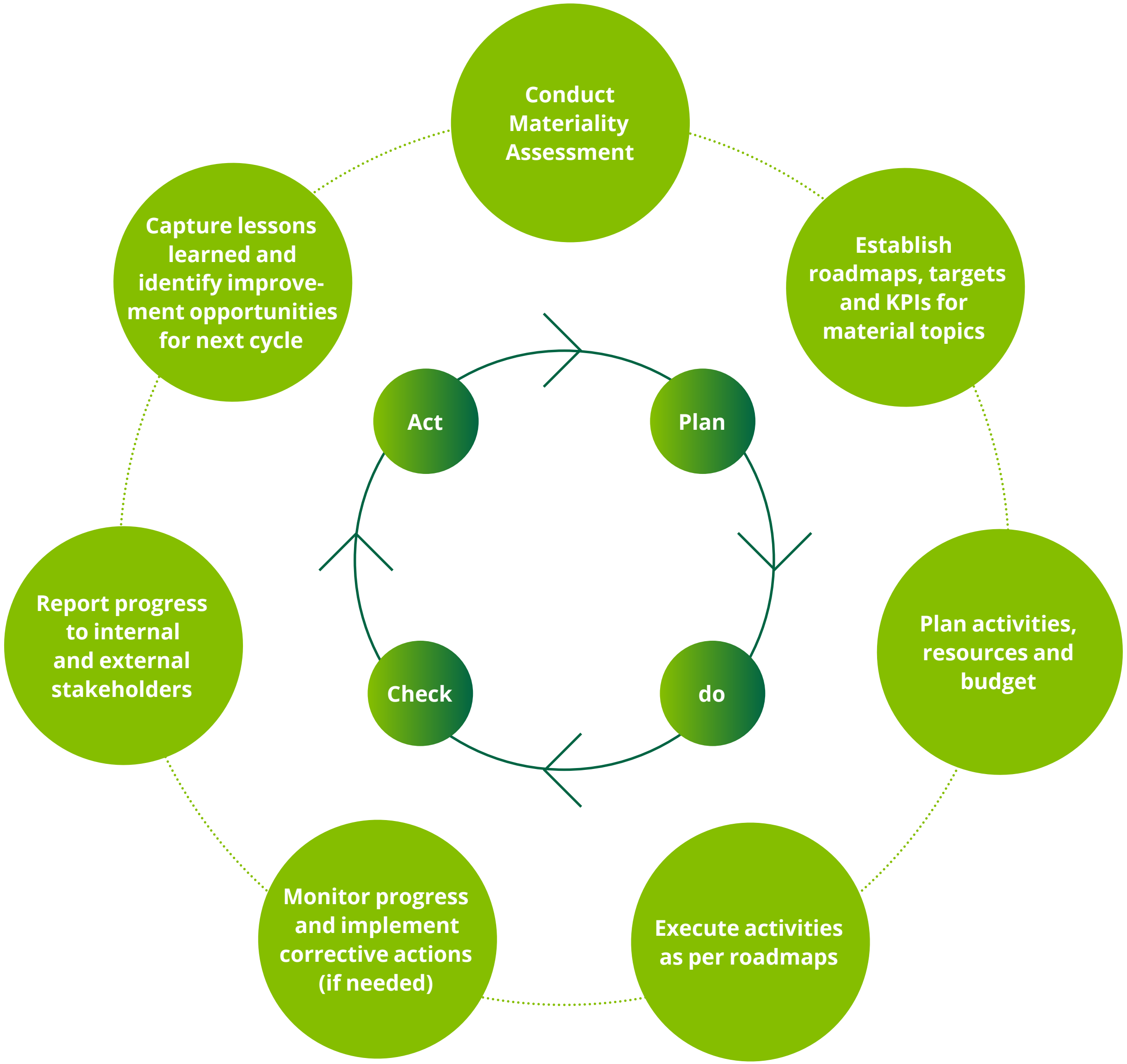
Any grievance that is substantiated will be accompanied by a list of remediation actions that may include disciplinary action, procedural changes, or policy amendments.

ESG Directive
Landis+Gyr's 'ESG Directive' describes in further detail the Company's commitment to sustainability, spanning environmental practices and innovations, respect for fundamental human and labor rights both within its operations and value chain, as well as the promotion of a healthy, safe, and inclusive work environment, among other aspects, in line with the principles set out in Landis+Gyr's 'Code of Business Ethics and Conduct'. The Directive is updated every 3 years with the input of various ESG topics experts across the organization.

Materiality assessment
The materiality assessment helps the Company to understand what the ESG focus areas are, based on the relevance and impact of the topics according to the Company and its stakeholders. The assessment is renewed every 3 years. For more detailed information, see section 'Stakeholder engagement and materiality assessment'.

ESG roadmaps
The outcome of the Company's materiality assessment is translated into topic-specific roadmaps. These roadmaps contain actions, owners, deadlines and KPIs covering a 3-year period. The ESG function is in charge of working with the various internal functions to drive the implementation of the activities defined in their roadmaps and monitor progress. Progress made against the roadmaps is updated every quarter and reported to the ESG Steering Committee, as well as to the Landis+Gyr Board of Directors and its committees. The ESG roadmaps are revised every 3 years, following the update of the materiality assessment.

ESG management process
Landis+Gyr's ESG management process has been mapped and is illustrated on the right:



ESG Performance and Compensation

To drive strong ESG performance and meaningful impact, Landis+Gyr has linked 20% of the payout of its 'Short-Term Incentive' (STI) plan to performance on selected ESG targets. Approximately 3,500 Company employees are eligible for Landis+Gyr's STI plan. This rewards employees for their commitment to the Company's ESG objectives and helps to instill a culture of sustainability within our organization. For more information, see also Landis+Gyr's Remuneration Report.

Risk management

To provide a comprehensive view of our business activities, Landis+Gyr analyzes risks and opportunities by combining bottom-up and top-down approaches, looking at both the macro trends across our markets and the more specific factors influencing our business. Sustainability-related risks and opportunities are identified by the different business units and Group's management and reviewed by the Board of Directors. Our Enterprise Risk Management system identifies and analyzes the risks we face and aims to ensure that risks are recognized and addressed at an early stage to avoid or mitigate their impact. The Board of Directors is regularly informed about significant risks and the defined and initiated countermeasures.

For the fiscal year 2022, the following risks with significant sustainability relevance are ranked high on the risk register:
- Critical supply chain management
- Cybersecurity threats, including product and solution security
- Climate change and decarbonization trend
- Natural hazards interrupting business and impacting assets and personnel
- Environment, health, and safety (EHS) adverse events

Additionally, the following risks are being monitored:
- Market and price development (e.g., shift from conventional toward renewable energy in the markets)
- Infectious diseases
- Non-compliance with ESG standards and requirements
- Lack of Diversity, Equity, and Inclusion in the Company's workforce
- Human rights and fair labor practice along our supply chain
- Allegations of compliance violations
- Adverse developments in financial and bank markets (e.g., financing restrictions due to sustainability prerequisites)

For more information related to the risks, please refer to the Annual Report 2022, which describes in more detail our risk management process and key risks to our business.

A detailed description of climate-related risks and opportunities will be discussed in our Task Force for Climate-Related Financial Disclosures (TCFD) which can be expected as part of the next sustainability report. We are continually taking steps to reduce our sustainability-related risk exposure within the organization and across the value chain by implementing risk management- and internal control systems adapted to specific circumstances and risk profiles. On the other hand, the risk of climate change is an incentive for Landis+Gyr to strengthen its efforts to provide solutions that help manage energy better. Such opportunities are present in the traditional smart metering business or at the grid edge, where managing renewable energy sources is a necessity and a challenge for utilities; or in the electrification of transportation, which drives the deployment and management of charging stations.

Stakeholder engagement and materiality assessment

Stakeholder engagement and materiality assessment

Stakeholder engagement

Stakeholder consultation is actively used to support the identification of material topics and the impact/contribution Landis+Gyr has or potentially can/should have on them. Also, Landis+Gyr's ESG targets are influenced by the feedback the Company receives through regular exchanges with its stakeholders. The following have been identified as relevant stakeholders: customers (and their customers), suppliers, employees, government authorities and regulators, associations and NGO's, local communities, shareholders/investors (represented by individual investors, as well as the BoD) and business partners.

The BoD is involved directly or via its related committees throughout the process and approves the learnings translated into actions/programs.

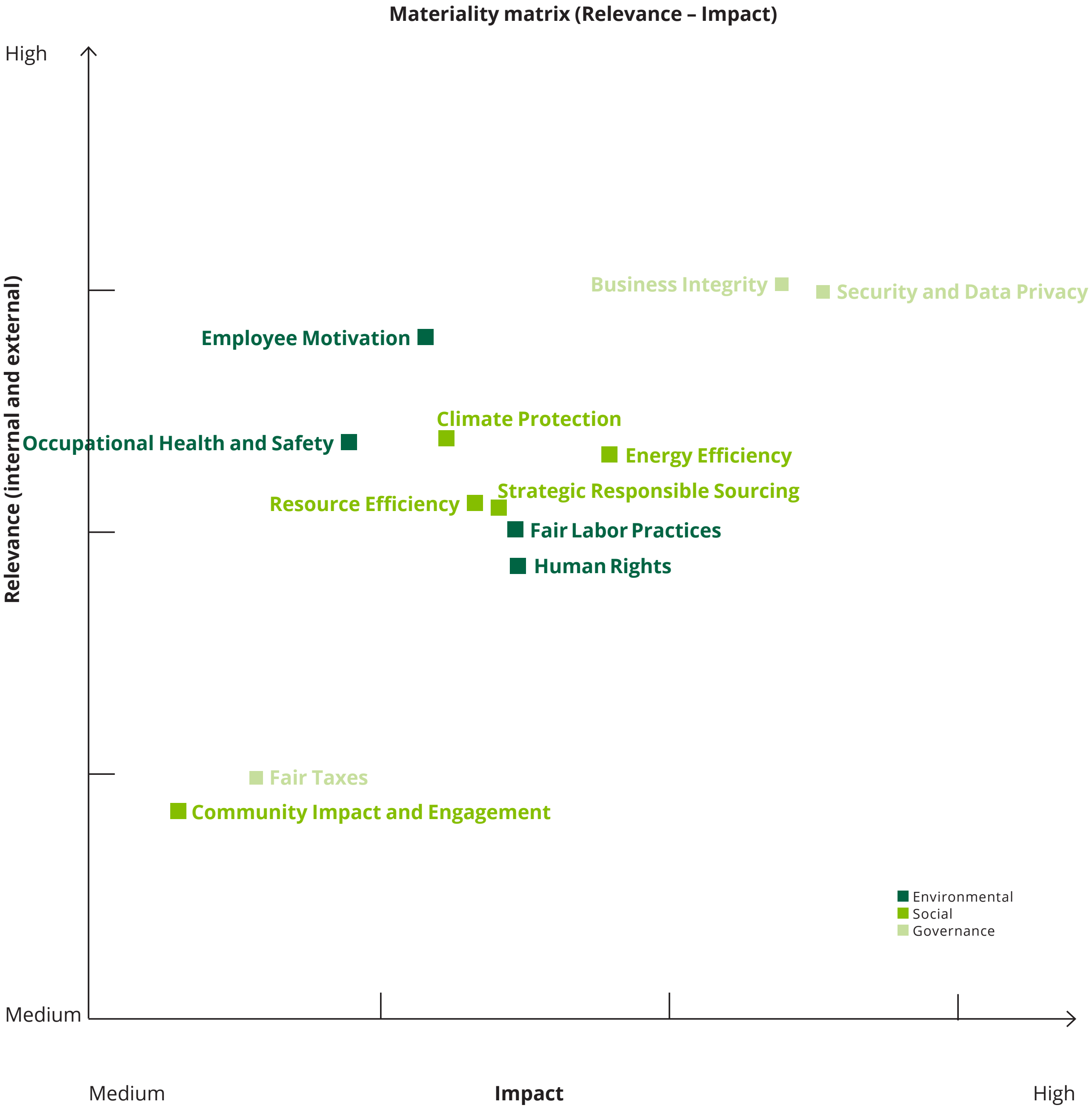
Materiality assessment

A materiality assessment is a process aimed at identifying the most important sustainability topics, opportunities, and risks for Landis+Gyr's business, as well as the impact the Company has on the economy, environment, and people. Landis+Gyr conducted its first materiality assessment in FY 2018, in close cooperation with internal and external stakeholders. Since then, the Company has continuously monitored its material topics and prioritized its actions accordingly.

In FY 2021, the Company refreshed its FY 2018 materiality assessment. Landis+Gyr identified its most critical stakeholders in a workshop with management. The resulting list included representatives from amongst the Company's Board of Directors, investors, suppliers, customers, NGOs, government authorities, business partners, employees (in their capacity as stakeholders) as well as local communities and a diverse group of internal subject matter experts. These stakeholders were invited to participate in interviews and a survey. In its exchange with the different stakeholders, the Company assessed the significance of potential topics along 3 dimensions: 'Relevance' (how important the topic is), 'Impact' (how significant the topic's consequences are) and 'Trend' (how the topic is evolving) to define the material ones.

Potential material topics were identified based on relevant sector-specific requirements and factors, discussions with internal and external specialists and stakeholders, and risks and opportunities.

This updated materiality assessment resulted in a final list of 10 material topics for the next ESG cycle from FY 2022 to 2024, which are presented in the materiality matrix below.



Final List of Material Topics:

1) Product Social Impact
2) Resource Efficiency
3) Energy Efficiency and Climate Protection
4) Employee Engagement
5) Fair Labor Practices
6) Occupational Health and Safety
7) Community Engagement
8) Strategic Responsible Sourcing
9) Security and Data Privacy
10) Business Integrity and Fair Taxes

In light of the above findings and to ensure the efficient management of material issues, the Company decided the following:

– 'Energy Efficiency' and 'Climate Protection' will be merged into one topic and managed jointly.
– 'Fair Taxes' will be managed under 'Business Integrity' given most stakeholders considered the former to be part of the latter.
– Various aspects of 'Human Rights' will be managed under 'Business Integrity', 'Fair Labor Practices' and 'Strategic Responsible Sourcing'.

Compared to the materiality assessment in FY 2018, 'Product Social Impact' was added as a new topic due to Landis+Gyr's products gaining increased attention from users. Furthermore, 'Fair Taxes' is now explicitly mentioned together with 'Business Integrity'. By doing so, the Company, headquartered in the low-tax Swiss canton of Zug, wants to emphasize the importance of the topic and how it complies with applicable tax laws, rules and regulations across all relevant jurisdictions. The topic 'Security' is now understood more broadly than before when it was used only in relation to IT/data. Other topics, such as 'Biodiversity', have also been assessed, but were not deemed material given Landis+Gyr's relatively light operational footprint.

For more details about the materiality assessment process the stakeholders involved, and their interests, see Landis+Gyr's Sustainability Report FY 2021 (P. 9 ff).

Material topics

Products & Solutions

We develop and deliver innovative products and solutions that enable a more efficient use of resources and contribute to the decarbon-ization of the grid.

Product social impact

The topic 'Product social impact' deals with the positive and negative impacts that Landis+Gyr's products and solutions have or may have on the environment, people, as well as the economy. It describes how our products interact with each of these dimensions and the extent to which the products can contribute to address or exacerbate social, environmental, and economic issues.

Company's stand

Businesses are an integral part of society and have a critical role to play in addressing some of the world's most challenging social and environmental issues. Besides providing important environmental benefits, Landis+Gyr's portfolio of products and services also addresses issues that contribute to the well-being and stability of society, for example by enhancing energy affordability and energy literacy. Our products and solutions enhance people's lives and empower them to utilize resources in a more informed and sustainable way. They provide access to more accurate and regular information and allow customers to make better decisions in line with their financial and environmental objectives. Landis+Gyr is committed to continuously exploring and implementing new ways in which its products can contribute to the prosperity and well-being of society.

Company's impact

Economic impacts

Our products and solutions benefit our economy in multiple ways. They allow a fair transaction between a vendor (utilities) and its customers (end-consumers), generate transparency regarding the transaction, and provide transparent information on the process. Our modern technology helps utilities to become more efficient and reliable, thus generating economic benefits from distribution through end-use. Some may argue that the fact that the metering point is owned by just one of the parties involved in the transaction is a downside. However, this is not related to the product itself, but rather to the existing regulation.

Social impacts

In certain markets, Landis+Gyr offers pre-payment (pay-as-you-go) smart meter solutions. These help people with limited budgets to keep their spending under control. Furthermore, our meters provide detailed information about the energy usage of domestic appliances, help consumers to actively manage their electricity consumption and save money. Customers get a fair deal and are better informed thanks to Landis+Gyr's products and services.

Environmental impacts

Landis+Gyr products support the decarbonization of the grid by providing consumers with information that helps them to actively manage their energy use and thereby reduce GHG emissions. Our products benefit the environment by supporting the management of infrastructure, increasing its efficiency and optimizing power generation. Furthermore, Landis+Gyr contributes to a positive environmental impact through its water meter detection capabilities, which identify leaks in the system and support the conservation of water. Streetlight management also enables utilities to set a dimming schedule for lighting assets based on vehicular and pedestrian traffic patterns, resulting in energy savings and a positive environmental impact for many nocturnal animal species.

To operate, most Landis+Gyr products consume electricity which might be produced with non-renewable sources (depending on the region where the device is installed) and hence generate GHG emissions. Moreover, product manufacturing and transportation require energy and resources, which put pressure on the environment. Treatment of products at the end of their useful life impact the environment, too.

Health and safety impacts

Landis+Gyr's smart meter products rely on low-energy radio frequency waves, among other mechanisms, to allow remote communication. This technology is perceived critically by a small group of people who fear health problems associated with it. The evidence to date suggests exposures to the radio waves produced by smart meters do not pose a risk to health. Also, the installation of smart meters raises concerns on IT security and personal data privacy. This is because Landis+Gyr products generate data which is then transported and used to generate intelligence and actuate processes. Such data may be exposed to various risks such as unauthorized access, disclosure or misuse. Lastly, as is the case when dealing with electrical equipment, the handling and installation of Landis+Gyr products may pose health and safety risks such as electric shocks. Faulty products can lead to fires, which may cause death or injuries.

Commitment, policies and measures/actions

To manage Landis+Gyr's product-related impact, the Company has implemented various processes throughout the entire life cycle of the product:

Development of product concept

Landis+Gyr's product concepts must satisfy several requirements, including: security and safety enhancements, installer health during installation and depletion process, cost-enhancements, etc.

Certification

Every Landis+Gyr product requires certification to be installed in the field.

Manufacturing and production

Landis+Gyr's has implemented a comprehensive Occupational Health & Safety program covering the identification, assessment and mitigation of work-related risks and measuring performance via leading and lagging indicators.

Marketing and promotion
Leaflets and guidelines address health and safety aspects for individuals who handle Landis+Gyr's products.

Storage, distribution, and supply
Landis+Gyr's products are packaged to ensure the products' safety and that of the individuals who handle them.

Use and service
Landis+Gyr products are autonomous and interact primarily with other devices; they seldom require physical human interaction. The majority of human interaction is conducted remotely. When human physical interaction is needed, the person handling the product is given proper instruction, both for their own safety and the safety of the product.

Disposal, reuse, or recycling
Landis+Gyr's products are disposed of either by the Company or by our utility customers. The Company carefully considers the end of life of our products and describes related processes (e.g. end-of-life treatment) in the products' description.

Health & Safety aspects
Landis+Gyr's products exceed regulation and industry standards such as IEC, CENELEC, UL, ETSI, and RED*. In addition, the Company has implemented internal norms and standards which are stricter than industry standards or cover aspects that are not regulated. Landis+Gyr's devices are internally and externally tested and most of them require certification by state bodies prior to being installed in the operating field.

The recycling and disposal of company's products at the end of their lifetime is carefully considered starting at the product design phase. For more information, see section 'Resource efficiency'. All Landis+Gyr products comply with REACH and RoHS directives (including products sold outside of Europe), as well as other regulations such as TASCA and POP, where applicable. For the end-of-life treatment of our products, the WEEE Directive is followed, where applicable. In regions where this directive does not apply, local take-back schemes are established to ensure that Landis+Gyr's products or their parts are re-used or recycled, wherever possible. The Company also provides 'Product Environmental Profiles' including end-of-life instructions.

Operational safety is embedded in the design of all Landis+Gyr products. The Company provides operation instructions (such as installation instructions and user manuals), trains those involved in the handling of the products, conducts extensive product testing and secures all required approvals prior to installation. In case of issues, Landis+Gyr works with customers to mitigate and remediate any incidents. The Company has established processes and escalation levels to deal with such situations.

*IEC: International Electrotechnical Commission
CENELEC: European Committee for Electrotechnical Standardization
ETSI: European Telecommunications Standards Institute
RED: Radio Equipment Directive

Resource efficiency

The topic 'Resource efficiency' refers to the management of resources in relation to the Company's products throughout their entire lifecycle. This includes issues such as the implementation of green design principles in products (more sustainable inputs/raw materials, reduced material use, etc.), recycling/reuse at the end of our products' lifetime, and the use of more sustainable packaging materials and solutions. The topic does not cover the environmental impact (e.g., GHG emissions, water consumption, and waste) of the Company's operations (these topics are covered under the section 'Climate & Environment').

Company's stand

Landis+Gyr recognizes that accessible natural resources are finite and depleted at an unsustainable rate. As resources keep getting scarcer and more expensive, companies are forced to shift from the traditional linear model of 'take-make-use-waste' to a restorative and regenerative model that allows for a more sustainable use of natural resources (i.e., 'circular economy'). The need for such a transition is further supported by market trends showing a higher awareness by customers and increasing demand for more sustainable solutions.

Landis+Gyr embraces the transition into a circular economy model, where waste generation is minimized and raw materials, components and resources are optimized and preserved for as long as possible with the highest possible value. This implies working to reconceive the full lifecycle of a product, from design and manufacturing through to use and maintenance. As a leader in energy management, the Company is committed to minimizing the environmental footprint of its products by optimizing their life cycle and using resources more efficiently in line with circularity principles.

Company's impact

Our products and solutions lie at the core of our commitment to manage resources more efficiently and responsibly. Landis+Gyr's smart products have a net positive impact on the environment by helping to preserve energy resources. Our meters give customers a better picture of their consumption, allowing them to optimize their energy use, which ultimately leads to less energy being consumed. This in turn results in lower carbon emissions being released into the atmosphere ("Scope 4" or Products' Carbon Handprint), which has a positive environmental impact. Together, our resource efficiency initiatives, benefit society by preserving scarce resources for future generations. On the other hand, our products require the use of natural resources (raw materials) as well as energy during their life cycle. These activities put pressure on the environment.

To minimize the environmental footprint of our products, the Company is committed to ensuring that its production process is as sustainable as possible. Hence, Landis+Gyr focuses on embedding circular economy principles into its products. Our initiatives impact the development toward a circular economy in our industry, in alignment with the UN Sustainable Development Goals (SDGs) 7, 9, 12, and 13. Furthermore, we initiate and join partnerships with players in the value chain (suppliers, customers), universities, industry associations with the aim of sharing best practices and exploring innovative solutions in this field. This contributes to advance the more efficient use of resources given that the deployment of deep circularity interventions relies on integrated processes which often involve partners both up- and downstream in the value chain.

Commitments, policies and measures/actions

The Company is committed to ensuring that its products are as sustainable as possible throughout their lifecycle. This begins at the product design phase, where Landis+Gyr is focused on embedding circular economy principles into its products. To support this objective, the Company has developed a 'Green Design Manual', which sets out requirements to ensure the integration of green design principles in our products' design. This document expands on best-practice approaches on 5 key areas: material usage, sustainable materials, hazardous materials, energy self-consumption and end of life. The Green Design Manual was updated during FY 2022 to make its requirements more stringent and binding for product managers, developers and purchasers alike.

To support the more efficient use of resources, Landis+Gyr's teams are working on the following areas:

Reducing the materials used in our products

Landis+Gyr strives to reduce both the amount and the variety of materials used. The Company is focused on establishing and enhancing a data collection system to measure the volumes and types of products used. This will lead to improved management of our resource consumption.

Optimizing product packaging
At Landis+Gyr we are continuously assessing our packaging materials and practices and are committed to reducing their environmental impact.

In March 2023, Landis+Gyr issued 'Packaging Guidelines and Requirements' applicable to the global shipment of Landis+Gyr products. These guidelines and requirements stress the importance of reducing the environmental impact of our packaging waste and urge manufacturing sites to give preference to packaging systems in the following order of priority 1) recycled, 2) returnable, 3) reusable and 4) recyclable. Furthermore, the document provides a list of preferred packaging materials and information on their environmental impact, thus assisting shippers in making environmentally sound decisions when selecting the type of packaging material they will use. Some initiatives currently under assessment/implementation include the introduction of new packaging materials (stretch film and strap material) made with recycled content, the replacement of stretch film with returnable alternative material and the replacement of non-reusable and tailor-made transport solutions with a standard reusable pallet system. Overall, our initiatives have several sustainability benefits, including a reduction in waste, a decrease in the demand for packaging materials made for virgin resources, and a reduction in transportation emissions.

Increasing the use of more sustainable materials in our products
Sustainable materials are substances that can be produced and used in required volumes without depleting non-renewable resources and without having a negative impact on the environment. The Company strives to incorporate both recyclable and recycled materials in its products. Doing so reduces the need for virgin material, which in turn saves energy, water, land resources and reduces CO_2 emissions.

Lowering our product's energy self-consumption
To reduce the impact during the time in operations of products connected to the electricity grid, Landis+Gyr sets internal targets for electricity meter self-consumption that exceed international standards. Self-consumption is mainly determined by the number of functions that are implemented in a product and how efficiently these operate. The Company works to continuously improve both aspects of the design of its products and make them more energy efficient during use.

Managing our products' end of life
Landis+Gyr works with customers to reduce the impact of its products at the end of their useful life by establishing take-back schemes to ensure that the products and the inherent materials are kept in the cycle at their highest value. In case the customer is taking care of the afterlife treatment of Landis+Gyr products, we inform them on how to properly dismantle the products and optimize the percentage of material that can be recycled or reused. In FY 2022, the Company issued a new global template to manage the end of life of all Landis+Gyr products. The information contained in this template will be provided to inform end-of-life recovery in accordance with the EU Directive on Waste from Electrical and Electronic Equipment (WEEE).

Driving the 'green' transformation of our product portfolio
To drive the transformation of our product portfolio into a more environmentally friendly one, Landis+Gyr has created the 'Eco-Portfolio' metric. The 'Eco-Portfolio' measures the extent to which our product portfolio is 'green'. To calculate this metric, we assess the products along three dimensions (product design, operation, and life/afterlife) and twenty-four criteria. If the assessment of a product leads to a result over a defined threshold, then the product can be considered as part of Landis+Gyr's Eco-Portfolio. The units shipped of Eco-Portfolio products are then measured against the total number of devices shipped (within the relevant portfolio), which yields the Eco-Portfolio ratio.

EcoPortfolio = units shipped of Landis+Gyr's products which satisfy the Eco-Portfolio criteria *100 units shipped of relevant product portfolio universe

The Company is pushing for improvements in 'Resource Efficiency' and has established the following targets in this respect:
- Reduce the amount of used material, with focus on non-recycled and non-renewable materials
- Increase the quantity of shipped products that qualify as part of our Eco-Portfolio

Lastly, at the company level, we focus on the management of resources such as energy, water and waste. Through the setting of targets for energy consumption, waste disposal, and water consumption, the Company strives to reduce its impact on the environment. For more detailed information, see section 'Climate & Environment'.

Climate & Environment

We protect the climate and the environment and make best efforts to avoid or minimize negative environmental impacts, both through our operations, our value chain and our products. We use resources efficiently and responsibly.

Energy efficiency and climate protection

The topic 'Energy efficiency and climate protection' involves the sourcing and consumption of energy in Landis+Gyr's operations, products and supply chain as well as the resulting greenhouse gas emissions. Overall, the topic is concerned with the positive and negative impact of Landis+Gyr's business activities and products on climate change.

Company's stand

Over-reliance on fossil fuels has resulted in the rapid increase of greenhouse gas emissions (GHG), leading to climate change and the ensuing deterioration of our environment and increase in frequency and severity of extreme weather events across the world. If left unchecked, climate change has the potential to cause irreversible environmental damage, as well as devastating economic and social effects across the world. To avoid severe impacts of climate change, Landis+Gyr is committed to cutting GHG emissions both in its operations and supply chain. As proof of its strong commitment, the Company has pledged to become carbon neutral for Scope 1 and 2 by 2030. In parallel, Landis+Gyr joined the Science Based Targets initiative (SBTi) in March 2022 and committed to set net-zero targets, both for the near and long term. For more details, see section 'Roadmap to decarbonization: Our Science Based Target journey'. Furthermore, the Company aims to support the fight against climate change by providing products and solutions designed to preserve energy resources, accelerate the integration of renewable energy sources, and ultimately reduce the amount of GHG emissions released into the atmosphere.

Company's impact

The Company consumes energy resources for producing its products, both directly (through its operations) and indirectly (through its supply chain). Furthermore, several of our products require electricity to operate. Depending on the grid where our devices are installed, the electricity consumed during our products' use may be produced with means that generate GHG emissions. As a result, both our production process and use of products generate GHG emissions, which negatively impact the environment and contribute to climate change. On the other hand, most Landis+Gyr's products support the reduction of carbon emissions by helping utilities and consumers to manage energy consumption more efficiently.

Scope 1 and 2

Landis+Gyr has been measuring and reporting on its Scope 1 and 2 emissions since 2007. An analysis of the Company's FY 2021 Scope 1 emissions revealed that fugitive emissions are the biggest contributor to Scope 1 emissions, followed by mobile combustion (company vehicles). Fugitive emissions are related to the leakage of refrigerant substances used in equipment such as air conditioning systems. Despite the leakage amounts being low, the related emission factors make them relevant. The Company's fleet of vehicles include diesel and gas-fueled units, which release GHG emissions into the atmosphere.

On the other hand, Scope 2 emissions are associated primarily with purchased electricity from the grid, in the 21 sites and office locations operated by Landis+Gyr.

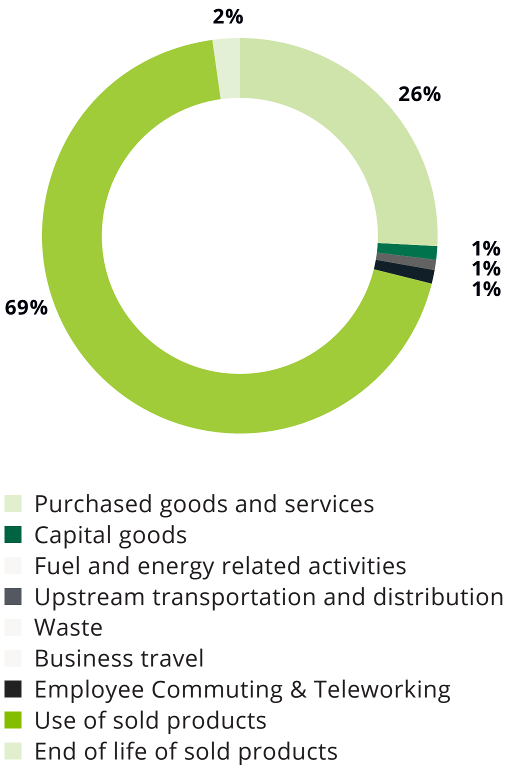
Scope 3

In FY 2022, Landis+Gyr performed a comprehensive inventory of Scope 3 GHG emissions using FY 2021 data. The following categories were identified as relevant for Landis+Gyr:

- Category 1: Purchased goods and services
- Category 2: Capital goods
- Category 4: Upstream transportation and distribution
- Category 5: Waste generated in operations
- Category 6: Business travel
- Category 7: Employee commuting
- Category 9: Downstream transportation and distribution
- Category 11: Use of sold products
- Category 12: End-of-life treatment of sold products

The chart below shows the breakdown of Scope 3 emissions by category:

Breakdown of FY 2021 Scope 3 emissions



The inventory performed for Scope 3 emissions showed that the two most relevant categories for Landis+Gyr are 'Category 11: Use of Sold Products' and 'Category 1: Purchased goods and services'. Jointly, these two categories represent over 94% of Landis+Gyr's total Scope 3 emissions. The high share of emissions during the products' use phase is explained by the fact that Landis+Gyr's products have relatively long lifetimes (~15 years), during which they consume small amounts of energy to operate, albeit permanently during their lifetimes (i.e., 24 hours a day, 7 days a week). When we factor in the number of devices installed around the world, this results in a significant amount of GHG emissions. GHG emissions from the purchase of raw materials and services are primarily connected to ‘Printed Circuit Boards Assembly’ (PCBA) and plastics. The Company will give special attention to addressing these two categories in the years to come.

Enabling decarbonization through our products and solutions (also referred to as “Scope 4”)
Landis+Gyr offers a broad range of products and solutions which enable improved energy management and lower carbon emissions. For instance, smart electricity metering solutions enable utilities and end-consumers to be more aware and in control of their energy consumption; thereby contributing to financial savings, efficient use of energy resources and lower emissions.

Landis+Gyr has established a KPI to track CO_2 savings enabled by our smart meter devices. In FY 2022, the Company set as target to increase the CO_2 savings enabled by its products from 9 m tons of CO_2 in 2021 to 9.3 m tons in 2022. The actual CO_2 savings enabled achievement is 9.56 m tons for FY 2022. This figure is based on the existing calculation model, which has been used for the calculation of the years 2018 to 2022.

In FY 2022, Landis+Gyr commissioned a study by the Carbon Trust aimed at defining and quantifying additional CO_2 savings enabled by Landis+Gyr’s offerings. As part of this study, Landis+Gyr’s carbon reduction enablement model was revised using latest knowledge and emission factors. Additionally, the new model incorporates CO_2e savings generated by gas smart metering. The updated model estimates CO_2e savings of 8.6 tons in FY 2021, while for FY 2022 the savings is 8.4 tons of CO_2.

Also, in collaboration with the Carbon Trust, the Company is assessing the positive environmental impact generated by its installed smart EV charging stations.

Going forward, Landis+Gyr intends to use these new models developed in collaboration with the Carbon Trust to disclose the GHG savings enabled by its products and solutions. Both models will be discussed in a dedicated white paper later this year.

Commitments, policies and measures/actions

As a leader in the energy management sector, Landis+Gyr takes its commitment towards climate protection and energy efficiency very seriously. This commitment is documented in internal policies including the Company’s ‘Code of Business Ethics and Conduct’, ‘ESG Directive’ and ‘Quality, Occupational Health & Safety and Environmental (QOHSE) Policy’, as well as in external policies such as our ‘Supplier Code of Conduct incl. the ‘Green Procurement Requirements’.

Managing our GHG emissions
The Company is committed to optimizing its own energy consumption and reducing its carbon footprint by implementing energy efficiency measures, sourcing renewable energy for its operations and raising awareness on the importance of using energy and other resources responsibly within the organization. Thanks to these efforts, Landis+Gyr has achieved a 68% reduction in CO_2 emissions (Scope 1+2) between FY 2007 and FY 2022. In parallel, the Company continues to enable customers to lower their carbon footprints via its portfolio of products and solutions.

In FY 2022, Landis+Gyr increased its carbon footprint (Scope 1+2) to 11,150 tons of CO_2e, compared to 8,800 tons of CO_2e in FY 2021. This is mainly due to the addition of Luna and Etrel to the group as well as the end of the pandemic regime. The Company is committed to implementing measures that will help to reduce its carbon footprint over the next years. Besides its commitment to become carbon neutral in Scope 1 and 2 by 2030, Landis+Gyr has committed to the Science Based Target initiative (SBTi). Consequently, our carbon reduction plans are now aligned with the Paris Climate Agreement and the trajectory of a 1.5-degree Celsius increase in temperature above pre-industrialization levels by 2050.

In parallel, Landis+Gyr continued to implement measures aimed at optimizing its energy and resource consumption and decreasing its GHG emissions. Some examples of the initiatives undertaken include:

- Increased the use of renewable electricity across more company sites – In FY 2022, the share of renewable electricity used by the Company increased from 64% to 70% (excluding Etrel and Luna).
- Implemented energy efficiency measures to decrease CO_2 emissions in our sites: automated and adjusted HVAC controls to maximize energy efficiency, switching off or unplugging idle electronic devices when not in use (incl. motion sensors installed), continued replacement of lighting with LEDs, reduction of lighting level, vehicle replacement for more fuel efficient ones, more detailed energy consumption measurement in production processes; oven replaced and settings optimized, resulting in yearly electricity savings of 10,000 KWh; switched to green gas; sectorized energy measurement installed with dashboard to optimize processes resulting in the “Selo Clima Paraná” award in Curitiba; office in Kangas is LEED v4 certified (pursuing LEED gold); “Burn calories not electricity” motivation to use the stairs instead of elevators.
- Optimized the use of packaging materials and implemented new packaging and palletizing techniques leading to reduced transports and resulting in expected emissions savings of more than 120 t CO_2e in FY 2023.
- Raised awareness on climate change and SBTs through training and discussion with various functions across the organization.
- Issued a revised ‘Global Travel Policy’, which includes sustainable travel principles.

In FY 2023, the Company will be developing a detailed decarbonization roadmap aimed at studying in more detail the feasibility and impact of various measures and developing a plan with concrete actions to lower its direct and indirect GHG emissions. For more details, see section 'Roadmap to decarbonization: Our Science-Based Target journey'. Furthermore, in FY 2023 Landis+Gyr will continue to refine its carbon accounting by implementing a dedicated reporting tool to capture Scope 3 emissions and including new detailed metrics and newly acquired companies into the reporting.

Collaboration to deliver decarbonization

Tackling climate change requires a collaborative approach. For this reason, stakeholder engagement is crucial to successfully manage this material topic. Internally, the Company engages with various functions, such as Supply Chain, Operations, Procurement, R&D, Human Resources, to identify issues, propose solutions, set targets, and implement related measures. Externally, the Company engages with parties such as suppliers to understand their carbon footprint, discuss carbon reduction plans and opportunities for collaboration. We also engage with other businesses in the context of industry associations to discuss best practices and opportunities to take joint action.

Roadmap to decarbonization: Our Science-Based Target journey*

In April 2022, the Company joined the Science Based Targets initiative (SBTi) and committed to setting science-based targets in line with the goals of the Paris Agreement, limiting global warming to 1.5°C. During FY 2022, the Company engaged an external consultant and devoted significant efforts on the following topics:
- Validation of Landis+Gyr's Scope 1 and 2 emissions
- Inventory of Scope 3 emissions
- Modeling of Science-Based Targets
- Identification of carbon reduction measures

Landis+Gyr submitted its targets for validation to the SBTi in November 2022 and is currently awaiting the start of the validation process.

*Data includes Luna and Etrel

Science Based Targets initiative (pending validation)

The following are the targets submitted to the SBTi for validation:

Near-term:
- Landis+Gyr commits to reduce absolute Scope 1 and 2 emissions by 42% until FY 2030, from FY 2021 base year.
- Landis+Gyr commits to increase annual sourcing of renewable electricity from 55% in FY 2021 to 100% by FY 2030.
- Landis+Gyr commits to reduce absolute Scope 3 emissions by 42% until FY 2030, from FY 2021 base year.
- Long-term (net-zero):
- Landis+Gyr commits to reduce absolute scope 1, 2 & 3 emissions by 90% until FY 2050, from FY 2021 base year.

Carbon reduction measures

The following illustration shows the timeline of actions and targets planned in line with our ambition to become carbon neutral by 2030 and deliver near-term and short-term science based targets.

2022	2024	2030	2050
Inventory, Target Setting, Roadmap	**3-Year Cycle implementation**	**Science Based Targets & Carbon Neutrality**	**Net Zero**
– Validated Scopes 1+2 emissions, performed Scope 3 assessment (baseline) – Submitted targets for approval to SBTi – Define roadmap for period up to 2030	– Optimize product design for lower GHG emissions – Reduce GHG emissions in sourced materials through supplier engagement – Embed GHG emissions in L+G's tender criteria – Optimize logistics for reduced GHG emissions – Purchase renewable electricity – Optimize employee commuting and business travel	**Reach science-based targets** – 42% reduction for Scopes 1+2 – 100% renewable electricity – 42% reduction for Scope 3 **Reach carbon neutrality** – Offset residual Scope 1+2 emissions, as well as selected Scope 3 categories (Note: Offsets are not counted toward science based targets)	– Continue reduction to abate 90% or more of GHG emissions compared to FY 2021 and neutralize residual emissions

Notable initiatives and recognitions around the world

'Selo Clima Paraná' award in Curitiba, Brazil
In FY 2022, Landis+Gyr Curitiba was awarded a grade "A" Paraná Climate Seal ('Selo Clima Paraná'), which is the highest recognition. This award from Paraná State Government publicly recognizes the companies which have set strong environmental commitments, implemented robust ESG practices; and reported and audited GHG data.

Until 2021, this award recognized companies which voluntarily measured, audited, and reported their GHG data. The program was updated after the Paraná State Government committed to the Sustainable Development Goals (SDGs), Race to Zero, Race to Resilience and Edinburgh Declaration. Therefore, from this year, the award has also considered ESG practices in its evaluation.

In the whole Brazilian state of Paraná, only 83 business organizations and conglomerates have been awarded the 'Selo Clima Paraná'. Of those, less than 20 organizations were awarded with the highest recognition in the "Foreign Market" category.

CERTIFICATE

On behalf of the Paraná State Secretariat for Sustainable Development and Tourism (SEDEST) we granted

Landis+Gyr Equipamentos de Medição LTDA

CNPJ 58.900.754/0001-88, located in the state of Paraná, Brazil, the **CLIMA PARANÁ Seal, CATEGORY "A" FOREIGN MARKET**, in recognition for his adhesion to the State Public Registry on Greenhouse Gas Emissions, on December 5th 2022.

Curitiba, December 5th 2022.

Rafael Andreguetto
Director of Environmental Policies at the "Sedest"

Everton Souza
Secretary of Sustainable Development and Tourism

SELO | 2022 PARANÁ clima A

PARANÁ GOVERNO DO ESTADO SECRETARIA DO DESENVOLVIMENTO SUSTENTÁVEL E DO TURISMO

The "Selo Clima Paraná" award demonstrates Landis+Gyr's Curitiba site commitment towards climate leadership in alignment with Landis+Gyr's Group goals.

Landis+Gyr Brazil contributes to the pollination of its neighborhood with a beehive of "Mandaçaia" bees.

'Smart Energy Center of Excellence' in Manchester (UK)

Landis+Gyr created a best-in-class workplace to showcase its solutions and demonstrate how we manage energy better, creating its 'Smart Centre of Excellence' in Manchester, UK, a centre of excellence for future energy innovation.

In May 2022, we installed and deployed the following system for sustainability and electrification of transport:
- Solar Photovoltaic (PV) installation – 102 kilowatt array, comprising of 256 panels on the roof, generating in the region of 80 megawatt hours each year.
- Battery Storage System – comprising a 40-kilowatt hour battery system
- Electric Vehicle (EV) Charging system – for staff and visitors. From the Landis+Gyr group company Etrel, a total of eight 22-Kilowatt charging sockets, in the form of:
  - 2 x INCH Duo chargers – 2 sockets per charger
  - 4 x INCH Pro chargers
  - In addition, we have expansion capabilities around the back to test and showcase new chargers in real-world use, plus expansion capacity for future additional chargers
  - The charging infrastructure is managed by the Landis+Gyr software platform OCEAN, which manages the charge points and users. In addition, there is a user mobile app to allow them to manage their charging, along with support for RFID cards, etc.

To allow us to monitor and manage the different parts of the system and provide an overall view and insights of energy utilization and energy efficiency measures such as carbon emissions, along with future forecasts, we developed and deploy the Landis+Gyr Smart Energy Management solution. The whole system is set to store any unused solar generated energy or overnight energy, to reduce our demand from the grid at high peak times.

The Smart Energy Management solution supports engagement of all stakeholders (leadership, operational, compliance, employees and visitors) on a pathway to net-zero and e-mobility. Our solution delivers energy data and forecasts in relation to the 3Cs (consumption, cost and carbon) in an intuitive way, and integrated site-level e-Mobility visibility. The next stage of its evolution will see the addition of such features as target tracking, advanced energy optimization and flexibility/demand side response outcomes.

While all electricity procured by Landis+Gyr UK is 100% renewable, the Landis+Gyr solution goes a step further and provides insights into the general carbon intensity of the electricity imported from the grid. This uses near real-time data for the office's specific location, providing the most accurate insights into the carbon impacts of when energy is used.

This solution will now support the business on our decarbonization journey, allowing us to understand how to use our energy. By having right insights about where our energy comes from, its carbon cost and how it is being consumed, we can make the right decisions to reach the business's environmental goals.

100kW of PV generating
80MWh of electricity per year.

Smart Energy Management

40kW of battery storage

8x22kW Etrel EV sockets

Water management

Water is a precious resource that is available in limited quantities. Therefore, the Company is committed to preserving water resources by using water responsibly in its operations and offering products that help to manage the resource more sustainably.

Growing water scarcity in many regions of the world may be a potential threat to business growth and expansion. Especially in regions where freshwater is scarce, businesses may be exposed to water shortages, lower water quality and water price volatility. While the use of water has not been assessed as being material, the Company nevertheless opts to disclose data on water usage and management to provide transparent disclosure on its impacts. Even if our water usage is relatively low, the water consumed by the Company results in reduced water availability, which can lead to water stress and ultimately have an impact on stakeholders such as local communities.

Landis+Gyr uses water in its office buildings and production facilities. In office buildings, water is used for drinking, cooking (e.g., where a canteen is in place), cleaning and in the restrooms. Use of water in production facilities is the same as in office buildings and additionally includes cooling activities. Facilities with green areas require water for irrigation purposes. Wherever possible, rainwater is used for this purpose. In some facilities irrigation water is used to flush toilets. Water reuse and recycling is in place in most production facilities. Some sites such as Pequot Lakes, Kolkata or Corinth also use water from wells.

Landis+Gyr's sites follow the respective local regulation regarding water use and discharge. Most sites discharge water via the public sewage system. Some sites have their own water treatment facilities onsite such as Curitiba, which treats rainwater and wastewater for further use (e.g., irrigation). The Reynosa site, for example, uses the condensed water of the air conditioning system for plant watering.

No relevant water storage is in place. At some sites, Landis+Gyr uses rainwater storage tanks for garden irrigation purposes. Sites with water sewage treatment plants may have some storage.

Water management is part of the Integrated Management System (IMS) whereby targets are set globally and on site level and achievements toward said targets are reported and documented regularly. Water management follows the path of relevance and impact. Sites with higher water consumption are monitored more closely. In FY 2022, water withdrawals decreased to 12.37 m^3 per employee, compared to 13.4 m^3 per employee in FY 2021. The target for FY 2025 is set at 12 m^3 per employee.

Efficient production projects have been implemented using closed loop cooling and switching from public to groundwater to reduce the amount of processed drinking water used in production. With these measures coupled with the reuse of treated wastewater, and the collection of rainwater at various production sites, Landis+Gyr has reduced its water consumption on a large scale over the past years.

The following sites are based in an area of water stress:

Site	Water withdrawal in megaliters FY 2022
Corinth (GR)	**12.68**
Melbourne/ Laverton (AUS)	**1.76**
Nurnberg (DE)	**0.53**
Reynosa (MX)	**8.24**
Kosmodal (ZA)	**2.55**
Izmir (TK)	**13.83**

Regions with water stress have been defined as per World Resource Institutes (WRI) Aqueduct Water Risk Atlas.

The data have been recorded by the local sites and are captured in Landis+Gyr's ESG reporting tool. Most data are available (measured or as per water invoice of the supplier). However, for a few smaller sites where data are not available (e.g., no information on water consumption provided by the landlord), estimates have been used.

Waste management

Efficient management of resources generates limited amounts of waste, which leads to lower pollution and reduced pressure on natural resource extraction. For this reason, the Company has adopted the principles of 'Reduce – Reuse – Recycle' with respect to the management of waste.

Landis+Gyr generates waste through its activities in its office or production sites, with the latter being the largest contributor to the Company's waste production. Landis+Gyr is aware of the impact caused by waste in the form of pollution and direct or indirect emissions, which affect people and the environment. Therefore, the Company is acting on two fronts to curb its waste generation. First, the Company takes various measures such as reducing packaging, switching to recycled/reusable packaging materials, or adopting returnable pallets to reduce the total volume of waste. Second, when waste cannot be avoided, the Company works towards reducing the portion of waste that goes to landfill through segregation of material that can be recycled. Some additional examples of measures taken to reduce waste include reusing scrap material, reusing packaging material (e.g., adopting multiple-use pallets), and re-feeding leftover material back into the production process to the extent possible.

In accordance with its 'Green Design Manual', Landis+Gyr uses recycled material, wherever it is technically possible. The Company has service and repair procedures in place to keep products operational for a longer period of time. Furthermore, Landis+Gyr extends the life cycle of resources by recycling or selling its waste to third parties.

Landis+Gyr uses only official (e.g., municipal) parties for waste management, or professional waste handlers, who provide waste reports including waste segregation details and percentage of recycling rates.

Waste management is part of the Integrated Management System (IMS) whereby targets are set globally and on site level and achievements toward said targets are reported and documented regularly. In FY 2022, the proportion of waste sent to landfilled decreased to 6.17% from 7.03% in FY 2021. The target for FY 2025 is set at 1%.

Statement on hazardous materials

Wherever possible, Landis+Gyr aims to eliminate from its products and production processes substances which are hazardous to people's health or the environment. Landis+Gyr complies worldwide with all applicable regulatory environmental requirements and with its own internal requirements to minimize the amount of hazardous waste produced. This is accomplished by reducing the volume of raw materials required for its products, reusing materials to the end of their useful life, and recycling waste that could be considered hazardous when disposed of. These principles are applied throughout the life cycle of our products, which includes acquisition of raw materials, design, production, transportation and delivery, use, end-of-life treatment, and final disposal.

Landis+Gyr's waste handling providers are required to return an electronic confirmation document containing the name/address of the ultimate processor, the date the waste was received by the processor and confirmation that the waste was processed in accordance with applicable regulations.

Statement on hazardous waste management

Landis+Gyr complies with all statutory provisions for waste disposal worldwide. The Company hands over waste only to certified companies that can prove with the use of electronic procedures that the waste has been disposed of properly. Landis+Gyr avoids the use of harmful or hazardous materials in its products, strives to use less hazardous materials to produce its products, and makes recycling rather than disposal an integral factor in the design process. The Company aims to reduce the use of hazardous materials across the full product life cycle, including end-of-life disposal. Internal work processes are monitored to prevent pollution, minimize use of hazardous materials, and minimize the waste generated. Hazardous materials falling under the Banned Substance definition are restricted from use in Landis+Gyr's products and in its manufacturing processes.

Landis+Gyr has engaged an external partner to collect information from its suppliers regarding compliance with the following regulations:
(EC) 1907/2006 REACH SVHC; EU RoHS 10 (Directive 2011/65/EU as amended by 2015/863/EU); US California Proposition 65 (The Safe Drinking Water and Toxic Enforcement Act of 1986); Stockholm Convention on Persistent Organic Pollutants (POPs) Treaty; Toxic Substances Control Act (TSCA).

Stand on biodiversity

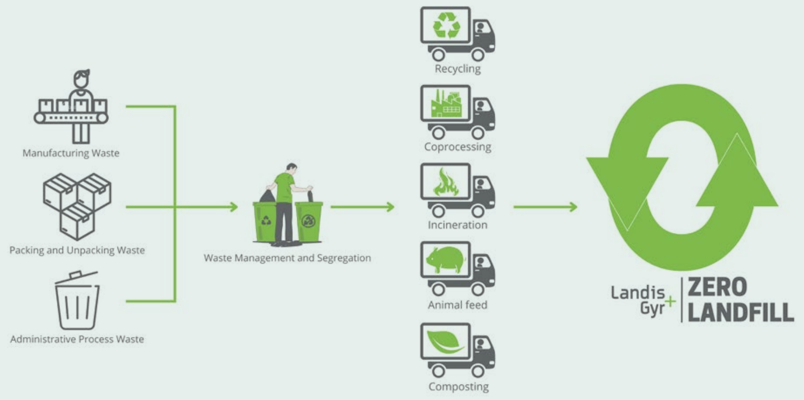
The Company is aware of the importance of biodiversity for the health of local ecosystems. We have determined that our direct operations have minimal impact on critical habitats. Currently, the Company does not foresee expanding its physical operations to areas where this would be a concern. Future new construction and projects will be evaluated for their biodiversity impact.

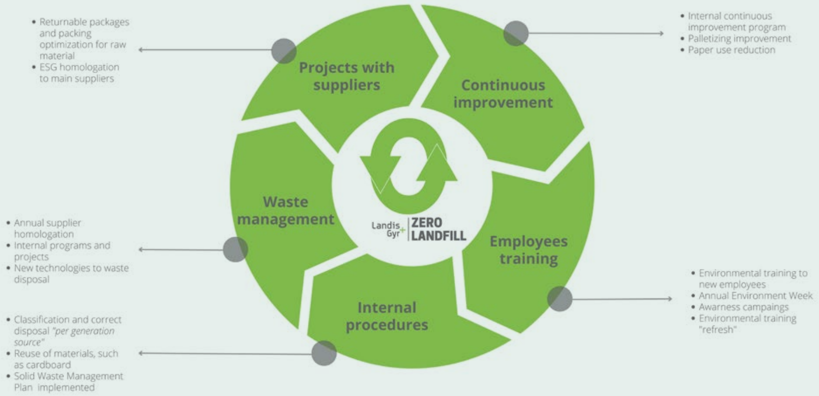
Landis+Gyr Curitiba certified as a ‘Zero Waste to Landfill’ (ZWL) site

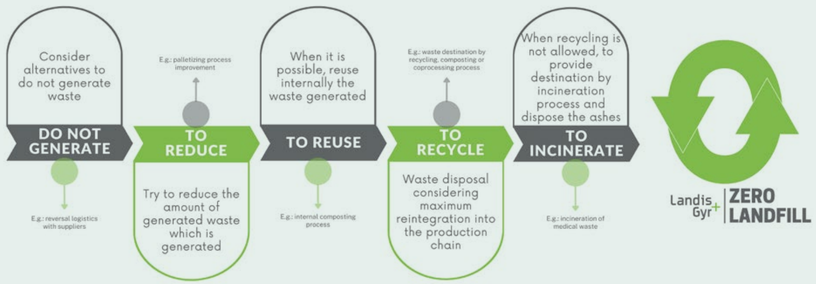
In FY 2022, Landis+Gyr’s Curitiba site achieved a 99.91% landfill diversion rate, well above the 99% required to obtain the ZWL certification. The remaining 0.09% portion of waste sent to landfill is a subproduct of incineration and is disposed of as inert (non-hazardous) waste.

Some of the measures implemented to achieve this goal included engaging the Company’s main suppliers in projects aimed at reducing the amount of waste, auditing suppliers according to ESG principles, and encouraging the Company’s workforce. Landis+Gyr also encourages its team to reduce, reuse and recycle its waste.

This achievement demonstrates Landis+Gyr Curitiba’s commitment to the Group’s environmental sustainability goals. The ZWL certification is the result of a robust environmental management system paired with a continuous improvement mindset.







People & Well-being

We care for our employees' health and well-being and promote diversity, inclusion, and equal opportunity in the workplace. We are partners to the local communities where we operate and are active players in supporting their development.

Employee engagement

The topic 'Employee engagement' refers to the impact the Company has on its employees (and its extension to broader society) and how the policies and measures adopted by the Company contribute to creating and maintaining a positive work environment, where employees feel engaged, enabled, and energized.

Company's stand

Employee engagement is critical to achieving sustainable organizational success and is core to deliver high-quality products and services to our customers, enabling them to manage energy better for a more sustainable world. Engaged employees deliver higher levels of productivity, quality, and performance. Therefore, Landis+Gyr is firmly committed to creating and sustaining an organizational culture where employees feel valued, respected, motivated, and engaged. We seek to improve and sustain a high level of employee engagement through best-in-class people practices and frameworks that are deployed and delivered within our local, regional, and global model.

Our Values

Landis+Gyr's aim is to be recognized as an employer of choice, with a positive working environment in which employees are enabled, energized, engaged, and empowered in accordance with Landis+Gyr's Core Values. The Company is committed to providing state-of-the-art working conditions as well as learning and development opportunities. Landis+Gyr is committed to fair and equal treatment of all its employees.

'Customer Intimacy', 'Uncompromising Performance', 'Innovative Technology', 'Entrepreneurial Spirit' and 'Sustainable Impact' are the five company values that serve as the cornerstones of Landis+Gyr's corporate culture. They are deeply ingrained principles that guide all of Landis+Gyr's actions and provide direction for all employees around the globe.

Company's impact

We recognize the value of employee engagement and take proactive, affirmative steps to embed it in our policies, processes, procedures, and culture. High levels of employee engagement lead to a more positive working environment, with more productive employees who perform better and produce better quality work. Fostering an engaged workforce helps us to avoid and prevent negative impacts associated with a lack of employee engagement, including low morale, reduced productivity, high regrettable attrition, increased recruiting, onboarding, and training costs, and dissatisfied customers. Engaged employees are more satisfied, which in turn impacts employee well-being, which ultimately has positive repercussions for the wider society.

Commitments, policies and measures/actions

Employee skills development

Landis+Gyr provides products and services to a global industry that is of great importance for sustainable development and is currently undergoing a major transformation, requiring our employees to be more agile. Learning is key to meeting this need, whether it is about being more efficient, or developing the skills to work with new products or services. As a part of Landis+Gyr's ESG strategy, Landis+Gyr invests substantially in the personal and professional development of its employees. Employees have access to a large library of learning content from three best-in-class learning platforms: LinkedIn Learning, Coursera, and A Cloud Guru. Furthermore, and in partnership with Google, Landis+Gyr has developed a comprehensive cloud transformation training program to upskill and reskill the workforce for the ongoing cloud transformation. The cloud transformation training program provides selected Landis+Gyr employees with the technical knowledge as well as skills required to adapt, collaborate, and embrace continuous change. Multiple learning paths with curated curriculum and learning content from different platforms support the preparation and readiness of employees for their future roles.

To reinforce and augment the sustainable learning environment, six regional and functional learning weeks, each with discrete, unique, and business-specific content were hosted and recorded for replay throughout FY 2022. The goal of these learning weeks was to exploit the synergy that is generated at the intersection of working and learning while demonstrating that different mediums, channels, and models of learning are mutually reinforcing. Further emphasis is placed upon learning, as one of the components of the Company's Short-term Incentive Plan is the average number of learning hours per employee.

Employment security and responsible workforce restructuring

Providing consistent, stable jobs to its employees helps Landis+Gyr increase retention, attract top talent, and create a sense of feeling valued and appreciated. Landis+Gyr believes that providing employment security has benefits for both the Company and its employees, a premise that goes beyond establishing a legal employment contract. Therefore, the Company has set key principles related to employment security:

- Minimize the use of external human capital: The use of contingent workers and service providers is only authorized where specific tasks or projects of a finite duration cannot be performed by internal Landis+Gyr employees. They should generally only be considered as a staffing alternative for short-term projects, for supplementing, not supplanting, the Landis+Gyr workforce during extended regular employee absences or during peak workload, or as strategic outsourcing of labor for a specific purpose.
- Promotion of internal job opportunities: It is required to post all vacancies internally ensuring that internal talents can grow and develop within the organization.
- Encourage learning and development opportunities: By empowering our employees' learning journeys, we are helping to grow their knowledge and skill set. Employees who proactively upgrade their skills or acquire new ones through training, education and lifelong learning adapt to the evolving economy and improve their employability.

In a fast-changing economic environment, organizations are required to transition their workforce, which sometimes results in changes that are disruptive and painful. Landis+Gyr is committed to a responsible workforce restructuring. Whenever possible, staff at the entities concerned and their representatives are invited to work together to seek and suggest solutions for restoring competitiveness and reducing overcapacity. When restructuring is unavoidable, all the relevant parties are involved in the program design and operations. Landis+Gyr communicates openly with all stakeholders, including employees, unions, government, and local stakeholders. The ensuing changes on a personal level are supported as far as possible to ensure that the reclassified employees find a satisfactory solution in terms of their reorientation.

Transition assistance programs
Transition programs are provided as part of social plans or part of bespoke individual agreements, but always in consideration of local employment conditions.

Engagement survey
Landis+Gyr's Engagement Survey is one of the main tools to define, measure, analyze, and improve employee engagement, motivation, affiliation, and commitment to Landis+Gyr. The survey is conducted every two years. It provides insights into employees' views and has had a consistently high response rate (84% in the most recent one). The results from the 2021 Engagement Survey provided an excellent platform upon which Landis+Gyr has further enhanced and driven a culture of transparency, continuous improvement, and high performance across the Company. The highest rated category was sustainable engagement* with an 85% outcome. This is an excellent result, given that there is wide evidence that companies with highly engaged employees typically outperform their competitors and achieve higher employee satisfaction rates.

Strengthening our leadership capabilities
In a rapidly evolving world with new mega-trends emerging, leadership requires advanced, complex, and adaptive thinking abilities that enable leaders to become more agile. To further equip Landis+Gyr's leadership team to manage their teams' success in the Company's strategic transformation journey, Landis+Gyr offers an ongoing 'Transformational Leadership Program'. The program consisted of three modules which were designed to explore how people-centered leadership is a pivotal component to energize teams, lead and manage change, achieve and sustain competitive advantages and inspire change through transformational coaching. Our CEO, Werner Lieberherr, engaged with participants during part of the training, underscoring his commitment to and the importance of this initiative to Landis+Gyr. Investing in and developing our talent is a common thread that weaves through our employee engagement efforts worldwide.

Town hall meetings and company events
The CEO hosts monthly global Town Hall meetings broadcast worldwide, while the regional and functional heads host separate Town Hall meetings aiming to educate, inform, listen to, engage, and recognize employees. Throughout the Company and in accordance with local customs and practices, we host, participate, and sponsor events and activities designed to attract, retain, inspire, and motivate our diverse teams to collaborate and communicate in the office, based on the belief that face-to-face connections strengthen engagement while serving the local communities. Volunteer events, picnics with a purpose, holiday parties for charity all bring our people together and reinforce our culture.

Employee Share Purchase Plan (ESPP)
As an additional measure to increase employee engagement, Landis+Gyr launched a new Employee Share Purchase Plan (ESPP) during FY 2022, offering an exciting opportunity for employees to become Landis+Gyr shareholders and buy shares at a discounted price compared to the market.

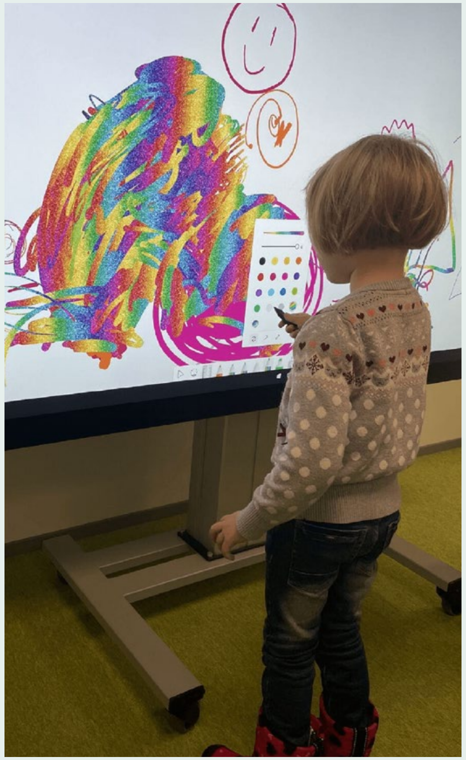
This was the first time that Landis+Gyr launched a program to facilitate the engagement of employees as co-owners of the Company through the purchase of shares. The program was well received, with employees based in 19 different countries joining the plan.

*'Sustainable engagement' is defined as the combination of three factors: engaged (i.e., employees' attachment to a company and their willingness to go the 'extra mile'), enabled (i.e., the extent to which employees have the tools and resources to do their job) and energized (i.e., accounts for employees' physical, interpersonal and emotional well-being)

'Bring-your-child-to-work' and #KinsMeetGeeks events

The Company organized 'Bring-your-child-to-work' events across different locations in 2022. Family members got a glimpse of life at Landis+Gyr. Activities included site/office tours, information sessions on our products, and fun quizzes with prizes.

Bring-your-child-to-work, Alpharetta office, Georgia



Take Your Child to Work Day in Finland

KinsMeetGeeks events Noida, India

#DallasHeartWalk 2022 to support the American Heart Association

Landis+Gyr employees participated in the 2022 American Heart Association's 'Dallas Heart Walk'. The event supported the fight against stroke and heart disease.

'European Mobility Week' event

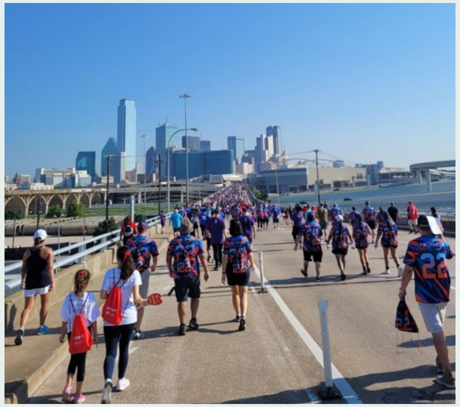
From September 16–22, our employees in Jyväskylä, Finland participated in the 'European Mobility Week', which encouraged employees to change behavioral habits in favor of active mobility, public transport, and other clean, intelligent transport solutions. Different activities were planned for each day of the week. At the end of the week, employees took part in a raffle to reward them for their participation.

Employee Health Fair

As part of our 'Employee Health Fair' in Alpharetta, GA (US), Landis+Gyr's employees took part of the following activities:

- a healthy lunch
- a flu shot campaign
- a health & well-being fair

Dallas Heart Walk 2022



'European Mobility Week' event

Employee Health Fair

Pink October "Outubro Rosa" and Blue November Health Month events in Brazil

Landis+Gyr participated with several activities in the UN SDG week

Pink October

Blue November

Fair labor practices

The topic 'Fair labor practices' refers to the treatment of workers with fairness, dignity and respect, both in the company's operations and the supply chain. The protection of universally acknowledged human and labor rights, as well as the promotion of diversity, equity and inclusion sit at the core of this topic.

Company's stand

At Landis+Gyr, we firmly believe that everyone deserves to be treated fairly, with dignity and respect. As a signatory to the UN Global Compact, Landis+Gyr promotes the protection of universally acknowledged human and labor rights. In its 'Code of Business Ethics and Conduct', 'Supplier Code of Conduct'. Landis+Gyr has defined minimum human and labor rights standards to be implemented globally, including the prohibition of forced, slave, compulsory or child labor, the freedom of association, the prohibition of any form of discrimination, and the guarantee of fair compensation and equal opportunities for all employees.

Furthermore, we firmly believe that our people are the greatest asset. Therefore, we are committed to offering opportunities that allow them to develop to their full potential. We embrace and actively support diversity, equity, and inclusion in our workforce, which reflects the global organization we are and the values we stand for.

Company's impact

Fair labor practices have a positive impact on people's health and well-being, particularly on Landis+Gyr employees and workers in the supply chain, by treating them fairly, with dignity and respect. They ensure that employees are not subject to discrimination, harassment, or other forms of unfair treatment, which can have a negative impact on their physical and mental health. Fair compensation and equal opportunities are crucial for the economic well-being of the people as well as the economy overall. Furthermore, fair working conditions also positively influence the development of the local communities.

Commitments, policies and measures/actions

Policies

The 'Code of Business Ethics and Conduct' is distributed to white-collar new hires as part of the onboarding process. When updated, it is distributed to all existing employees via the Company's Learning Management System, where employees are asked to confirm having received and read it, either virtually or in paper copy. Furthermore, the Company trains all white-collar computer users on the 'Code of Business Ethics and Conduct' on a yearly basis. With regard to external third parties, Landis+Gyr may share the 'Code of Business Ethics and Conduct' or the 'Supplier Code of Conduct', as applicable, prior to entering into a contract. Third parties identified as 'high-risk' are also required to conduct a yearly training course related to the 'Code of Business Ethics and Conduct'.

Diversity, Equity and Inclusion (DEI)

A diverse, equitable, and inclusive workplace makes everyone, regardless of who they are or what they do for the business, feel equally involved and supported in all aspects of the workplace. Landis+Gyr is dedicated to creating an inclusive workplace where everyone is treated equally and with equity such that opportunities are shaped to fit the needs of each individual in a way, he or she feels is fair. This enables our workforce to develop to their full potential. For this reason, Landis+Gyr takes measures to actively support DEI in our workforce. It is not only the right thing to do for our employees but is also a great source of strength and strategic advantage for the Company. Varied perspectives, experiences, and backgrounds lead to better ideas to solve tomorrow's complex energy problems of a changing and increasingly diverse world.

To support diversity, equity, and inclusion in our culture and to avoid and mitigate its negative impacts, we are committed to the following principles:

- fair treatment of all people regardless of gender identity, nationality, ethnicity, age, dis/ability, sexual orientation, religion, socio-economic background, or any other personal characteristic,
- representation of diversity at all levels, and
- equal access to opportunity.

Some examples of DEI-related initiatives held in FY 2022 include:

- Landis+Gyr embedded DEI criteria into nominations for mentorship and training programs, as well as succession planning. The Company measures progress and holds itself accountable by using diversity KPIs. One of the Company's diversity KPIs (% female employees in the global workforce) is part of the ESG criteria of the global Short-Term Incentive Plan. All diversity KPIs are regularly shared and discussed with the Executive Management Team and the Board of Directors.
- A mandatory 'Code of Business Ethics and Conduct' training course with a particular focus on diversity and inclusion was assigned to all office workers globally. A culture of openness and accountability is essential to prevent such situations occurring and to address them when they do occur.
- The Company choses to prioritize diversity awareness through training and education on a global level with multiple training opportunities, emphasizing the importance of diversity and inclusion by having specific training modules in our 'Code of Business Ethics and Conduct'. To further enhance awareness and to underscore the importance of value and respect in the workplace, we required our US-based employees to participate in a two-hour 'Dignity & Respect in the Global Workplace' training course. Additionally, the Company provides all employees access to over 100 diversity, equity, and inclusion classes via LinkedIn Learning.

By embracing and embedding DEI in our culture, the Company prevents or mitigates potential negative impacts, such as disengagement, lack of productivity, low self-esteem, mental health issues, reduced personal incomes, underrepresentation of certain employee groups or minorities in leadership positions, increased regrettable attrition, low employee morale, competitive disadvantage due to fewer ideas being generated, innovation constraints, among others.

The Company works to ensure people of any gender have access to equal conditions for realizing their full potential in the workplace. Many countries in which Landis+Gyr operates (e.g., Switzerland, France) require regular analysis and reporting on gender pay equity. In addition, in all our countries where the Company has a significant presence, we have job level and pay grade structures in place to ensure internal equity and consistent determination of pay by job level. This is complemented by regular benchmarking against external market data.

Promoting gender balance
Recognizing the importance of this subject, Landis+Gyr has set a target to increase female employment at group level for FY 2022, as part of the company's Short-Term Incentive (STI) targets. To further promote and strengthen gender diversity, equity and inclusion within our company, Landis+Gyr implemented various initiatives and activities in FY 2022:

- The International Day of Women and Girls in Science was celebrated in all regions by conducting interviews with recently hired female graduates from 'Science, Technology, Engineering and Mathematics' (STEM) programs, hosting groups of female STEM program students at our offices and providing subject matter experts as guest speakers for STEM programs.
- Multiple events were scheduled throughout the regions to recognize and celebrate International Women's Day as well as International Women in Engineering Day.
- To demonstrate leadership commitment to diversity, the company is expanding its affinity group, Women Invincible, across the Asia Pacific and the Americas. This group creates a place for female employees to communicate, collaborate, learn, and grow together. Learning from this group will be used to launch additional affinity groups in the future.
- As further evidence of our leadership commitment to diversity, equity, and inclusion, the company is aligning with select organizations and associations affiliated with underrepresented groups. Such alignment not only seeks to increase diverse representation and inclusion, it also helps us with recruitment. Two of the organizations that have been chosen to align with in the US are the Society of Women Engineers and Women in Technology.
- Landis+Gyr seeks to increase its diversity at all levels through hiring, promoting, transferring, and retention practices. Most recently, the Global Development Center (GDC) hosted a successful graduate hiring campaign where the company hired 40 women in technical roles.
- Furthermore, in South Africa the company is proud to have recently sustained its Level–1 Black Economic Empowerment (BEE) certification, which also puts a strong emphasis on the empowerment of Women of Color.

Landis+Gyr does not tolerate discrimination of any kind, including gender. For violations of our 'Code of Business Ethics and Conduct' – and thus also in the event of discrimination perceived by employees and other concerns relating to diversity and equal opportunity – our employees can anonymously and confidentially contact the respective Compliance Officer or our Speak-Up Hotline.

In addition to these initiatives, the Company also has implemented the following family-friendly policies to help us attract and retain talent:

Flexible working hours and remote work
To improve work-life balance, Landis+Gyr offers part-time work in a wide range of positions. The benefits offered to full-time employees and part-time employees are generally equal in scope, subject to regional customs and practices. Landis+Gyr further believes in the competence and the entrepreneurial spirit of its employees and, therefore, allows a majority of its employees to have flexible working hours, including a hybrid work schedule. Recognizing the positive experience with remote work during the COVID–19 pandemic, Landis+Gyr implemented a hybrid work schedule where many employees can flexibly work three days in the office and two days remotely. The Company is also piloting its 'Connected Work Program' with policies, processes, and procedures designed to facilitate remote work.

Parental leave and family friendly accommodations
Local management teams in all countries worldwide enable Landis+Gyr to act with flexibility and agility. Local legislation and cultural expectations regarding parental leave vary across the organization. Landis+Gyr adapts to local customs while promoting a family-friendly work environment. Throughout the world, we sponsor events, and welcome families into our workplaces, including providing private, clean, comfortable lactation rooms, hosting 'Bring Your Child to Work' days, educating our employees and their families in wellness fairs, providing vaccinations to our employees and their families, emphasizing the importance of mental health, and providing a plethora of self-care, child care, and elder care resources through our company-paid, 100% anonymous Employee Assistance Programs.

Fair and ethical workplace
Landis+Gyr is committed to treating its employees with the respect they deserve and in accordance with local legal requirements and global standards and guidelines (such as the United Nations Universal Declaration of Human Rights, as well as the Declaration on the Fundamental Principles and Rights at Work of the International Labour Organization), also reflected in the Company's Code of Business Ethics and Conduct. Landis+Gyr's commitment to fair labor practices is also a fundamental pillar of its supply chain operations.

The Company's regulations explicitly condemn child labor, the use of modern slavery, threats of violence and harassment, or any other exploitation of workers by means of threat, force, coercion, abduction, or fraud. While Landis+Gyr supports the development of legitimate workplace apprenticeship programs for the educational benefit of young people, this is done as long as these programs comply with all applicable laws. Furthermore, the Company ensures working hours, including the number of hours and days worked, do not exceed the maximum set by applicable local laws and regulations. Where no such regulation exists, Landis+Gyr has introduced a global standard whereby a workweek shall not exceed 60 hours per week, including overtime, except in emergency or unusual situations. Workers shall be allowed at least one day off every seven days. The Company compensates its employees fairly, in compliance with all applicable laws and regulations relating to minimum wages, overtime hours, and other legally mandated benefits (e.g., paid time off, social security contributions, etc.) and never deducts or threatens deduction from wages as a disciplinary measure. All use of temporary, dispatch, and outsourced labor is carried out within the limits of the local law and in accordance with our internal regulations.

Landis+Gyr does not tolerate discrimination of any kind – including race, color, age, gender, sexual orientation, gender identity and expression, ethnicity or national origin, disability, pregnancy, religion, political affiliation, union membership, covered veteran status, protected genetic information, or marital status – in hiring and employment practices such as wages, promotions, rewards, and access to training.

Furthermore, Landis+Gyr respects the rights of workers to associate freely, join workers' organizations, seek representation, bargain collectively, engage in peaceful assembly, or refrain from any such activities, as permitted by and in accordance with applicable laws and regulations. Landis+Gyr ensures workers can engage in such acts without fear of discrimination, reprisal, intimidation, or harassment.

Measures taken towards the abolition of child labor
Landis+Gyr's 'Code of Business Ethics and Conduct' and its 'Supplier Code of Conduct' have been updated to include strict prohibitions on forced or compulsory labor, as well as child labor. The updated documents have been distributed to all relevant stakeholders. All white-collar employees must complete an annual compliance e-learning module that re-emphasizes the provisions of the 'Code of Business Ethics and Conduct'. Furthermore, suppliers of direct materials are required to comply with the 'Supplier Code of Conduct', and are subject to due diligence screenings and audits, covering several topics including child labor.

Child labor risks
100% of new direct material suppliers have been screened against a list of ESG criteria including risk for child labor. Existing Tier 1 Suppliers representing 88% of company spend, as well as critical suppliers in Tier 2, were also screened using a third-party due diligence tool, and were subject to ongoing monitoring during the reporting year. According to the due diligence process and following review by the Compliance and Procurement functions, no suppliers in these target groups were considered to have significant risk for instances of child labor or young workers exposed to hazardous work. See also disclosures under Strategic Responsible Sourcing.

Occupational health and safety

The topic 'Occupational health and safety' covers the impact of business activities on the physical and mental well-being of employees and other stakeholders (e.g., subcontractors, etc.) working under the control of Landis+Gyr.

Company's stand

The right to a healthy and safe workplace is recognized as a human right. As such, Landis+Gyr has a duty of care toward its employees. Proper management of Occupational Health and Safety (OH&S) contributes toward improving employee well-being and building a positive safety culture, where everyone is aware of OH&S risks and feels responsible for their own health and safety and that of others. Landis+Gyr's is committed to the vision that no employee is ever to sustain work-related injuries or illnesses. The Company has developed a management system that emphasizes prevention and awareness as the first line of defense against OH&S risks.

Company's impact

OH&S has a positive impact on productivity and employee morale. It also reduces the potential to incur work-related injuries or illnesses. The latter can result in employee stress, reputational damage, loss of working days and additional costs for Landis+Gyr. Consequently, the occupational health and safety of employees is a key factor for the success of Landis+Gyr. Our 'Quality, Environment, Occupational Health and Safety (QEOHS) Policy' requires that all OH&S hazards are appropriately risk assessed, OH&S issues are reported to management and near miss data are collected and reported monthly at all sites. In accordance with ISO 45001, risk assessments are performed at all sites to identify negative hazards and implement corrective actions to mitigate any occupational health and safety impacts.

The scope and impact of OH&S activities are expanded into the full value chain, requiring our partners to comply with the standards and requirements set by Landis+Gyr. OH&S is now part of our evaluation criteria and is included when performing supply-chain partner audits.

Commitment, policies and measures/actions

Management of Occupational Health and Safety (OH&S)

All Landis+Gyr employees, contractors, external workers, and visitors are covered by its OH&S requirements in alignment with ISO 45001.

Global Occupational Health and Safety performance guidelines are available, which provide guidance on how OH&S performance is measured within Landis+Gyr. Procedures and training material are made available to all sites in order to ensure standardized OH&S reporting is achieved.

Landis+Gyr takes a preventive approach towards ensuring the health and safety of employees, contractors, and visitors in all our work environments: production facilities, test laboratories, warehouses, offices, shared areas, and our utility customer field service territories. The goal is to identify and remove hazards from the work environment before harm comes to people, property, or the environment.

Relying on the vision that no employee is ever to sustain any work-related injury or illness, local OH&S facilitators and managers in each site perform regularly scheduled walk-throughs of the local operation to identify hazardous conditions and unsafe acts that can result in harm to employees and others, if left unaddressed. Additionally, as part of their daily work activities, employees look for OH&S-related conditions (hazards, risks, and opportunities) that could cause harm. Upon identifying hazardous conditions or unsafe acts, a uniform methodology is employed to determine the root cause, develop and implement actions that will remove the condition from the work environment.

To ensure the safety of our products, we share information and provide training to our customers on how to safely handle our products to reduce the potential for injury and harm to the environment.

Organization

The OH&S function is a part of the Quality team. The OH&S functional representative performs the activity of hazard identification and risk assessment across all levels of the organization to identify potential risks and hazards related to workplace health and safety of people. Hazard identification is done through Gemba walks, facility safety audits, housekeeping audits and interactions with employees. Analysis of all hazards and risks is carried out, and corrective actions are taken to eliminate the hazards. Review of corrective actions is done to assess the risk level related to any hazard. Employees can access OH&S representatives anytime through e-mail, phone, or MS Teams to report any kind of hazard at the workplace.

Commitments and policies

Access to a healthy and safe workplace is recognized as a human right. Ensuring this for all employees and partners is a top priority for Landis+Gyr.

All Landis+Gyr's activities are guided by the overarching 'Code of Business Ethics and Conduct', which addresses and engages employees not to carry out any work under unsafe conditions and to report such situations through the near misses reporting process. Additionally, for OH&S a group-wide 'Quality, Occupational Health, Safety and Environment' (QOHSE) Policy is in place. Site-specific policies and requirements are also in place, where applicable, to ensure compliance with national and local regulations.

Actions
To maintain and strengthen a high standard of workplace occupational health and safety, Landis+Gyr provides employees with regular training and instructions to integrate safety in all routine and non-routine work activities. Current OH&S practices are standardized across the group. To support and maintain this uniform approach, Landis+Gyr is certified to ISO 9001, ISO 14001, ISO 45001, and ISO 22301 on a global basis, covering the full scope of our operations.

Upon incurring an occupational injury or illness in any of our locations, a uniform and team-based process is followed to determine the root cause, develop and implement actions that will remove the root cause from the work environment. Landis+Gyr and its stakeholders benefit from the proactive management of OH&S, in particular our employees as well as our partners in the supply chain.

Processes used to identify work-related hazards and assess risks:
In line with ISO 45001, all Landis+Gyr global sites are required to perform risk assessments of the activities undertaken at each site (including both routine and non-routine activities). The Hazard identification and Risk Assessment (HIRA) method is used as the primary mechanism for the identification of work-related hazards and assessment of risk. Risk controls are defined based on the risk exposure identified in the HIRA register. Risk mitigation actions are applied through the implementation of corrective actions. Risks and hazards associated with each process/activity are assessed and a risk mitigation plan is developed and implemented. Risk is reassessed after implementation of risk mitigation measures for continual improvement. The quality of this process is assessed in the management review as well as through internal and external audits. Regular training in these aspects is provided for all individuals, as required. Results of these assessments are shared on a weekly/monthly/yearly basis with specific stakeholders, as required.

Processes to report work-related hazards and hazardous situations:
Landis+Gyr has implemented a Global OHS Reporting system, which enables accidents/incidents to be reported and managed accordingly. The Global OHS Reporting system also enables the reporting of near misses. All employees (permanent, contracted and support staff) are able to report any work-related hazards through the Company's reporting system, e-mail or phone call. Emergency contact numbers are displayed at key locations. Site inspections are also arranged to identify any work-related hazards and hazardous situations. Employees are encouraged to report such instances – with the option to report anonymously using the Speak-Up platform – so that proper actions can be taken on time. As described in the 'Code of Business Ethics and Conduct', all Landis+Gyr employees can report hazardous events without fear of discrimination, reprisal, intimidation, or harassment.

Investigation process:
Landis+Gyr has established a global accident, incident and near misses reporting system, including regional and local reporting and investigation procedures aligned to local and regional requirements (e.g., legal, ISO norms and other applicable rules). The Company utilizes a global standardized accident and near misses form, undertakes root-cause analysis as part of all investigations and implements identified corrective actions.

Training:
Landis+Gyr's Integrated Management System (IMS) Awareness Training has been rolled out globally to all white-collar employees and includes a high-level overview of Occupational, Health and Safety. Training covers information about identifying hazards, the requirement to not perform work if a worker feels it is unsafe as well as the notion that reports do not entail reprisals. All employees receive Occupational Health and Safety Induction training specific to their location. Further job-specific health and safety training is provided as required, based on work activities being undertaken, related hazards and controls.

Metrics
OH&S performance is tracked monthly, evaluating both positive aspects (leading indicators) and negative impacts (lagging indicators).

Targets are set to enable Landis+Gyr to monitor and manage progress toward its mid and long-term targets. These targets support the UN SDGs as well as the principles defined by the UN Global Compact initiative, to which Landis+Gyr has subscribed. Dedicated KPIs indicate whether the actions implemented are leading toward the established targets. Such KPIs are:
– Loss Time Frequency Rate (LTFR): [(Number of lost time injuries in the reporting period) x 1,000,000] / (Total hours worked in the reporting period)
– Preventive Risk Identification Reports (PRIRs) and near-misses reported
– Preventive Index (PI): (Completed PRIRs + Completed Near-Miss Reports) / (Completed PRIRs + Completed Near Miss Reports + Occupational Injuries)
– OH&S training completion rate
– Gemba walks performed by top management
– Supplier OH&S audits performed

The implemented PRIR and near-miss process ensures that OH&S-related hazards in each location are identified and eliminated proactively, in other words – prior to resulting in occupational injuries or illnesses.

Ask 'R U OK?'

'R U OK?' is an organization started by an Australian, Gavin Larkin, in 2009. He lost his father to mental health and became a passionate champion of the fact a conversation could change the life of anyone struggling with challenges. Despite Gavin's passing in 2011, his legacy lives on and was most needed after the pandemic.

At Landis+Gyr, we care about creating an inclusive workplace that makes our employees feel supported and safe. Dedicating time to highlighting the importance of asking "Are you OK?" (R U OK?) can mean the world to someone who is struggling with life.

Our teams in Australia and New Zealand have been commemorating 'R U OK?' day for a few years. On September 8th, 2022, the Company expanded 'R U OK?' day to all Asia Pacific locations to emphasize the importance of checking in with colleagues and community with a simple question: "Are you ok?".

Some of the activities conducted in our Asia Pacific sites to commemorate this day included morning teas and lunches, where people could connect with each other. In India, we invited an external psychologist, Dr. Priyanshi Nautiyal, to speak about topics such as improving emotional well-being, self-awareness, self-regulation, motivation, empathy, and social skills. Dr. Nautiyal guided our employees in building a self-care kit to enhance their individual well-being. Over 100 employees participated in this informative session.

Community engagement

The topic 'Community engagement' refers to the impact that the Company's operations have on the local communities where the employees work and live. It covers the Company's efforts to work collaboratively with local groups and social organizations to address key issues that affect the well-being of local communities.

Company's stand

With a local presence in around 30 countries and approximately 6,500 people employed, the Company has a significant impact on the lives of several local communities and depends on positive local relationships to support its business. Wherever possible, Landis+Gyr strives to avoid negative impacts, enhance positive effects, and contribute to the overall sustainable development of our local communities.

At Landis+Gyr, we believe businesses can only thrive if the communities around them also prosper. Therefore, Landis+Gyr is committed to addressing key social and environmental issues that promote the development and well-being of our local communities, thus enabling the long-term success of our company.

Company's impact

Landis+Gyr's operations generate a positive impact on local communities including local employment and development opportunities, contracts for the local procurement of goods and services, and local revenues in the form of taxes. In addition, the Company contributes to the socio-economic development of local communities via community engagement activities, including employee volunteering and fundraising.

Landis+Gyr's operations consist of offices, R&D centers, manufacturing, and deployment sites of diverse size. In general, the company sites are located in urban or industrial areas, giving them easy access to existing infrastructure and resources. We are not aware of any substantial negative impacts on local communities caused by our business activities. The company operations employ light industrial processes, which do not pose a significant risk to the communities. Limited environmental impacts include: the use of local resources (e.g., water, energy) as well as the release of GHG emissions into the atmosphere. Landis+Gyr is committed to minimizing these impacts and has taken measures to limit the amount of resources used and reduce its GHG emissions (see sections on 'Resource efficiency' and 'Energy efficiency and climate protection').

Regarding human rights impacts, the Company acts in accordance with local legal requirements and global standards and principles, such as the UN 'Universal Declaration of Human Rights', and the 'Declaration on the Fundamental Principles and Rights at Work' of the International Labour Organization, which are reflected in the Company's 'Code of Business Ethics and Conduct'. Our commitment to respect human rights extends both to our operations and value chain. We are not aware of any significant human rights impacts on our local communities caused by our operations. Nevertheless, Landis+Gyr remains vigilant and is currently working towards strengthening its human rights due diligence process to ensure we identify, prevent, and mitigate and remediate possible impacts.

Commitment, policies and action

Governance

The Company's community engagement initiatives are guided by its 'Community Engagement Directive', which describes the focus of the activities, eligibility criteria, governance, roles, and responsibilities.

In FY 2022 Landis+Gyr's updated its 'Community Engagement Directive' and defined four focus areas of actions for its community engagement program:

- 'Protecting resources and the environment', which promotes the preservation and responsible use of resources.
- 'Caring for each other', which is aimed at empowering underprivileged and disadvantaged groups, as well as providing relief in the event of natural or civil disasters.
- 'Promoting work-life balance', which aims to promote a healthy work-life balance culture in our organization and beyond.
- 'Developing the next generation of STEM workforce', aimed at equipping younger generations with the skills and competencies needed for the future.

Direct support to our communities can be delivered through financial donations, in-kind donations of products and volunteer hours.

Community engagement activities are overseen and guided by the global ESG Steering Committee, which ensures alignment with the ESG strategy and priorities set by the Executive Management Team and the Board of Directors.

Measures and actions

To contribute to the prosperity and well-being of local communities, Landis+Gyr has developed and implemented a Community Engagement program, which seeks to leverage the company's resources for the betterment of local communities. Our approach is collaborative and involves internal and external stakeholders to mobilize the required resources and ensure the successful planning, implementation and impact sought through the Company's initiatives.

Landis+Gyr engages with local communities via various instruments to prevent or mitigate potential negative impacts on local communities. These instruments include:

- Stakeholder engagement plans: Sites such as India and Brazil have local stakeholder engagement plans. At group level, stakeholder engagement forms an integral part of the materiality assessment which involves relevant stakeholders from all regions.
- Broad-based local community consultation committees and processes: Consultation is commonly implemented for workforce-related topics. Certain sites like India or Mexico participate in different local community committees. Furthermore, Landis+Gyr engages regularly with local authorities, especially in locations where the Company has major plants.

- Works councils, occupational health and safety committees and other worker representation bodies: OH&S committees are in place in all major sites. Additionally, work councils focusing on different issues are active in most sites.
- Local community grievance processes: Some sites have specific grievance processes for local communities, others apply the company's Speak-Up process

Moreover, Landis+Gyr takes the following actions to amplify its positive local impact:

- Local community support activities: In locations like India, Brazil, South Africa, Mexico, Greece and the UK, there is a long-standing tradition of engaging with communities via donations or corporate volunteering initiatives aimed at addressing the needs of local communities. Some examples of activities undertaken by the company in FY 2022 include:
  - **Mexico:** Several events were organized by Landis+Gyr's employees during FY 2022, including an open house and a health fair for employees and their families, a donation of blankets to an immigrant center, a donation of toys to the worker's union, a donation of toys to Meraki Kids Community Center.
  - **Brazil:** Company employees organized several donation campaigns throughout the year with the aim of delivering food, clothes, toys, and personal hygiene items to people in need. For example, in April 2022, 100 kg of chocolate and Easter eggs were collected for donation to a children's charity institution. In December, the company collected toys and personal hygiene items for donation to 37 children suffering from cancer and their families.
  - **Greece:** Landis+Gyr made financial donations to 'Efthimeio Center of Corinth', 'Smile of the child", 'Make a wish' and 'SOS Children's Villages'. Through these organizations the Company supported the needs of children living in difficult conditions.
  - **Australia:** Parents were invited to bring their kids to work. Several fun and informational activities were arranged, including discussions on what our meters do, how they can measure electricity and water.
  - **UK:** A charity bike ride of 140 miles from Peterborough office to the Manchester office was organized to raise funds for the Multiple Sclerosis Society. Six Landis+Gyr employees took part in the event, which lasted three days and raised a total of £11,000 in donations.
  - **Ukraine:** In FY 2022, Landis+Gyr donated a total of USD 250,000 to help alleviate the suffering of those impacted by the war in the Ukraine. Half of the funds were contributed by Landis+Gyr employees, and the other half by the Company itself.
  - **Turkey:** In close cooperation with its newly acquired Luna arm in Izmir, the Company donated €100,000 to the victims of the earthquake that hit Turkey in February 2023. Out of this total amount, €50,000 will support the search, rescue, and relief efforts and the remaining €50,000 will provide 35,000 meals for those impacted by the earthquake. Landis+Gyr is relieved and thankful that our colleagues at Luna are safe and sound, and our thoughts and sympathies are with the victims and their families.
- Local recruitment campaigns: Aimed at sourcing talent directly from the communities where the Company operates.
  - In Corinth, Greece, the Company is one of the largest employers in the area, which suffers from a high unemployment rate. To help address this issue, Landis+Gyr has implemented an employee referral process, through which employees can refer potential candidates to fill open positions.
  - In Reynosa, Mexico, Landis+Gyr has put measures in place to promote a greater female representation in its workforce. The Company provides higher rewards to employees and external recruiters if the successful candidate is female.

Landis+Gyr's activities in the communities where the company operates are organized at local level, which has proven to be efficient in generating positive local impact. However, there is regular global best practice sharing with most important sites and representatives of all regions in place.

Social engagement

The Company organized an open house and health fair for employees and family members in Reynosa, Mexico. Activities included a visit of the facilities, medical consultations, lab analysis, etc.

Greek employees took part in a global biking initiative to raise funds for the 'SOS Children's Villages' association in Greece. In 2022, the event lasted one week and the race crossed four European countries.

Our facility in Reynosa, Mexico is located close to the border with the US. As such, thousands of migrants pass through Reynosa each year as they seek to reach the US. Our Company donated 100 blankets to an immigrant shelter ('Casa del Migrante'), which aims to respond to migrants' most urgent needs by providing food, personal hygiene items, clothing and basic services.

Landis+Gyr celebrates 50 Years in Greece

2022 marks a special year for us as we commemorate our 50th anniversary of operations in Greece. Our European leadership team visited our manufacturing facility in Corinth to mark the occasion. Our mission is to help our customers navigate the energy transition. Our production facility in Corinth is particularly important in this regard as it helps us leverage state-of-the-art manufacturing to deliver innovation at scale, not just in Europe but also for our global markets.

Landis+Gyr celebrates 25 Years in China!

Gathering of Landis+Gyr employees to celebrate this important milestone

Business Ecosystem

We run our business with integrity and apply the highest ethical standards of honesty, fairness, and respect for everyone's rights.

Strategic responsible sourcing

The topic 'Strategic responsible sourcing' is concerned with the environmental, social and governance standards that the Company requires from its suppliers and how the Company integrates these factors into procurement processes and decision-making.

Company's stand

Landis+Gyr's values are centered on respecting universal human and workers' rights, acting in accordance with fundamental environmental, health and safety standards and investing efforts into sustainable development and corporate responsibility. The Company takes responsibility for its supply chain and is committed to ensuring that the ESG standards it imposes internally are as stringent as the standards it imposes on its suppliers. Landis+Gyr adheres to the belief that the promotion of our values and requirements leads to the overall economic, technological, environmental, social and governance development of our supply chain and its communities.

Company's impact

Furthermore, Landis+Gyr aims to increase the share of "green materials" used in its products. Our 'Green Procurement Requirements' defines materials to avoid or which are banned or restricted, and encourages suppliers to use materials with minimal environmental impact. Besides communicating requirements to its suppliers, Landis+Gyr also seeks to implement opportunities to drive a "greener supply chain", including the use of recycled materials and the optimization of logistics (freight, packaging).

Potential negative impacts stemming from our supply chain include the sourcing of conflict minerals as well as human rights violations. Landis+Gyr uses materials such as gold, and therefore is exposed to the risk of such materials originating from conflict areas. In order to identify and mitigate this risk, the Company tracks materials which could potentially originate from areas with a risk of human rights transgressions by collecting the 'Conflict Mineral Reporting Template' (CMRT) and 'Extended Minerals Reporting Template' (EMRT) of the Responsible Mineral Initiative (RMI) from relevant suppliers. See also section 'Summary statement on human rights'.

Landis+Gyr also applies particular focus on having a supply chain that is free of human rights violations, including but not limited to child labor. Furthermore, the audits performed by Landis+Gyr place an emphasis on health and safety and provide suppliers with guidance when opportunities to improve working conditions are identified. The Company's due diligence process includes capturing confirmation of adherence to Landis+Gyr's 'Supplier Code of Conduct' (as well as 'Green Procurement Requirements'), as well as the other measures described in the section below.

Commitment, policies and measures/actions

Process and governance

The Procurement function has established processes, targets and KPIs in order to promote adherence to the Company's values and standards, and to monitor and reasonably minimize ESG risks through its supply base. The annual goal setting of the Procurement function includes specific ESG goals and targets. In FY 2022, the Company set as its primary ESG procurement target to conduct ESG audits to cover at least 30% of direct material spend. The Company achieved 68% of direct spend covered with ESG audits.

The following policies describe Landis+Gyr's processes, expectations and requirements with regard to sustainability in our supply chain.

- ESG Directive: Covers our supply due diligence process. The document is reviewed every 3 years.
- Global Procurement Directive: Sets the basis for the implementation of the 'Supplier Code of Conduct' and 'Green Procurement Requirements'. This document is reviewed every year.
- Supplier Code of Conduct (including 'Green Procurement Requirements'): Imposes ESG requirements on suppliers (see 'Management of impacts in our supply chain' sub-section below). The SCoC is reviewed at least every 3 years, while the 'Green Procurement Requirements' are updated every year.

The regular procurement strategy meetings and updates (with attendance from the entire global Procurement function) include ESG on the agenda to promote understanding of the ESG roadmap and to enable our employees to support/deliver on our goals and targets. A multidisciplinary effort involving leadership from the ESG, Procurement, Quality, Supply Chain, Product Management, Compliance, Global Practice Team and IT functions of Landis+Gyr has led to robust processes, policies and actions as described in this section. The involvement of the above listed parties has not been one-off, but rather is continuous in various forms including review groups, project teams, and regular reporting efforts.

The documentation generated during supplier qualification is transparently recorded and stored. Landis+Gyr ensures a holistic supplier assessment by ongoing training of its procurement personnel.

Management of impacts in our supply chain
In FY 2022, Landis+Gyr continued to implement a thorough multi-layer supplier qualification and monitoring process, encompassing the relevant sustainability topics both for new (qualification) and active (monitoring) suppliers. The ESG supplier due diligence approach adopted by Landis+Gyr can be summarized as follows:

- **Supplier Code of Conduct:** Through its 'Supplier Code of Conduct', Landis+Gyr imposes strict requirements on its suppliers regarding employment practices, including an explicit prohibition on child labor and modern slavery, health and safety, environmental practices, ethical conduct, information security practices, and corporate governance. The 'Supplier Code of Conduct' also includes an annex on 'Green Procurement Requirements', which covers conflict minerals reporting, banned and restricted substances, environmental protection, among other topics. Landis+Gyr expects that suppliers embrace the set of values and requirements defined in the 'Supplier Code of Conduct'. The Company ensures that suppliers are informed of their ESG expectations and guidelines, and that they implement and execute processes and policies accordingly. Suppliers are required to confirm their adherence to our 'Supplier Code of Conduct' (incl. 'Green Procurement Requirements'), or equivalent requirements.
- **ESG risk assessments:** Landis+Gyr assesses suppliers based on fundamental data (incl. news and media reports) and collects targeted information from suppliers (in the form of surveys, policy documentation, certifications, etc.) to determine a supplier risk profile.
- **Supplier ESG audits:** With the support of the Quality and Procurement functions, Landis+Gyr conducts audits to verify supplier compliance with its 'Supplier Code of Conduct'. Landis+Gyr has developed an ESG audit (process, questionnaire, etc.) which has been incorporated into the standard direct material supplier audit and follows the Responsible Business Alliance (RBA) approach.
- **Critical news monitoring:** With the support of the Compliance function and external service providers, the Company monitors public sources (news, social media, supplier websites, etc.) for information which might suggest supplier risk, including ESG risks. Potential risks are escalated.
- **Annual supplier risk assessments:** Landis+Gyr runs an annual exercise to assess supplier risks. The process requires that all risks be documented, as well as any corresponding mitigating actions and strategies. Progress against the mitigation plans is monitored regularly.

All potential impacts and risks identified per the due diligence activities described above are reviewed by the Procurement leadership as well as relevant leadership from other functions (ESG, Compliance, Quality, etc.). Where appropriate, Landis+Gyr will take mitigating actions and adjust supplier strategies, in consequence of the various processes and routines described above. These can range from contacting a supplier to verify the risk is still valid, affording a supplier time and help to resolve a risk, or terminating business with the supplier.

Furthermore, the Procurement function of Landis+Gyr includes a Supplier Development Manager, who among other responsibilities, works with suppliers – as appropriate – to guide or assist in resolving an ESG issue. Similarly, the Quality function of Landis+Gyr works with suppliers towards the same ends. Finally, Landis+Gyr has secured the services of third-party suppliers which provide some level of guidance and/or support to suppliers on select ESG topics.

Strategies implemented by Landis+Gyr to promote a positive impact in the supply chain include developing and maintaining long-term business partnerships. Over 70% of Direct Material purchases were planned with suppliers of at least 5 years, and over 50% with suppliers of over 10 years of cooperation history. Landis+Gyr also strives to continuously improve and increase communication with suppliers, particularly to optimize interfaces and processes.

Responsible sourcing of minerals
Landis+Gyr actively strives to prevent the use of conflict minerals in its products to avoid the direct or indirect financing of armed groups that are perpetrators of serious human rights abuses. The Company requires its suppliers and partners to share this objective. As such, Landis+Gyr has adopted policies and established systems to enable the use of cobalt, mica, tantalum, tin, tungsten, and gold from conflict-free sources. The Company conducts risk mitigation and due diligence appropriate to the nature of the risks as it pertains to its products and suppliers, in line with the provisions set out in the 'OECD Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas', the SEC rule under section 1502 of the Dodd-Frank Act (US only) and the EU Regulation 2017/821 (EU only).

Security and data privacy

The topic 'Security and data privacy' refers to the protection of Company's employees, physical assets as well as information. Moreover, it is concerned with the proper handling, processing, storage and usage of personal information. It is related to the systems and controls in place to prevent unauthorized third-party access or malicious attacks and exploitation of data.

Company's stand

Landis+Gyr's products and services deliver intelligence to the power grid by collecting and analyzing data and enabling energy utilities and energy consumers to make fact-based decisions regarding energy management. The Company is committed to implementing and maintaining processes and systems to keep data safe and to ensure that the privacy rights of our customers and other stakeholders are respected. The Company's commitment on security goes beyond IT security as it also encompasses security of premises and individuals.

Company's impact

Landis+Gyr's products enable the management of energy distribution networks. This is achieved through local and central intelligence linked to and supported by communication. Such intelligence transforms data into useful information, which results in a more stable, efficient and reliable network, as well as better-informed customers. While the use of digital technologies offers great opportunities for enhanced efficiency and reliability in the energy grid, it also poses increased data privacy and security risks. These can expose sensitive data to unauthorized users and result in violations of the right to privacy, reputational damage, and significant financial losses for Landis+Gyr and its customers. Therefore, Landis+Gyr is committed to taking the necessary measures to protect data and to implement controls aimed at minimizing security risks. In general, any data could be misused if not stored and transmitted securely. For this reason, Landis+Gyr analyzes the potential risks and negative implications of its products and mitigates these risks through adequate security and data protection mechanisms and controls.

No breaches or complaints regarding customer data privacy were experienced during the reporting period.

Commitments, policies and measures/actions

Landis+Gyr continues to enhance and mature its data security and privacy to provide advanced and outstanding secure products and services, fulfill and exceed the increasing regulatory requirements, and resist the rising volume of cyber security threats.

The following documents set out the Company's approach with regard to data security and privacy:

- Data Security Policy: This document describes the importance, the boundary as well as the managing principles of this material topic. The policy is shaped by the 'General Data Protection Regulation' (GDPR) and other privacy-related regulations.
- Information Security Policy: This document describes the importance of security in all Landis+Gyr organizations and functions on a global scale. Landis+Gyr has an externally certified Information Security Management System and is committed to delivering improvements on an ongoing basis.
- Protection of Personal Information Policy: This document describes the Company's standards for processing personal data.
- Several Landis+Gyr sites are already ISO 27001 certified. The global multi-site ISO 27001 certification already covers key Landis+Gyr sites and will include additional Landis+Gyr sites as well as selected Landis+Gyr's acquisitions during next fiscal year.

There are several focus areas under this topic, such as building and enhancing the infrastructure and processes, addressing internal improvements, or enhancing the way in which Landis+Gyr's products and solutions respond to the rising demand for security and privacy. Key workstreams include:

- Implement the Secure Development Practices (SDLC) for all new released software and firmware products.
- Achieve global ISO 27001 Information Security certification across key sites and SSAE18 SOC 2 for key solutions.
- Drive a culture of security in the organization through enhanced security awareness program extended by specific training and testing of specific security knowledge.
- Standardize privacy reviews during product development to ensure privacy by design to enable customers to comply with relevant data protection regulations and protect the end users' right to privacy.
- Standardize and increase security requirements in manufacturing sites to ensure a high, robust, as well as flexible security standard in all Landis+Gyr production sites.

To mitigate negative impacts in the event of a security or data privacy-related incident, Landis+Gyr has established processes for:
- Stakeholders to communicate issues or concerns on the material topic to the Company.
- Dealing with issues arising from security and data privacy, including annual compulsory training to refresh and build on knowledge.
- Exchanging information and aligning solutions with involved stakeholders in case of an issue.
- Responding to external inquiries regarding known or suspected security breaches, including breaches of personal data.
- Communicating regularly about the situation and building confidence with stakeholders about the management of the topic.

Lastly, Landis+Gyr security policies are regularly reviewed and updated to ensure compliance with the highest business standards, relevant regulations to security and data privacy, and to account for process improvements.
- The Information Security department regularly reviews security requirements in the Landis+Gyr's contracts with customers. A 'Security Supply Chain Policy' is developed to ensure enhanced security and transparency regarding security in the supply chain.
- The Legal & Compliance department regularly assesses the Company's data protection risks and leads projects to mitigate them. The risks are reassessed on a yearly basis to assess the effectiveness and positive impact of mitigation actions and determine whether any further actions can be taken.
- Customers and other stakeholders are regularly surveyed to determine further actions needed to be adopted and/or implemented into our policies and processes. Such surveys take place at industry events and are also organized at country or regional levels.

Business integrity and fair taxes

The topic 'Business integrity and fair taxes' covers compliance with socioeconomic laws and regulations. This includes compliance with international declarations, conventions and treaties, as well as national, sub-national, regional, and local regulations. Business integrity can relate to accounting and tax fraud, corruption, bribery, unfair competition, or the provision of products and services, among others.

Company's stand

As a global Company, Landis+Gyr conducts business in many countries where practices may vary greatly. Furthermore, given the industry in which Landis+Gyr operates, many of Landis+Gyr's customers are government-owned or highly regulated by local governments. Landis+Gyr's employees, agents, contractors, and other intermediaries are thus expected to conduct business with the utmost integrity in line with all applicable laws and regulations, good market practices and internal policies. This behavior is essential to protect the Company and its employees from reputational damages and exposures to other risks, while promoting a work environment founded on integrity and respect.

Company's impact

Unethical behavior has manifold impacts on other companies, individuals and society. Anti-competitive behavior, anti-trust, and monopoly practices can affect consumer choice, pricing, and other factors that are essential to efficient markets.

Potential impact of shortcomings in this material topic could range from fines to the Company or leading individuals, loss of contracts, lawsuits, and reputational damage. Positive behavior in this respect builds trust and creates the basis for year-long business relations, a prosperous economy and a fair society.

No business integrity incidents were reported during the reporting period.

Commitments, policies and measures/actions

Landis+Gyr strives to maintain an undisputed reputation as a trusted and reliable partner, with the highest integrity standards, in the eyes of its customers and other stakeholders. The Company has established the following global policies to support the delivery of this objective:

- Code of Business Ethics and Conduct: outlines the responsibilities and expected professional behavior of Landis+Gyr and all its employees.
- Supplier Code of Conduct: governs the relationships between Landis+Gyr and its suppliers with respect to ESG issues, including business conduct and ethics.
- Anti-Corruption Policy: reinforces the 'Code of Business Ethics and Conduct' with additional guidance regarding applicable anti-bribery and anti-corruption laws.
- Unfair Competition and Antitrust Policy: sets out the requirements with respect to anti-competition and antitrust laws and regulations.
- Speak-Up System Process and Policy: provides guidance on how to make a complaint of a known or suspected violation of laws or policies.

Landis+Gyr has implemented a compliance governance structure with responsible compliance managers at group level, as well as in the regions and individual countries. They ensure that compliance policies and processes are implemented at all levels of the organization and advise internal stakeholders regarding compliance topics.

In addition, Landis+Gyr has implemented a third-party due diligence process, which requires a mandatory due diligence check prior to the appointment of a third-party intermediary. This check is conducted by or with the assistance of an independent third-party provider, who scans potential third-party intermediaries against blacklists, sanctions lists, adverse media, and other databases that may reveal a lack of business integrity. The Company's third-party due diligence process is constantly re-evaluated and updated to ensure all necessary parties are properly screened and vetted before business engagements are initiated.

All Landis+Gyr employees are required to abide by the Landis+Gyr 'Code of Business Ethics and Conduct'. All white-collar employees (computer users) are trained on the content of the 'Code of Business Ethics and Conduct' on a yearly basis. Furthermore, employees who interface directly with customers, agents, distributors, vendors, and competitors, as well as anyone who is a direct manager (regardless of their role), are required to complete specialized compliance trainings on an annual basis. These training courses focus on business ethics and conduct, bribery and corruption, anti-competitive practices and sexual harassment, data privacy, and other relevant compliance risks.

Globally, the Company has installed appropriate channels for reporting suspected or known violations of the 'Code of Business Ethics and Conduct', other internal policies, or the law. For this purpose, Landis+Gyr implemented a confidential 24-hour hotline, as well as a web portal where employees can file a complaint. Concerns can be reported through different channels in the organization, such as via e-mail to a manager, HR Business Partner, Compliance Officer, or external Ombudsperson. For this purpose, a case management system has been rolled out to record and monitor complaints and their resolution.

To further strengthen its business ethics and integrity practices, the Company is working towards securing ISO 37001 Anti-bribery Management certification.

Privacy program process

Tax

Landis+Gyr's Tax Policy is aimed at ensuring:

- the Company's full compliance with current tax laws, jurisprudence, and the spirit of the law; and
- accurate, predictable, and transparent movements in L+G's tax obligations supported by proper documentation.

Tax Governance

The Group Head of Tax owns and implements the Tax Governance Model, which is reviewed and approved by the Group CFO and the Audit, Finance and Risk Committee of the Board of Directors.

Landis+Gyr Group complies with all tax regulations and disclosure requirements in all countries in which it operates. Where compliance processes have been outsourced to a shared service center, both the shared service center and the group company using the services of the center must equally ensure this principle is adhered to.

Tax risk and planning

The Group Tax function identifies, assesses, and manages tax risks from all commercial transactions.

Landis+Gyr will not use Special Purpose Vehicles or shell companies or set up companies in tax havens for non-commercial reasons. (Exception to this principle concerns companies that are made dormant due to a restructuring and as part of the legal liquidation process). Landis+Gyr uses the definition of 'tax haven' as established in the OECD lists of 'Uncooperative Tax Havens'. If there is a clearly established commercial need to establish a presence in a tax haven, Group Tax makes a risk assessment and advises the Group Board to support its decision. Principles regarding transparency and compliance are applied to the full extent.

Landis+Gyr is headquartered in the Swiss canton of Zug, known for its policy on low corporate tax rates, which dates back to the 1940s. Yet, the presence of Landis+Gyr in the canton of Zug goes much further back. The Company was incorporated in Zug in 1896 and has had its headquarters there ever since.

The Transfer Pricing Policy of Landis+Gyr is based on the OECD Guidelines. All transactions between companies of the Landis+Gyr Group are therefore conducted based on the arm's length principle. For identical intercompany transactions within the Landis+Gyr Group across different markets, Landis+Gyr seeks to use a consistent intercompany pricing methodology. Furthermore, Landis+Gyr strives to ensure that the resulting transfer pricing position leads to a balanced position for all members of the Group and no entity will be favored or disadvantaged based on either the likelihood of challenge by tax authorities or a potential tax benefit.

Interaction with authorities

Landis+Gyr cooperates on tax matters with local authorities with full transparency.

Effectiveness of actions and measures taken

(applies to all material topics)

Every three years, the Company reassesses the ESG direction and evaluates whether material topics are being adequately addressed. We define KPIs to help us monitor and manage the different actions and assess whether the envisaged targets will be achieved. Progress on the roadmaps and related KPIs is reviewed by the ESG SteerCo every quarter.

The effectiveness of the different targets set can be derived from the KPIs defined to measure the progress of the respective target. The KPIs are reported either under the different topic-related standards or in the related data tables in the section 'Statistics'. The disclosures made in this report, including results achieved, have been audited by DQS (see their independent assurance statement in the section 'External assurance and BoD involvement'). Additionally, aspects of what is disclosed in this report have also been audited as part of the ISO certification audits. For further details, see ISO certificates per Landis+Gyr site in the section 'Landis+Gyr locations and related ISO certificates'.

The Company has established mechanisms (including a confidential 24-hour hotline and a web portal) for anyone to report grievances or concerns regarding compliance with our 'Code of Business Ethics and Conduct'. The reporting channels can be used by employees and contractors, as well as external stakeholders (such as members of the public or affected local communities). The issues flowing in via the different grievance mechanisms are also used to gauge the implementation of the measures taken and/or define new measures to close potential gaps.

Human rights

Summary statement on human rights

As signatory to the UN Global Compact, Landis+Gyr is committed to respecting all internationally recognized human rights in accordance with the 'International Bill of Human Rights' and the International Labour Organizations (ILO) 'Declaration on Fundamental Principles and Rights at Work'. Our commitment is further based on the Organization for Economic Co-operation and Development (OECD) 'Guidelines for Multinational Enterprises' and the UN 'Guiding Principles on Business and Human Rights' (UNGP).

Our human rights commitments are incorporated in our 'Code of Business Ethics and Conduct', our 'Australian Joint Modern Slavery Statement', our 'UK Modern Slavery and Human Trafficking Statement' and our charter values. We strive to meet our commitments through leadership, values, and culture as well as policies, processes, and training. In FY 2022, we carried out supplier due diligence activities, with a focus on responsible sourcing of minerals. In FY 2023, we will further strengthen our human rights efforts by developing a human rights policy, enhancing our due diligence process, and conducting a human rights impact assessment.

Further information on how the Company manages its human rights impacts is discussed under the respective material topics in the sections above.

Human rights due diligence

Landis+Gyr takes measures and conducts due diligence to prevent human rights impacts from occurring both within the Company's operations, as well as in its value chain. Our 'Code of Business Ethics and Conduct' and our 'Supplier Code of Conduct' lie at the core of our commitment to respecting human rights.

Due diligence in our value chain

Landis+Gyr expects business partners along its value chain to adopt and enforce the highest ESG standards, including human rights and labor standards. Due diligence is used not only in the selection of business partners but also throughout the business relationship, thereby ensuring that our values are upheld by our partners, too.

Landis+Gyr has defined and implements processes to conduct supplier due diligence. Such processes involve the screening, onboarding, auditing, monitoring and development with respect to ESG matters, including human rights. This allows us to identify and assess human rights risks and take appropriate mitigation actions. To prevent human rights abuses stemming from the sourcing of conflict minerals, Landis+Gyr uses the 'Conflict Minerals Reporting Template' (CMRT) and 'Extended Minerals Reporting Template' (EMRT) developed by the Responsible Minerals Initiative (RMI) to survey relevant suppliers and elicit the information we need on smelters in our supply chain. For more information on supplier due diligence and conflict minerals, see section 'Strategic responsible sourcing'.

Our human rights due diligence responsibility is not limited to our suppliers, but also includes other business partners such as agents, resellers, and distributors. Landis+Gyr communicates its ESG requirements, including those related to human rights, to business partners and screens them for human rights violations on an ongoing basis.

Our operations

Our employees are regularly trained on the contents of our 'Code of Business Ethics and Conduct', which includes the prohibition of forced, slave, compulsory or child labor, the freedom of association, the prohibition of any form of discrimination, and the guarantee of fair compensation and equal opportunities for all employees. The Company has established a Speak-Up system to allow employees to voice any grievances, including those related to human rights aspects. For more details, see sections 'Fair labor practices' and 'Business integrity and fair taxes'.

Human rights risks

The Company is currently working toward strengthening its human rights due diligence process. This will include a dedicated human rights impact assessment covering both our operations and value chain.

A risk assessment in the context of the Company's ISO 22301 (Business Continuity Management) certification has led to the identification of the following human rights-related risks:

Issue	Risks	Human rights potentially affected
Occupational health and safety	– Driving in the course of employment – Engineering lab work – Field elevated work, surveys, ground level equipment – Field meter services, meter reading – General facilities work – Office computer work – Production line/assembly work – Testing and calibration work – Warehouse work – Contagious illness – Explosion – Fire – Foodborne illness – Pandemic – Workplace violence	– Right to health – Right to enjoy just and favorable conditions of work
Environmental impacts (e.g., pollution, CO_2 emissions)	– Hazardous materials spill or release – Hurricane – Landslide – Thunderstorm (severe wind, rain, lightning, hail) – Tornado – Tropical storm – Subsidence / sinkhole – Windstorm – Winter storm (snow /ice) – Wildfire smoke	– Right to health – Right to enjoy just and favorable conditions of work – Right to safe and clean drinking water and sanitation – Right to a healthy and sustainable environment – Right to an adequate standard of living

Landis+Gyr will expand on this analysis to secure a comprehensive inventory and assessment of human rights impacts affecting our operations and value chain.

Statistics

Energy

TABLE EXCLUDES ETREL AND LUNA

	2020	2021	**2022**	Change 21–22
Energy consumption in Megajoules (MJ)				
Electricity consumption	70,016,243	68,869,226	72,144,720	5%
Steam (district heating)	7,015,694	6,997,273	6,279,242	–10%
Diesel and Gasoline	15,608,578	19,569,008	22,439,876	15%
Natural Gas	14,449,450	14,958,434	14,391,712	–4%
Total	**107,089,965**	**110,393,943**	**115,255,550**	**4%**
	Conversion factors liters to MJ Diesel 30 Gasoline 35	Conversion factors liters to MJ Diesel 30 Gasoline 35	Conversion factors liters to MJ Diesel 30 Gasoline 35	

TABLE INCLUDES ETREL AND LUNA AS OF YEAR 2022

	2020	2021	**2022**	Change 21–22
Energy consumption in Megajoules (MJ)				
Electricity consumption	70,016,243	68,869,226	88,865,737	29%
Steam (district heating)	7,015,694	6,997,273	6,279,242	–10%
Diesel and Gasoline	15,608,578	19,569,008	25,144,396	28%
Natural Gas	14,449,450	14,958,434	14,709,718	–2%
Total	**107,089,965**	**110,393,943**	**134,999,093**	**22%**
	Conversion factors liters to MJ Diesel 30 Gasoline 35	Conversion factors liters to MJ Diesel 30 Gasoline 35	Conversion factors liters to MJ Diesel 30 Gasoline 35	

TABLE INCLUDES ETREL AND LUNA AS OF YEAR 2022

	2020	2021	**2022**	Change 21–22
Fuel consumption in Megajoules (MJ)				
Natural Gas	14,449,450	14,958,434	14,709,718	–2%
Diesel and Gasoline	15,608,578	19,569,008	25,144,396	28%

TABLE INCLUDES ETREL AND LUNA AS OF YEAR 2022

	2020	2021	**2022**	Change 21–22
Electricity consumption in MWh				
National grid mix	12,883	6,962	10,128	45%
Renewable sources	6,566	12,168	14,529	19%
District heating in MWh	1,949	1,944	1,744	–10%

TABLE INCLUDES ETREL AND LUNA AS OF YEAR 2022

	2020	2021	**2022**	Change 21–22
Energy intensity ratios				
Total energy ratio in MJ per 100 USD turnover	7.89	7.54	8.03	6%
Total energy ratio per employee in MJ	–	20,458.48	14,870.49	–27%
Total energy per 10 m² floor area in MJ	–	71.96	66.42	–8%

Years to be understood as financial years (FY) ending end of March

GHG

TABLE EXCLUDES ETREL AND LUNA

Excludes Etrel and Luna	Scope 1					Scope 2					Total						
	2007 emission conversion factors				2022 emission conversion factors	2007 emission conversion factors				2022 emission conversion factors	2007 emission conversion factors					2022 emission conversion factors	
CO_2e Emission (in tons)	2007	2020	2021	**2022**	**2022**	2007	2020	2021	**2022**	**2022**	2007	2020	2021	**2022**	**Change 21–22**	**2022**	**Change 21–22**
Americas		1,238	1,286	1,927	1,904		4,754	1,509	1,357	848		6,003	2,794	3,284	18%	2,752	–1%
EMEA		839	861	1,572	1,432		2,902	1,546	1,390	1,174		3,833	2,407	2,961	23%	2,606	8%
APAC		97	99	601	598		3,277	3,500	3,350	2,584		3,461	3,599	3,950	10%	3,181	–12%
Total	**7,143**	**2,174**	**2,245**	**4,099**	**3,935**	**27,762**	**10,933**	**6,555**	**6,097**	**4,605**	**34,905**	**13,297**	**8,800**	**10,196**	**16%**	**8,540**	**–3%**
Change 2021 – 22				83%	75%				–7%	–30%							
Change 2007 – 22				–43%	–45%				–78%	–83%				–71%		–76%	

2007 has no split per region due to non comparable organization form

TABLE INCLUDES ETREL AND LUNA AS OF YEAR 2022

Includes Etrel and Luna	Scope 1					Scope 2					Total						
	2007 emission conversion factors				2022 emission conversion factors	2007 emission conversion factors				2022 emission conversion factors	2007 emission conversion factors					2022 emission conversion factors	
CO_2e Emission (in tons)	2007	2020	2021	**2022**	**2022**	2007	2020	2021	**2022**	**2022**	2007	2020	2021	**2022**	**Change 21–22**	**2022**	**Change 21–22**
Americas		1,238	1,286	1,927	1,904		4,754	1,509	1,357	848		6,003	2,794	3,284	18%	2,752	–1%
EMEA		839	861	1,828	1,690		2,902	1,546	3,728	3,527		3,833	2,407	5,556	131%	5,216	117%
APAC		97	99	601	598		3,277	3,500	3,350	2,584		3,461	3,599	3,950	10%	3,181	–12%
Total	**7,143**	**2,174**	**2,245**	**4,355**	**4,192**	**27,762**	**10,933**	**6,555**	**8,435**	**6,958**	**34,905**	**13,297**	**8,800**	**12,790**	**45%**	**11,150**	**27%**
Change 2021 – 22				94%	87%				29%	6%							
Change 2007 – 22				–39%	–41%				–70%	–75%				–63%		–68%	

2007 has no split per region due to non comparable organization form

TABLE INCLUDES ETREL AND LUNA AS OF YEAR 2022

	2007 emission conversion factors			2022 emission factors
Intensity Ratios (Scope 1 and 2)	2020	2021	**2022**	**2022**
kg CO_2e per product	0.9	0.6	0.7	0.5
t CO_2e per employee	2.6	1.8	1.7	1.4
t CO_2e per 10 m² floor area	0.7	0.6	0.7	0.6
kg CO_2e per USD 100 turnover	1.0	0.7	0.8	0.7

	2020	2021	**2022**
Methane (CH4) in t	1.1	1.2	1.7

Years to be understood as financial years (FY) ending end of March

Notes:

Scope 3: Scope 3 is discussed in the section 'Energy efficiency and climate protection'. Landis+Gyr completed a full Scope 3 assessment (based on FY 2021 data) for the first time last year, in preparation of the SBTi submission. Landis+Gyr plans to disclose its full Scope 3 footprint annually going forward.

GHG calculation:
Gases included in the calculation: All (relevant: CO_2, CH4, N2O)

Biogenic CO_2 emissions in metric tons of CO_2 equivalent: None

Base year for the calculation:
Scope 1: Company targets to reduce CO_2 emissions have been set year-over-year since 2007, which was the first year Landis+Gyr calculated its GHG emissions. In 2007, Scope 1 emissions were 7,143 tons CO_2e. The change is –39 % for the period FY 2007–FY 2022 (–41% if considering the new emission factors for FY 2022), and +94% for the period FY 2021–FY 2022 (+87% if considering the new emission factors for FY 2022) . When excluding Luna and Etrel (which joined the group in 2022 and 2021 respectively), the difference to the base year would be –43% (FY 2007–FY 2022) (–45% if considering the new emission factors for FY 2022) and +83% (FY 2021–FY 2022) (+75% if considering the new emission factors for FY 2022).

During the assessment to generate the dataset for SBTi we became aware that our dataset omitted fugitive emissions. Hence, we added GHG emissions to Scope 1, representing the effect of fugitive emissions for the first time. The calculation is based on m^3 and resulted in a total of 1550 tCO_2e. Similar quantities would have to be added to previous years. The addition of the fugitive emissions explains mainly the steep increase from FY 2021 to FY 2022. Going forward we plan to capture the substances used to refill air conditioner systems directly and base the GHG effect calculation on those.

Scope 2: Company targets to reduce CO_2 emissions have been set year-over-year since 2007, which was the first year Landis+Gyr calculated its GHG emissions. In 2007, Scope 2 emissions were 27,762 tons CO_2e. The reduction is –70% for the period FY 2007–FY 2022 (–75 % if considering the new emission factors for FY 2022), and +29% for the period FY 2022–FY 2021 (+6 % if considering the new emission factors for FY 2022). When excluding Luna and Etrel (which joined the group in 2022 and 2021 respectively) the difference to the base year would be –78% (FY 2007–FY 2022) (–83 % if considering the new emission factors for FY 2022) and –7% (FY 2021–FY 2022) (–30% if considering the new emission factors for FY 2022), respectively. The end of the pandemic had an impact on the Company's electricity consumption across Landis+Gyr's offices when compared to the previous year. However, the increased use of renewable energy (64% in FY 2021 to 70% in FY 2022 excluding Etrel and Luna; including Etrel and Luna the metric would be 59%) mitigated the impact in GHG terms.

Market-based and location-based data consolidation: Data is captured using the location-based approach, with the exception of green energy purchases which are set to zero CO_2 emissions.

The reduction of GHG emissions is calculated in comparison to the previous year (year-over-year). Company GHG reduction goals have been set on a year-over-year basis which led to a reduced GHG emission of –63 % (Scope 1+2) since the first measurement in 2007 (–68 % if considering the new emission factors for FY 2022); Excluding Etrel and Luna the respective figures would be –71% and –76%. The Company has committed to be carbon neutral by 2030 for Scopes 1 and 2 and submitted its science-based targets for carbon reduction to the SBTi.

Significant air emissions: Methane (CH4): 1.7 t.

Water

TABLE EXCLUDES ETREL AND LUNA

Water Withdrawal by Source (in m³)	2020	2021	**2022**	Change 21–22
Americas	30,173	27,699	25,878	–7%
APAC	24,555	20,191	22,686	12%
EMEA	35,800	24,571	32,775	33%
Total	**90,528**	**72,461**	**81,339**	**12%**

TABLE INCLUDES ETREL AND LUNA AS OF YEAR 2022

Water Withdrawal by Source (in m³)	2020	2021	**2022**	Change 21–22
Americas	30,173	27,699	25,878	–7%
APAC	24,555	20,191	37,184	84%
EMEA	35,800	24,571	32,775	33%
Total	**90,528**	**72,461**	**95,836**	**32%**

TABLE INCLUDES ETREL AND LUNA AS OF YEAR 2022

Water Withdrawal by Source (in m³)	2020	2021	**2022**	Change 21–22
Total water withdrawal	**90,528**	**72,461**	**95,836**	**32%**
Water withdrawal from public water supply system (municipal water)	54,369	45,557	62,503	37%
Industrial water	121	–	–	–
Water from wells (groundwater)	33,966	23,482	32,636	39%
Water other (e.g., rainwater)	2,072	3,422	697	–80%
Total waste water	**78,428**	**62,275**	**86,296**	**39%**
Direct drain to public waters or ground	14,150	16,513	17,375	5%
Water, to public sewage system (drain discharge)	64,278	45,762	68,921	51%
Water Reuse/Recycling	**4,211**	**5,683**	**7,099**	**25%**
Amount of water reused	68	–	–	–
Amount of water recycled	4,143	5,683	7,099	25%
Water per employee	17.2	13.4	12.4	–8%

The use of rainwater has been reduced due to higher utilization of treated waste water (e.g., for watering green areas).

Waste

TABLE INCLUDES ETREL AND LUNA AS OF YEAR 2022

Total Waste Generation (in tons)	2020	2021	**2022**
Paper (recycled)	1,055	1,002	1,613
Metal scrap	511	561	792
Plastic waste	456	338	451
General waste	368	240	301
Electrical and electronic waste	152	189	193
Wood scrap	274	161	168
Food leftover	73	108	138
Other waste	26	74	73
Sludge	46	51	23
Hazardous waste	29	22	21
Debris	–	4	19
Oil waste	5	3	11
Glass and ceramic waste	5	3	6
Medical waste	–	–	1
Mining waste	–	–	0
Cinder	–	–	–
Alkali waste	–	–	–
Rubber waste	–	–	–
Soot & dust	–	–	–
Textile waste	–	–	–
Acid waste	–	–	–
Total	**3,000**	**2,757**	**3,809**

Years to be understood as financial years (FY) ending end of March

TABLE EXCLUDES ETREL AND LUNA

Historical Waste per Region (in tons)	2020	2021	2022	Change 21–22
Americas	1,208	1,177	1,235	5%
EMEA	1,493	1,326	1,869	41%
APAC	299	254	358	41%
Total	**3,000**	**2,757**	**3,461**	**26%**

TABLE INCLUDES ETREL AND LUNA AS OF YEAR 2022

Historical Waste per Region (in tons)	2020	2021	2022	Change 21–22
Americas	1,208	1,177	1,235	5%
EMEA	1,493	1,326	2,216	67%
APAC	299	254	358	41%
Total	**3,000**	**2,757**	**3,809**	**38%**

TABLE INCLUDES ETREL AND LUNA AS OF YEAR 2022

Historical Treatment of Waste (in tons)	2020	2021	2022	Change 21–22
Sold	1,301	1,442	1,895	31%
Incinerated	132	30	22	–28%
Landfill*	216	194	235	21%
Recycled	1,357	1,108	1,656	49%

* includes 5% of incinerated as landfill ash
(on top of oportion sent directly to landfill, hence total higher than total waste)

In FY 2022, the amount of total hazardous waste diverted from disposal was 19 tons and handled as follows:

TABLE INCLUDES ETREL AND LUNA AS OF YEAR 2022

(in tons)	2020	2021	2022	Change 21–22
Recycled waste	28.50	18.44	16.46	–11%
Sold waste	–	0.68	0	–100%
Incinerated waste	–	2.72	1.94	–29%
Landfilled waste	0.15	0.14	0.81	477%
Total	**28.65**	**21.95**	**19.21**	**–12%**

In FY 2022, the amount of non-hazardous waste diverted from disposal was 3,790 tons and handled as follows:

TABLE INCLUDES ETREL AND LUNA AS OF YEAR 2022

(in tons)	2020	2021	2022	Change 21–22
Recycled waste	1,329	1,090	1,639	50%
Sold waste	1,301	1,441	1,895	32%
Waste to disposal	348	221	254	15%
Incinerated waste	132	28	20	–28%
Landfilled waste	216	194	234	21%
% of Waste sent to landfill	7.14%	7.03%	6.17%	–
Non-hazardous waste	–	2,531	3,790	–

Years to be understood as financial years (FY) ending end of March

Chemicals

Use of Chemicals (in kg)	2020	2021	2022
Acrylic acid 2-hydroxyethyl	–	–	–
3-Isocyanatomethyl–3,5,5-trimethylcyclohexyl isocyanate	–	–	–
Ethylbenzene	2	–	–
Xylene	4	–	–
Silver and its water-soluble compounds	–	–	5,400
1,2-Dichloroethane	–	–	–
Dichloromethane (methylene chloride)	539	260	261
Tetrachloroethylene	100	–	–
Tetrahydromethylphthalic anhydride	–	–	–
Toluene	3	–	120
Lead	–	–	–
Bis(2-ethylhexyl) phthalate	–	–	–
n-Hexane	23	256	270
Manganese and its compounds	4	–	–
Acetone	2	–	–
Isobutane	–	–	6
Isobutyl alcohol	–	–	–
Isopropanol	4,603	4,321	3,226
Ethyl alcohol	217	144	68
Ethylene glycol	12	–	–
N-methyl –2-pyrrolidone	–	–	–
Hydrogen chloride	–	–	–
Chlorine	673	604	–
N-butyl-acetate	1	–	6
Paraffinic hydro-carbon	–	–	–
Cyclohexane	–	–	5
Tetrahydrofuran	710	680	574
n-Butane	–	–	0
Propylene glycol monomethyl ether	–	–	–
Propylene glycol monomethyl ether acetate	–	–	–
Methyl Alcohol	–	–	–
Methyl isobutyl ketone	–	–	–
Methyl ethyl ketone	13	12	11
Methylcyclohexane	2	–	–
Sulfuric acid	10	–	–
Total	**6,916**	**6,277**	**9,947**

Chemicals per Region (in tons)	2020	2021	2022	Change 21–22
Americas	6	5.3	3.5	–34%
APAC	0.8	0.7	0.6	–14%
EMEA	0.1	0.3	5.8	2080%
Total	**6.9**	**6.3**	**9.9**	**58%**

Materials

Total material weight in t used to produce and package L+G’s primary products

Non-renewable in tons	2020	2021	2022
Plastics	9,357	9,210	10,921
Metals	5,186	6,752	7,725
Printed Circuit Boards and electromechanical parts	3,636	3,986	4,661

PCBA and electromechanical data is estimated to be 20% of total non-renewable weight

Renewable in tons	2020	2021	2022
Cardboard and Wood	3,517	4,317	4,733

Years to be understood as financial years (FY) ending end of March
Luna and Etrel have been included only as of FY 2022

People (Employees / Workers)

Total number of employees	2020	2021	2022
Americas	1,846	1,954	2,629
APAC	1,345	1,425	1,494
EMEA	1,880	2,121	3,627
Total	**5,071**	**5,500**	**7,750**

			Identify as Male			Identify as Female			Other/Not Declared
Employees by gender	2020	2021	**2022**	2020	2021	**2022**	2020	2021	**2022**
Americas	64.3%	64.4%	58.8%	35.7%	36.6%	41.0%	0.0%	0.1%	0.2%
APAC	75.3%	75.1%	74.8%	24.7%	18.7%	25.2%	0.0%	0.0%	0.0%
EMEA	62.8%	60.0%	56.3%	37.2%	44.7%	43.7%	0.0%	0.0%	0.0%
Total	**67%**	**65.5%**	**60.7%**	**33%**	**35.5%**	**39.2%**	**0%**	**0.0%**	**0.1%**
BoD	88%	75.0%	71.5%	12%	25%	28.5%	0%	0.0%	0.0%
GEM	50%	75.0%	75.0%	50%	25%	25.0%	0%	0.0%	0.0%

			Permanent			Temporary			Full Time (>=80%)			Part Time (<80%)
Employees by type of contract	2020	2021	**2022**	2020	2021	**2022**	2020	2021	**2022**	2020	2021	**2022**
Americas	1,842	1,952	2,578	4	2	19	1,841	1,949	2,589	5	5	8
APAC	1,263	1,325	1,414	82	100	80	1,342	1,424	1,493	3	1	1
EMEA	1,637	1,741	2,148	243	380	580	1,819	2,074	2,689	61	47	39
Total	**4,742**	**5,018**	**6,140**	**329**	**482**	**679**	**5,002**	**5,447**	**6,771**	**69**	**53**	**48**

			Under 30			30–50			50+
Employees by age	2020	2021	**2022**	2020	2021	**2022**	2020	2021	**2022**
Americas	330	362	27%	1,078	1,100	51%	438	492	22%
APAC	287	347	26%	838	848	59%	220	230	15%
EMEA	142	198	15%	1,099	1219	57%	639	704	28%
Total	**16%**	**16%**	**22%**	**59%**	**58%**	**55%**	**25%**	**26%**	**23%**
BoD	–	–	–	–	–	–	100%	100%	–
GEM	–	–	–	25%	25%	25%	75%	75%	75%

Years to be understood as financial years (FY) ending end of March
Luna and Etrel have been included only as of FY 2022

	Management			Employees			Full Time (>=80%)			Part Time (<80%)			Male			Female			Other/not declared		
Trainings	2020	2021	**2022**	2020	2021	**2022**	2020	2021	**2022**	2020	2021	**2022**	2020	2021	**2022**	2020	2021	**2022**	2020	2021	**2022**
Average Training hours*	–	17.6	**14.7**	–	16.2	**17.3**	12.9	16.7	**16.9**	2.5	8.1	**8.0**	12.5	16.8	**16.7**	13.5	15.6	**17.3**	–	7	**11.0**
Anti-corruption Training completion in % of total target population**	–	100%	**98.7%**	–	99.97%	**98.3%**	–	–	**98.7%**	–	–	**72.0%**	–	–	**98.7%**	–	–	**97.6%**	–	–	**100%**

* white-collars employees, excluding Luna
** white-collar employees who are in close contact with customers, agents, distributors, vendors and competitors, all employees with a management role and all employees in sales, finance and procurement active as of March 24, 2023

	Management			Employees			Full Time (>=80%)			Part Time (<80%)			Male			Female			Other/not declared		
Performance review	2020	2021	**2022**	2020	2021	**2022**	2020	2021	**2022**	2020	2021	**2022**	2020	2021	**2022**	2020	2021	**2022**	2020	2021	**2022**
Received annual performance / career development review in %	–	95%	**97%**	–	57%	**54%**	66%	62%	**59%**	64%	53%	**61%**	77%	73%	**72%**	46%	41%	**37%**	–	–	**60%**

overall percentage includes blue collar

Notes:

All reported numbers represent headcount.
All numbers are reported as of the end of the reporting period.

We define 'temporary employees' as internal employees who are in a fixed-term employment relationship. A fixed-term employee may be needed to cover for another employee on leave, work during a peak period, or complete a particular project.

We define 'part-time employees' as internal employees who work less than the standard weekly working hours applicable in the respective location, as stated in their employment contract (reduced working hours compared to full-time employees). Reasons for part-time work include, but are not limited to:

- role not allowing full-time schedule or requiring job sharing scheme
- employee with family or other personal responsibilities
- employee pursuing other aspirations, e.g., extracurricular education or training

Total headcount increased in FY 2022 due to the ramp-up of the workforce in Mexico and Greece, the hiring of employees in India, and the integration of Luna, a recently acquired business.

Landis+Gyr uses additional external human resources as needed and on a temporary basis. However, this does not represent a significant portion of the workforce. Landis+Gyr's external resources can be divided into two categories: contingent workers and services procurement.

Contingent workers are individuals engaged by Landis+Gyr to do role- or project-based work, but not as traditional employees. Contingent workers are used to temporarily augment the regular workforce, replace an employee on leave, fill in for a staffing vacancy, or bring specialized skills to a project or effort. Services procurement companies, or specifically service providers, are companies that deliver people-based services to Landis+Gyr with an agreed-upon scope and deliverables (the strategic outsourcing of labor to an organization for a specific purpose). In FY 2023, Landis+Gyr will implement an external workforce management system to improve visibility of these resources.

Occupational Health & Safety

During the current reporting period, there have been no fatalities due to work-related injuries.

Accidents are classified into three categories: Lost Time Incidents (LTI, incidents that caused lost time from work); Medical Treatment Incidents (MTI, incident that did not cause lost time from work but required medical treatment beyond basic first aid); and Minor Accidents (incident that did not cause lost time from work). All Lost Time accidents are reported to Group OHS.

In the past financial year, Landis+Gyr recorded 19* Lost Time Incidents at a Lost Time Incident Frequency Rate of 1.42. (LTIs x 1,000,000)/exposure hours). The number of exposure hours in the reporting period was 13,390,000. Landis+Gyr requires that every Lost Time Accident is investigated and a corrective action plan implemented to fix the issue and to address the root cause of the accident. The rates are based on 1,000,000 hours worked.

Breakdown of LTIs in FY 2022

4 = Contact with Machinery
4 = Slip, Trip, Fall – on the same level
3 = Manual handling: Lifting & handling
2 = Struck against a fixed object
1 = Contact with sharp object
1 = Manual handling: pushing & pulling
1 = Repetitive strain injury
1 = Struck by falling object
1 = Struck by moving object
1 = Struck by moving vehicle

Supply chain

	2020	2021	**2022**
% of new suppliers screened for ESG risks	n/a	89%	**100%**

The Landis+Gyr 'Supplier Code of Conduct', including our 'Green Procurement Requirements' were sent to 250 suppliers. To date, 215 of these suppliers, representing 88% of the Company's spend on direct materials, have signed the Supplier Code of Conduct, including the Green Procurement Requirements. All new suppliers received the Company's 'Green Procurement Requirements', as part of the mandatory supplier onboarding documentation (Non-Disclosure Agreement; General Supply Agreement; Supplier Quality Assurance Manual; Code of Conduct; Green Procurement Requirements). Furthermore, a 'Conflict Minerals Reporting Template' (CMRT) as well as a 'Extended Minerals Reporting Template' (EMRT) monitoring system is in place.

In FY 2022, 100% of new suppliers were screened for ESG risks (scope limited to direct materials, and suppliers with spend above 10,000 USD). Landis+Gyr is currently adding Luna and Etrel's suppliers into the global processes. Therefore, the metrics above do not yet refelct the suppliers of these newly aquired companies.

Compliance

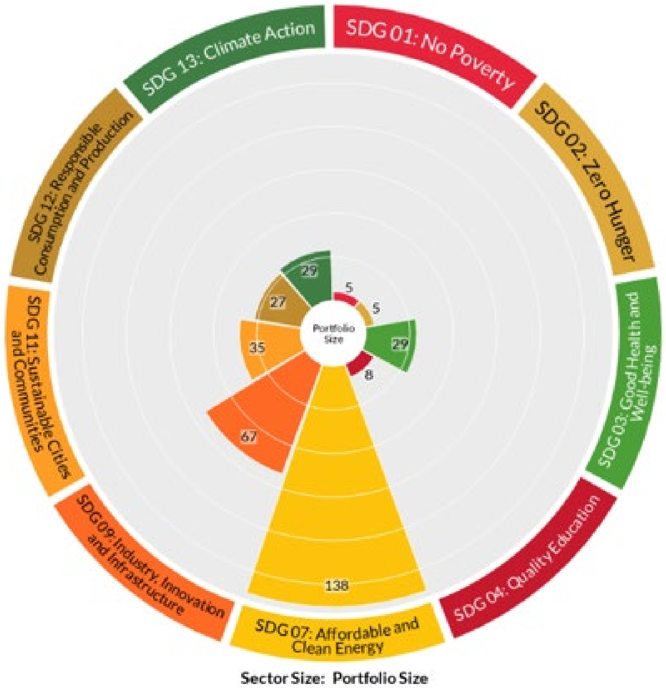
	2020	2021	**2022**
Numbers of complaints received regarding customer privacy breaches	0	0	**0**
Number of identified leaks, thefts or customer data losses	3*	0	**1***

* none of which posed any risk or harm to any organization or individual as no sensitive data was compromised

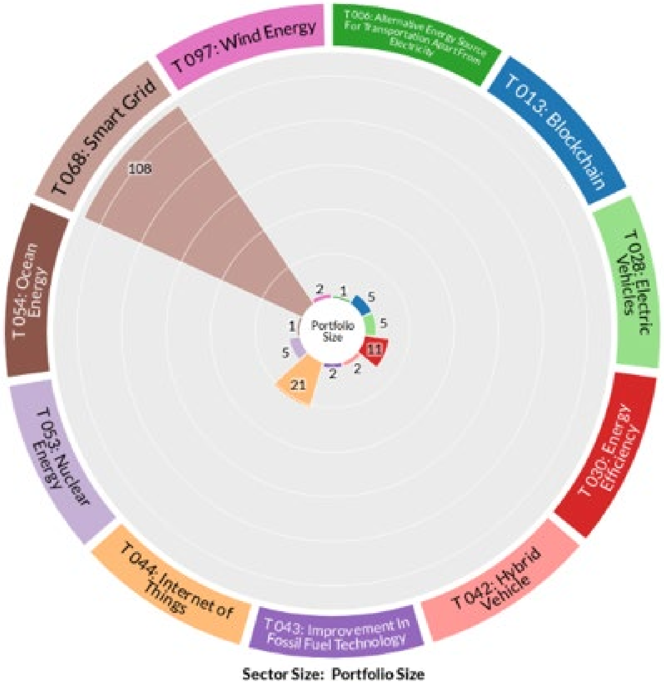
The Landis+Gyr Security Operating Center (SOC) successfully stopped an attack that could have potentially resulted in the theft of a very limited amount of data. After stopping the attack, the scenario was analyzed in detail and it was concluded that even in case of potential data copy no privacy data, no customer data, and no supplier data were affected by the attack.

Linking Landis+Gyr's Patents to the SDGs

SDGs supported by L+G's patents



Targets to Goal 7 supported by L+G's Patents



Sustainable innovation is reflected in a company's patent portfolio. The patent information platform LexisNexis® PatentSight® offers the possibility to assess sustainable innovations. In Landis+Gyr's patent portfolio already 43% of the active patent families relate to at least one of the UN SDGs. When mapping Landis+Gyr's patents to the UN SDGs and their related targets, the result shows the Company's significant contribution to expanding smart grids and supporting the Internet of Things.

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About this report

[GRI 2–1, GRI 2–2, GRI 2–3, GRI 2–4]

Landis+Gyr uses the international standards of the Global Reporting Initiative to report on its non-financial and sustainability-related issues.

This report has been prepared by and covers Landis+Gyr Group AG, Cham, Switzerland, a joint-stock company listed on the SIX Swiss Exchange in Switzerland (ISIN: CH0371153492, ticker symbol: LAND, valor number: 37115349). The report covers the period of the financial year (FY) 2022, from April 1, 2022 to March 31, 2023. Landis+Gyr reports on its sustainability matters annually. The sustainability report is published together with the annual financial report as part of the annual report (both reports cover the same timeframe).

Entities included in the sustainability report are identical to the entities included in the annual report and are listed in section 1.1.3 of the Company's 'Corporate Governance Report'. Companies in which Landis+Gyr holds a minority interest are not included in this sustainability report. Mergers, acquisitions, and disposal of entities or parts of entities are covered in Note 11 of the financial report. Information of recently acquired entities is partly captured outside the normal process and sometimes not with the same level of granularity. Fully including these new entities into the standard processes and procedures of Landis+Gyr takes time.

Landis+Gyr reports information about its impact on the economy, environment, and people, including impact on human rights. The material topics addressed in this report have been identified based on stakeholder engagement. For further details, see section 'Stakeholder engagement and materiality assessment'.

Landis+Gyr reassesses the ESG direction and evaluates whether material topics are being adequately addressed every three years. The Company sets targets to monitor and manage its progress toward its ambitions. These targets are aligned with the UN SDGs and the ten principles of the UNGC. Emission reduction targets are also in line with the Paris agreement hence and the SBTi. Landis+Gyr uses KPIs to monitor and manage planned actions and assess the progress of the targets set. The Sustainability SteerCo overviews the implementation of the sustainability roadmap and the related KPIs on a quarterly basis. The KPIs are reported either under the different topic standards or in the related data tables.

Figures in the statistic section are also presented excluding the impact of recently acquired companies Luna and Etrel to make the data easier to compare to last year.

Applied regulations and standards

Our governance and management systems regarding non-financial matters were developed based on the OECD Due Diligence Guidance for Responsible Business Conduct and the UN Guiding Principles on Business and Human Rights.

This report presents the relevant non-financial information in accordance with the Global Reporting Initiative Standards (GRI).

Landis+Gyr continuously monitors regulatory developments, including EU CSRD and EU Taxonomy, to ensure the Company is prepared to respond to upcoming requirements.

Data collection and reporting methodologies

Sustainability performance indicators disclosed in Landis+Gyr's Sustainability Report FY 2022 are based on the following:

Environmental and social data collected for all Landis+Gyr sites using the Company's ESG reporting tool: the web-based SpheraCloud Corporate Sustainability Software (formerly SoFi). The tool requires data collectors to upload evidence to substantiate the data entered.

Data is purely captured using the location-based approach, with the exception of green energy purchases which are set to zero CO_2e emissions.

Landis+Gyr applies an operational control approach to consolidate emissions according to GHG Protocol Corporate Accounting and Reporting Standard.

Emission factors:
Intergovernmental Panel on Climate Change (IPCC) 2007/ (02/2020), European reference Life Cycle Database (ELCD) (2007/ 2022), GaBi Database (2006/ v15 (02/2023)), Defra v11 (09/2022) and Global Warming Potential (GWP) rates:
CO_2 = 1; CH4 = 25; N2O = 298;
Standards, methodologies, assumptions, and/or calculation tools used: GHG Protocol Corporate Accounting and Reporting Standard.
Reporting tool: Web-based SpheraCloud Corporate Sustainability software (formerly SoFi).

If, in individual cases, a new form of presentation, calculation method or optimized data collection has led to different results for the previous years, this is noted under the respective statements.

External assurance and BoD involvement

External assurance and BoD involvement

This report has been audited by DQS, Frankfurt. Landis+Gyr has no other ties with DQS. The audit has been required by the BoD. The BoD is responsible for reviewing and approving the sustainability report. For details on scope and level of assurance, see DQS's assurance statement.

Additionally, some of the reported aspects have also been audited as part of the ISO certification audits. See Landis+Gyr sites with related ISO certificates in the section 'Landis+Gyr Locations.

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Independent Assurance Statement

To the Management and Stakeholders of Landis+Gyr AG

DQS has been engaged by Landis+Gyr AG to provide independent assurance over the Landis+Gyr Sustainability Report 2022-2023, which is published as a dedicated chapter of the Landis+Gyr Annual Report 2022-2023. The engagement took place in March and April 2023 and was concluded on April 24, 2023.

Objectives

The objective of this assurance engagement was to independently express conclusions on underlying reporting processes and validate qualitative and quantitative claims, so as to limit misinterpretation by stakeholders and increase the overall credibility of the reported information and data.

Scope of assurance

The assurance encompassed the entire sustainability chapter of the annual report and focused on all figures, statements and claims related to sustainability during the reporting period April 2022 to March 2023. More specifically, this included:

- Statements, information and performance data contained within the sustainability report;
- Landis+Gyr's management approach of material issues; and
- Landis+Gyr's reported data and information as per the requirements of the Global Reporting Initiative Standards.
- Verification of ESG performance targets as part of the Short-Term Incentive Plan

The assurance engagement was performed in accordance with a Type 2 assurance of the AA1000 Assurance Standard (AA1000AS v3), which consists of:

- Evaluating the company's sustainability framework and processes using the inclusivity, materiality, responsiveness and impact criteria of the AA1000 AccountAbility Principles (AA1000APS 2018), and
- Evaluating the quality of the reported sustainability performance information.

The report has been self-declared to be in accordance with the requirements of the GRI Standards.

Additional on-site assessments

The evaluation of the non-financial performance indicators is safeguarded by additional site-

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Germany

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specific assessments. In addition to the headquarters in Cham, Switzerland, the following sites have been assessed by DQS in 2023 as part of the assurance engagement:

- Landis+Gyr, 2 Slate Avenue, N1 Business Park, Old Johannesburg Road, Kosmodal, Ext 7 Centurion, South Africa
- Landis+Gyr GmbH, Humboldtstraße 64, 90459 Nürnberg, Germany
- Landis+Gyr A.E.., Loutraki-Perachora 201 00, Greece
- Lanids+Gyr S.A. de C.V., Industrial Reynosa Secc Norte, 88788 Reynosa, Tamaulipas, Mexico

Level of assurance and limitations

A moderate level of assurance under AA1000AS was provided for this engagement. Information and performance data subject to assurance is limited to the content of the sustainability report and the Short-Term Incentive Plan.

The assurance did not cover financial data, technical descriptions of buildings, equipment and production processes or other information not related to sustainability.

The assurance engagement is not a compliance audit and does not assess or evaluate compliance with applicable laws and regulations.

Independence and Competences of the Assurance Provider

The DQS Group is an independent professional services firm that provides assurance on sustainability disclosures under the Global Reporting Initiative (GRI), CDP and other specialized management and reporting mechanisms. Independent verifiers have not been involved in the development of the report nor have they been associated with Landis+Gyr's sustainability program, data collection or strategic processes.

DQS Group ensures that the assurance team possesses the required competencies, maintained neutrality and performed ethically throughout the engagement. Further information, including a statement of impartiality, can be found at: www.dqsglobal.com.

The management of Landis+Gyr was responsible for the preparation of the sustainability part of the Annual Report and all statements and figures contained within it.

Assurance Methodology

The assurance procedures and principles used for this engagement were drawn from the International Standard AA1000 and methodology developed by DQS, which consists of the following steps:

1. Identifying statements and data sets, which are classified according to the relevant data owners and the type of evidence required for the verification process.
2. Reviewing the Sustainability Report to determine whether the material topics identified during our procedures have been adequately disclosed.

3. Carrying out interviews with key functional managers and data owners at Landis+Gyr AG office in Cham (Switzerland) as well as verification of data through a sampling procedure.
4. Assessing the collected information and provide recommendations for immediate correction where required or for future improvement of the report content.

Evaluation of the adherence to AA1000 AccountAbility Principles

Inclusivity - How the organization engages with stakeholders and enables their participation in identifying issues and finding solutions.

The stakeholder identification and engagement process is well documented and implemented through the Landis+Gyr ESG program and the Report brings out key stakeholder concerns as material aspects of significant stakeholders. Therefore, it is recommended that Landis+Gyr should continue with the planned process of direct dialogue with the stakeholders at the determined three-year interval.

Materiality - How the organization recognizes issues that are relevant and significant to itself and its stakeholders.

The report addresses the range of environmental, social and economic issues that Landis+Gyr and its stakeholders have identified as being of material importance. The identification of material issues has considered both internal assessments of risks and opportunities to the business, as well as stakeholders' views and concerns. A documented process of stakeholder engagement identified the material issues. The Report fairly brings out aspects and topics and its respective boundaries for the diverse operations of Landis+Gyr. It is recommended that Landis+Gyr continues with this process at the determined three-year interval.

Responsiveness - How the organization responds to stakeholder issues and feedback through decisions, actions, performance and communication.

Landis+Gyr is responding to those issues that it has identified as material and demonstrates this in its policies, objectives, indicators and performance targets. The organization and its stakeholders can use the reported information as a reasonable basis for their opinions and decision-making. The responses to material aspects are fairly articulated in the report, i.e. disclosures on Landis+Gyr´s policies and management systems including governance.

Impact - How the organization monitors, measures and ensures accountability for how its actions affect their broader ecosystems.

Landis+Gyr has implemented systems to monitor and measure its economic, environmental and social impacts. Identified impacts are incorporated into both stakeholder engagement as well as the periodic materiality assessment process. The annual report discloses impacts in a balanced and effective way.

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Conclusion

On the basis of a moderate assurance engagement according to the above-listed criteria, nothing has come to our attention that causes us to believe that the sustainability-related strategies of Landis+Gyr and its sustainability-related key performance indicators defined in the 2022-2023 Sustainability Report are materially misstated.

The Landis+Gyr Sustainability Report 2022-2023 is in line with the GRI Standards. The material aspects and their boundaries within and outside of the organization are properly defined in accordance with GRI's reporting principles.

Landis+Gyr has made significant strides to introduce innovative solutions toward mitigating negative impacts and fostering positive impacts. The implementation of the sustainability measures planned for the next reporting cycle will further strengthen the global sustainability practice of Landis+Gyr.

On behalf of the assurance team

April 28, 2023

Frankfurt, Germany

Guido Eggers

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Guido Eggers

Managing Director
DQS CFS GmbH

Annexes

Annex A – Short Term Incentive Plan Results 2022-2023

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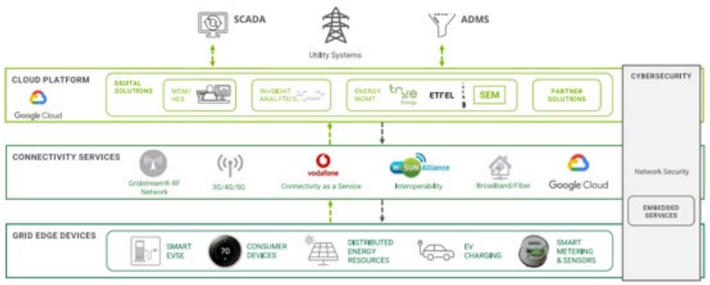
GRI content index

General Disclosures

Statement of use	**Landis+Gyr Group AG has reported in accordance with the GRI Standards for the period 1.4.2022–31.3.2023**
GRI used	**GRI 1: Foundation 2021**
Applicable GRI Sector Standard(s)	**None**

GRI Standard		Response/ Location/ Omission
GRI 2: General Disclosures 2021	2–1 Organizational details	See sections 'About this report' and 'Landis+Gyr locations and related ISO certificates'.
	2–2 Entities included in the organization's sustainability reporting	See section 'About this report'.
	2–3 Reporting period, frequency and contact point	a. 01.04.2022–31.03.2023, throughout the report referred to as FY 2022 or FY 22. Landis+Gyr reports annually on the reporting period beginning of April to end of March. This is the first report of the three-year ESG cycle from FY 2022 to FY 2024. b. Financial reporting and sustainability reporting are aligned c. 26.05.2023 d. See section 'Imprint and contacts'.
	2–4 Restatements of information	Where evidence of diverting facts compared to what had been published earlier emerges, the fact and its impact is disclosed where relevant.
	2–5 External assurance	See section 'External assurance and BoD involvement'
	2–6 Activities, value chain and other business relationships	The Company is active in the following sector: ELECTRONIC EQUIPMENT, INSTRUMENTS & COMPONENTS (GICS®) See sections 'About Landis+Gyr' and 'Value chain'. Landis+Gyr is a leading global provider of integrated energy management solutions. We measure and analyze energy utilization to generate empowering analytics for smart grid and infrastructure management, enabling utilities and consumers to reduce energy consumption. Our innovative and proven portfolio of software, services and intelligent sensor technology is a key driver to decarbonize the grid. We supported avoidance of 9.56 million tons of CO_2e in FY 2022 and are committed to achieve carbon neutrality by 2030 for Scopes 1 and 2. Landis+Gyr's mission is to manage energy better. The shipment of more than 16 million devices, software installed, and service offered resulted in sales of USD 1681.4 billion in FY 2022. The Company employs around 7,700 talented people across five continents. **Products:** Intelligent endpoints (Electricity, Gas, and Heat and Cooling Meters (Pre- and Post-Pay); Communication Modules (wired and wireless), Data Loggers and Data Concentrators (including Volume Correctors), Handheld Terminals; Load Management Receivers (one-way and two-ways), Street Light Controllers, Sensors and Thermostats; Gas Quality Analyzer Controller; Distributed Automation Devices and Systems; Meter Test Equipment; EV-Vehicle charging stations and Load Guard sensors Software (Smart Metering Management, Analytics, Field Operation Manager, Network Monitor, Substation Platform, SCADA Center Enterprise Information System, SAP Utility Adapter, Grid Management and Consumer Engagement App Platform), Applications (Field Operation Manager, Operational Data Panel, Grid Flex Control); Cybersecurity solution (OT/IoT Monitoring Software), EV solutions (EV charging point and energy management software, Smart Charging app and Flexibility management platform). **Services:** IoT Connectivity as a Service (cooperation with Vodafone), SaaS, Metering as a Service, Infrastructure as a Service (Solution Consulting, Cloud Service, Deployment and Project Delivery Services, Managed Services, Operational Support Services, Smart Grid Services, Support Service, Managed Detection and Response services), Training. Landis+Gyr does not have banned products or services. Landis+Gyr maintains an embargo control list which requires additional due diligence and approvals for group entities prior to engaging in business activities with counterparts based in the countries included in the list – such approvals are only granted when applicable laws and sanctions permit. A large portion of our products need approval prior to being installed in the field.

GRI Standard		Response/ Location/ Omission
	2 – 6 Activities, value chain and other business relationships	**Markets:** Landis+Gyr Americas serves the following regions: North America, Central America, South America, Japan, and certain other markets that adopt US standards. Main countries: USA, Canada, Brazil, Japan. Landis+Gyr APAC serves all countries across the Asia Pacific region, the main ones being; Australia, New Zealand, China, Hong Kong, India, Bangladesh, Malaysia, Philippines, Indonesia, Vietnam and Thailand. Landis+Gyr serves its customers in the EMEA region through sales offices in Austria, Belgium, Czech Republic, Denmark, Finland, France, Germany, Italy, The Netherlands, Poland, Slovakia, Slovenia, Spain, Sweden, Switzerland, South Africa, Turkey, and United Kingdom. Further EMEA markets (e.g., Middle East) are served via distributors and agents. The supply chain at Landis+Gyr includes manufacturing sites, procurement, logistic and quality functions. Landis+Gyr operates 9 major manufacturing sites across the globe and has outsourcing partnerships with strategic suppliers in Eastern Europe and Southeast Asia. The four key pillars of Landis+Gyr's supply chain are (i) mechanical parts, (ii) PCBAs with all electronics, (iii) meter assembly, and (iv) final integration with calibration, customization, sealing and packaging. Landis+Gyr produces high-precision measuring devices and has a modular and flexible supply chain which enables outsourcing at any stage of the production flow. For software and service products, Landis+Gyr relies mainly on internal resources (R&D team). Where required, Landis+Gyr engages installation companies to install its products in the customer fields. To offer communication services, the Company cooperates with communication partners such as Vodaphone. Landis+Gyr's overall global supplier footprint remains largely unchanged. Landis+Gyr closed its Kolkata facility at the end of FY 2022. The graph below shows the solutions set-up including the relevant partners involved  Or on a more data to insights view 

GRI Standard		Response/ Location/ Omission
	2 – 6 Activities, value chain and other business relationships	There have been no substantial changes in the structure and ownership of the Company. Suppliers from Luna and Etrel were not included in the FY 2022 centrally run ESG risk assessment and ESG auditing exercises, but as our operations continue to integrate, the Luna and Etrel supplier base will go through the same standards and processes as the rest of the Landis+Gyr's suppliers.
	2 – 7 Employees	See section 'Statistics'.
	2 – 8 Workers who are not employees	See section 'Statistics'.
	2 – 9 Governance structure and composition	See the Company's 'Corporate Governance Report'.
	2 – 10 Nomination and selection of the highest governance body	The Nomination, Governance and Sustainability Committee ("NGSC") is, among others, responsible the nomination of (new) members of the Board (and the Group Executive Management), including assessing their potential qualification to become members of the Board committees. To that effect, it follows and maintains a process for vetting and then selecting new Board or committee members as stipulated in the Charter and as further defined by the NGSC. The selected candidate is (i) as a Board member or a member of the Remuneration Committee ("RemCo"), appointed or rejected by the General Assembly of the Company, or (ii) as a member of the NGSC or the Audit, Finance and Risk Committee, appointed or rejected by the Board.
	2 – 11 Chair of the highest governance body	See the Company's 'Corporate Governance Report'.
	2 – 12 Role of the highest governance body in overseeing the management of impacts	Sustainability and Sustainability Report The NGSC shall, to the extent not in the functional competence of other committees of the Board, be responsible for sustainability matters (including ESG matters) of the Company and to determine its long-term ambitions. In particular, the NGSC shall have the following responsibilities: i. address all relevant and material sustainability matters affecting the Company and the Group as well as the impact the company may have on other stakeholders that come to the attention of the NGSC; ii. develop and make recommendations to the Board regarding sustainability matters, practices, and procedures; iii. review and recommend to the Board the Sustainability Report of the Company for publication as well as review and approve any other written public disclosures of the Company on sustainability matters; iv. establish, regularly review and monitor compliance with the Company's ESG targets; v. support the RemCo in target setting for variable compensation purposes; and vi. review and recommend to the Board about potential or actual conflicts of the Company's or the Group's conduct of business and the Company's and the Group's sustainability goals. See also Chapter Sustainability governance
	2 – 13 Delegation of responsibility for managing impacts	See the Company's 'Corporate Governance Report'. At management level, the implementation of the ESG targets is overseen by the ESG Steering Committee. This Committee consists – with one exception – of managers reporting directly to the CEO. The management of the Company's impacts on the economy, environment, and people is delegated to the Executive Vice-President responsible for Supply Chain Management and Operations. The ESG office, is responsible for overseeing the implementation of the different targets and roadmaps translated into workstreams, which are delegated to topic-specific working groups within the organization. The NGSC reviews the management of the ESG topics regularly in every meeting and reports subsequently to the full Board. Any urgent or critical topics can be discussed on an ad hoc basis.
	2 – 14 Role of the highest governance body in sustainability reporting	The NGSC and subsequently the full Board reviews and approves the Sustainability Report, which includes disclosures on Landis+Gyr's ESG material topics.
	2 – 15 Conflicts of interest	See 'Organization Regulations' and the Company's 'Corporate Governance Report'. Landis+Gyr's shareholder structure is disclosed under 'Note 12' of the Company's 'Financial Report'. 'Related parties' are discussed in the Company's 'Financial Report' and 'Remuneration Report'.

GRI Standard		Response/ Location/ Omission
	2–16 Communication of critical concerns	Members of the Company's senior management, including the Chief Compliance Officer, report regularly to the Board of Directors and/ or its Committees. This allows the possibility of communicating any type of concerns, including those of critical nature. In FY 2022, there were no critical concerns reported to the Board of Directors.
	2–17 Collective knowledge of the highest governance body	Knowledge of the highest governance body, including the knowledge related to ESG, is disclosed in section 3 of the 'Corporate Governance Report'.
	2–18 Evaluation of the performance of the highest governance body	See section 3.1.2. in Company's 'Corporate Governance Report'.
	2–19 Remuneration policies	a. See the Company's 'Remuneration Report'. i. See the 'Remuneration System' section in the Company's 'Remuneration Report' ii. Not applicable. Only replacement awards may be granted to senior executives to compensate for remuneration forfeited at the previous employer as a result of joining Landis+Gyr. iii. Not applicable. See "Employment conditions" in the 'Remuneration Report'. iv. Clawback provisions exist for performance-based cash and equity. See "Clawback of variable remuneration" in the 'Remuneration Report'. v. See "Pension benefits" in the 'Remuneration Report'. b. To ensure the Board's independence in fulfilling its supervisory duties, the remuneration of the Board is fixed and does not contain any variable component. The Short-Term Incentive (STI) plan contains an ESG component which was weighted at 20% for FY 2022. This component is measured against specific targets reflecting material topics within Landis+Gyr's ESG strategy. This applies to senior executives and all other employees eligible for the STI plan.
	2–20 Process to determine remuneration	a. i. See 'Governance on remuneration matters' in the 'Remuneration Report'. ii. See 'Shareholder engagement' in the 'Remuneration Report'. Landis+Gyr conducts binding shareholder votes on the maximum aggregate remuneration that may be granted to the Board of Directors for the next term of office, as well as on the maximum aggregate remuneration for the senior executives for the following financial year. In addition, the 'Remuneration Report' is submitted to shareholders every year for a consultative vote. The Board of Directors also regularly engages in dialogue with stakeholders, including shareholders, to discuss Landis+Gyr's remuneration principles and systems. iii. See 'Governance on remuneration matters' in the Remuneration Report. b. See voting results in the minutes of the annual shareholder meeting on remuneration.
	2–21 Annual total compensation ratio	In FY 2022 the ratio of the annual total compensation for the organization's highest-paid individual (CEO) to the median annual total compensation for all employees (excluding the highest paid) was 79.0. The pay components included for the analysis are annual base salary, target short-term incentive and cash benefits for the financial year measured as at March 31, 2023. The CEO's remuneration was not increased during FY 2022, whereas the company did conduct its normal annual salary review cycle for all employees with increases applied in accordance with the company's remuneration policies as well as local practices and legal requirements.
	2–22 Statement on sustainable development strategy	See 'Message from the CEO' and 'Sustainability at Landis+Gyr'.
	2–23 Policy commitments	See sections 'Sustainability governance' and 'Fair labor practices'. Stakeholders are discussed in section 'Stakeholder engagement and materiality assessment'. Landis+Gyr's 'Code of Business Ethics and Conduct' is based on the ten principles of the UN Global Compact. The Code drives the Company's daily operations. The requirements for third-party due diligence are outlined in the 'Standard Operating Procedure (SOP)' that accompanies the Company's 'Anti-Corruption Policy'.
	2–24 Embedding policy commitments	See section 'Managing sustainability at Landis+Gyr'.
	2–25 Processes to remediate negative impacts	See section 'Managing sustainability at Landis+Gyr'.
	2–26 Mechanisms for seeking advice and raising concerns	Further to the Speak-Up system, the Company also relies on the 'Internal Audit' function for flagging potential concerns. These must be addressed by the Chief Compliance Officer or the business in general. See also the section 'Managing sustainability at Landis+Gyr'.

GRI Standard		Response/ Location/ Omission
	2 – 27 Compliance with laws and regulations	Compliance with laws and regulations is monitored constantly by the respective business units' full global organization, and in particular with the guidance of and advice provided by the global Legal & Compliance team. Landis+Gyr is not aware of any significant instances of non-compliance with laws and regulations during the reporting period. There were no fines or non-monetary sanctions imposed on Landis+Gyr during the reporting period.
	2 – 28 Membership associations	Landis+Gyr is a member of the following associations: UCA International User Group; ZigBee Alliance; WiSUN Alliance; PRIME Association; G3 Association; Smart Electric Power Alliance – SEPA; Gridwise Alliance Thread Group; IDIS Association; Fair Standards Alliance; Eurelectric; ESMIG; DLMS; USB Forum; MultiSpeak; Echonet Alliance; metering standard associations in several countries; BEAMA; Acqua; Swissmem; IG exact; Electrosuisse; Verband Schweizerischer Elektrizitätsunternehmen (VSE); swissmig; Several Chambers of Commerce. Represented on international/national standardization bodies (such as TC13, TC57, TC 47, SC77A (IEC), ANSI C12, EL–11, BIS) These memberships are all relevant to Landis+Gyr. Special attention is given to the work in standardization bodies and industry alliances / associations.
	2 – 29 Approach to stakeholder engagement	One of the pillars of Landis+Gyr's ESG approach is stakeholder engagement. The Company maintains an ongoing dialog with its stakeholders to capture their views on the quickly evolving ESG landscape. This helps Landis+Gyr understand the issues that matter the most to its business and its stakeholders and manage them accordingly. Stakeholders are identified based on their relevance to Landis+Gyr, as well as the impact the Company and its activities have on them. The Company has identified the following stakeholder groups: customers (and their customers), suppliers, employees, government authorities and regulators, associations and NGOs, local communities, shareholders and investors (represented by the BoD), and business partners. Prior to the introduction of a new ESG cycle, Landis+Gyr engages with its stakeholders to capture their views on the Company's impact per material topic and the respective relevance to them. This process, known as materiality assessment, contributes to identifying key topics, and also sheds light on stakeholder perceptions and expectations regarding how these issues should be managed, including where potential risks and opportunities lie. This extensive stakeholder engagement exercise leads to a materiality matrix, which is the departure point from which the Company sets ESG ambitions, targets, and roadmaps. The frequency and nature of interactions with our stakeholders varies according to the type of stakeholder. While the exchange is continuous with some stakeholders (e.g., employees, suppliers, partners, customers), exchanges with other stakeholders happen on an ad hoc basis (e.g., regulators, shareholders/ investors) or are limited to specific events such as the set-up of a new 3-year ESG cycle (e.g., local communities, associations/ NGOs). Due to legal requirements and obligations of Landis+Gyr Group AG as a publicly listed company, stakeholder engagement is partly regulated and met within the ordinary course of business and shareholder dialog. For additional information, see section 4 'Stakeholder engagement and materiality assessment'.
	2 – 30 Collective bargaining agreements	35% of the Landis+Gyr employees are covered by a collective bargaining agreement. Where employees are not covered by a collective bargaining agreement, the company enjoys a direct employer-employee relationship with its employees. These direct relationships are governed by applicable laws and regulations, along with policies and guidelines related to working conditions and terms of employment which allow for a standardized approach in many areas.

Material topics

GRI Standard		Response/ Location/ Omission
GRI 3: Material Topics 2021	3 – 1 Process to determine material topics	See section 'Stakeholder engagement and materiality assessment'.
	3 – 2 List of material topics	See section 'Stakeholder engagement and materiality assessment'.
Business Integrity and Fair Taxes		
GRI 3: Material Topics 2021	3 – 3 Management of business integrity and Fair Taxes	See section 'Business integrity and fair taxes'.
GRI 205: Anti-corruption 2016	GRI 205 – 2 Communication and training about anti-corruption policies and procedures	As of the date of writing this report, Landis+Gyr's operating governance body members – the extended Executive Management Team – consisted of 13 members, distributed geographically as follows: 4 in the Americas, 1 in APAC, and 8 in EMEA. All of them are informed, updated, and trained regularly on Landis+Gyr's 'Code of Business Ethics and Conduct', which also covers the topic of corruption. All Landis+Gyr employees are required to abide by the Landis+Gyr 'Code of Business Ethics and Conduct'. All white-collar employees (computer users) are trained in the content of the 'Code of Business Ethics and Conduct' on a yearly basis. Furthermore, the Company offers specialized training sessions on the most relevant compliance risks. Training sessions focused on anti-corruption and competition law are completed on a yearly basis by employees who are in close contact with customers, agents, distributors, vendors, and competitors, as well as anyone who has a management role. For details, see the employee tables in the section 'Statistics'. In addition, ad hoc training courses by the Chief Compliance Officer or members of the Legal & Compliance team take place on demand or when traveling to L+G locations globally. Landis+Gyr has implemented a third-party due diligence process. It requires a mandatory due diligence check prior to the appointment of a third-party business partner (e.g., agents, distributors, resellers, and suppliers). This check is conducted by or with the assistance of an independent third party and scans potential third-party business partners against blacklists, sanctions lists, adverse media, and other databases that may reveal a lack of business integrity. The Company's third-party due diligence process is regularly re-evaluated and updated to ensure third parties are properly screened and vetted before business engagements are initiated. All Landis+Gyr applicable policies, including the 'Code of Business Ethics and Conduct' and 'Anti-Corruption Policy', are routinely communicated to the Company's business partners during onboarding. Furthermore, these policies are also communicated upon request to Landis+Gyr's customers during the tender phase. With regard to suppliers, the same principles are communicated to them through the Landis+Gyr 'Supplier Code of Conduct'. Suppliers are required to confirm adherence to this document. 97.6% of Landis+Gyr's white-collar employees active as of March 24, 2023, completed the e-learning session for the Landis+Gyr 'Code of Business Ethics and Conduct'. Blue- collar workers are excluded from this figure. New employees are required to complete the same e-learning session within 7 days of joining Landis+Gyr. Completion of the course, which requires passing a test with a score of 80% or above, is tracked locally as part of the onboarding process. The e-learning session focuses on a variety of compliance risks, including prevention of bribery and corruption. Lastly, 98.27% of Landis+Gyr's white-collar employees who are in close contact with customers, agents, distributors, vendors and competitors, all employees with a management role and all employees in sales, finance and procurement active as of March 24, 2023 completed the 'Preventing Bribery and Corruption' e-learning session during the campaign. See also information in the section 'Statistics'.
Materials (Resource Efficiency)		
GRI 3: Material Topics 2021	3 – 3 Management of Resource Efficiency	See section 'Resource efficiency'.
GRI 301: Materials 2016	301 – 1 Materials used by weight or volume	Measures taken: – Volumetrics and palletizing techniques to minimize waste and maximize recyclability. – Packaging of inbound materials is reused for outbound shipments, where possible. For materials used, see also section 'Statistics'.

GRI Standard		Response/ Location/ Omission
Material topic Energy Efficiency and Climate Protection		
GRI 3: Material Topics 2021	3 – 3 Management of Energy Efficiency and Climate Protection	See section 'Energy efficiency and climate protection'.
GRI 302: Energy 2016	302 – 1 Energy consumption within the organization	See section 'Statistics'.
	302 – 3 Energy intensity	See section 'Statistics'. In FY 2022, the total energy intensity ratio for the organization was 8,028 (kJ per 100 USD TO) compared to 7,541 in the previous year, which represents an increase of 6.5%. Relevant types of energy included for the calculation are: electricity, fuel, heating, and steam. The calculation is based on Scope 1 and 2 emissions.
	302 – 4 Reduction of energy consumption	See section 'Statistics'. The energy consumption increased by 22% and by 4% if Luna and Etrel are excluded from the calculation. Landis+Gyr has implemented the learnings gained in the energy audits previously performed in the most important production sites. Examples of measures taken are: automated and adjusted HVAC controls to maximize energy efficiency, switching off or unplugging idle electronic devices when not in use (incl. motion sensors installed), continued replacement of lighting with LEDs, reduction of lighting level, vehicle replacement for more fuel efficient ones, more detailed energy consumption measurement in production processes; oven replaced and settings optimized, resulting in yearly electricity savings of 10,000 KWh; switched to green gas; sectorized energy measurement has been installed with dashboard to optimize processes which resulted in the "Selo Clima Paraná" award in Curitiba; office in Kangas is LEED v4 certified (pursuing LEED gold); "Burn calories not electricity" motivation to use the stairs instead of elevators. The end of the pandemic in most countries resulted in employees coming partly back from their home office regime. This led to an energy consumption of 134,999,039 MJ across all Landis+Gyr's sites.
GRI 305: Emissions 2016	305 – 1 Direct (Scope 1) GHG emissions	See section 'Statistics'. Company targets to reduce CO_2e emissions have been set year-over-year since 2007, which was the first year when Landis+Gyr started to calculate its GHG emissions. The company became aware that few onsite electricity generation by diesel generators had not been captured. This has been included in the actual report.
	305 – 2 Energy indirect (Scope 2) GHG emissions	See section 'Statistics'.
	305 – 3 Other indirect (Scope 3) GHG emissions	See section 'Statistics'.
	305 – 4 GHG emissions intensity	See section 'Statistics'. 0.76 kg CO_2e per 100 USD turnover or 0.66 kg if considering the actualized emission factors.
	305 – 5 Reduction of GHG emissions	See sections 'Energy efficiency and climate protection' and 'Statistics'. GHG emissions (Scopes 1–2) have increased by +45 % to 12,790 t from 8,800 t in the previous year (if excluding Etrel and Luna the result would be +16% to 10,196 t). If using the new emission factor, the increase for the full group would be +27% compared to the previous year. Landis+Gyr increased the portion of renewable power purchased from 64% in FY 2021 to 70% in FY 2022, however when including Etrel and Luna the percentage of renewable power shrinks to 59%. Additionally, energy saving initiatives continue to be implemented with special focus on the largest Company sites. Landis+Gyr did not use any offsets. For detailed data, see section 'Statistics'.
	305 – 7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	See section 'Statistics'. Methane (CH4): 1.71 t. No other emissions were generated.
GRI 3: Material Topics 2021	3 – 3 Management of Water and effluents	See section 'Water management'.
GRI 303: Water and Effluents 2018	303 – 1 Interactions with water as a shared resource	See section 'Water management'.
	303 – 2 Management of water discharge-related impacts	See section 'Water management'.
	303 – 5 Water consumption	See section 'Statistics'.
GRI 3: Material Topics 2021	3 – 3 Management of Waste	See section 'Waste management'.

GRI Standard		Response/ Location/ Omission
GRI 306: Waste 2020	306 – 1 Waste generation and significant waste-related impacts	See section 'Waste management'.
	306 – 2 Management of significant waste-related impacts	See section 'Waste management'.
	306 – 3 Waste generated	See section 'Statistics'.
	306 – 4 Waste diverted from disposal	See section 'Statistics'.
	306 – 5 Waste directed to disposal	See section 'Statistics'.
Supplier assessment (Strategic Responsible Sourcing)		
GRI 3: Material Topics 2021	3 – 3 Management of Suppliers	See section 'Strategic responsible sourcing'
GRI 308: Supplier Environmental Assessment 2016	308 – 1 New suppliers that were screened using environmental criteria	See section 'Strategic responsible sourcing'. 100% of new suppliers were screened for environmental and social impact (scope limited to direct materials, and suppliers with (expected) spend above 10,000 USD).
	308 – 2 Negative environmental impacts in the supply chain and actions taken	See section 'Strategic responsible sourcing'. The Landis+Gyr 'Supplier Code of Conduct' and 'Green Procurement Requirements' were sent to 250 suppliers. To date, 215 of these suppliers, representing 88% of the Company's spend on direct materials, have signed the Green Procurement Policy. Due diligence is based on risk-based assessment and consequent auditing of the suppliers at risk (based on social and environmental criteria) as described above. This year the company has performed 29 audits. Furthermore, 153 suppliers have been assessed for ESG topics/ impact (these represent more than two-thirds of Landis+Gyr's direct material spend), of these 7% have been scored as red. This group of "red" suppliers has been added to the top of the list of suppliers that need to be audited. Landis+Gyr has not identified any suppliers with significant actual negative environmental or social impacts. The Company collected the 'Conflict Mineral Reporting Templates' (CMRT) of 217 suppliers, out of the 376 suppliers who had been invited to provide the documentation.
Occupational health and safety		
GRI 3: Material Topics 2021	3 – 3 Management of Occupational health and safety	See section 'Occupational health and safety'.
GRI 403: Occupational Health and Safety 2018	403 – 1 Occupational health and safety management system	See section 'Occupational health and safety'.
	403 – 2 Hazard identification, risk assessment, and incident investigation	Risk assessments are used as the primary mechanism for the identification and categorization of hazards /risks. Each location must identify specific local hazards – depending on their activities – and are required to undertake site-specific risk assessments. Preventive risk identification and related actions to eliminate hazards and minimize risks are managed through the Integrated Management System (IMS) for Quality, Environment, Occupational Health (QEOHS) and Safety and Business Continuity. Employees, as part of their daily activities, and managers, when carrying out job observations and reviewing preventive maintenance activities, identify potential risks in the workplace. Actions to eliminate hazards and risks are also identified during each location's Annual IMS Management Review and Annual Internal IMS Audit program. An overall IMS Management Review is undertaken at the executive level on an annual basis. Emergency response plans are in place for all sites. The Landis+Gyr process for Managing QEOHS-Critical Activities includes the identification of related improvement activities, designation of local responsible managers, hazard assessments for personal protective equipment and preventive maintenance for equipment, tools, devices, and vehicles. The QEOHS onboarding process is standardized. Initial and recurring QEOHS training is undertaken. The hazards definition used is: Minor (up to one day absence) and Lost Time (more than one day absence).
	403 – 3 Occupational health services	See section 'Occupational health and safety'.
	403 – 5 Worker training on occupational health and safety	See section 'Occupational health and safety'.
	403 – 7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	See section 'Occupational health and safety'.
	403 – 8 Workers covered by an occupational health and safety management system	See section 'Occupational health and safety'. No workers were excluded.
	403 – 9 Work-related injuries	See sections 'Statistics' and 'Occupational health and safety'.

GRI Standard		Response/ Location/ Omission
Training and education (Employee Engagement)		
GRI 3: Material Topics 2021	3 – 3 Management of Employee Engagement	See section 'Employee engagement'.
GRI 404: Training and Education 2016	404 – 1 Average hours of training per year per employee	See sections 'Employee engagement' and 'Statistics'.
	404 – 2 Programs for upgrading employee skills and transition assistance programs	See section 'Employee engagement'. Programs to upgrade employee skills The Company provides training to its employees through a variety of different channels, which include compulsory training, skills development as well as supporting individual career growth. For several years, Landis+Gyr has provided its employees unlimited access to LinkedIn Learning. This year, the LinkedIn Learning initiative focused on professional development, leadership skills and technology upskilling. 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. To further equip the leadership team to manage their teams' success in the Company's ongoing strategic transformation, Landis+Gyr launched a 'Transformational Leadership Program'. The program consisted of three modules which were designed to explore how people-centered leadership is a pivotal component to energize teams, lead and manage change, achieve and sustain competitive advantages, and inspire change through transformational coaching. Transition assistance programs: Transition programs are provided as part of social plans or part of bespoke individual agreements, but always in consideration of local employment conditions.
	404 – 3 Percentage of employees receiving regular performance and career development reviews	See sections 'Employee engagement' and 'Statistics'.
Diversity and equal opportunity & Child Labor (Fair Labor Practices)		
GRI 3: Material Topics 2021	3 – 3 Management of Fair Labor Practice	See section 'Fair labor practices'.
GRI 405: Diversity and Equal Opportunity 2016	405 – 1 Diversity of governance bodies and employees	See sections 'Fair labor practices' and 'Statistics'.
GRI 408: Child Labor 2016	408 – 1 Operations and suppliers at significant risk for incidents of child labor	See section 'Fair labor practices'. **Measures taken towards abolition of child labor:** Landis+Gyr's 'Code of Business Ethics and Conduct' and its 'Supplier Code of Conduct' have been updated to include strict prohibitions on forced or compulsory labor, as well as child labor. Documents have been distributed to relevant stakeholders. All white-collar employees must complete an annual compliance e-learning module that re-emphasizes the provisions of the 'Code of Business Ethics and Conduct'. Furthermore, suppliers of direct materials are required to comply with the 'Supplier Code of Conduct', and are subject to due diligence screenings and audits, covering several topics including child labor. Supplier Code of Conduct and Green-Procurement-Requirements **Child labor risks:** 100% of new direct material suppliers were screened against a list of ESG criteria including risk for child labor. Existing Tier 1 suppliers, making up 86% of company spend, as well as critical suppliers in Tier 2, were also screened using the third-party due diligence tool. According to the due diligence process and following review by the compliance and procurement functions, no suppliers in these target groups were considered to have significant risk for instances of child labor or young workers exposed to hazardous work. See also section 'Strategic responsible sourcing'.

GRI Standard		Response/ Location/ Omission
Local communities (Community Engagement)		
GRI 3: Material Topics 2021	3–3 Management of Community engagement	See section 'Community engagement'.
GRI 413: Local Communities 2016	413–1 Operations with local community engagement, impact assessments, and development programs	Landis+Gyr monitors its environmental and social impacts (mainly employment-related) on all its sites. Assessments are not the same on all sites and reflect specific local requirements. Tools used include: – Social impact assessments: Landis+Gyr places strong emphasis on gender diversity and is committed to increase the share of female employees in its total workforce. In addition to gender diversity, the Company manages and closely monitors physical health impacts as part of the Company's OH&S activities. – Environmental impact assessments / monitoring: Besides the monitoring of standard environmental emissions (GHG, Water, Waste) and resource consumption, certain sites also perform assessments on critical parameters in line with ISO 14001 Environmental Management System standard. – Public disclosure of assessment results: Global assessment results are disclosed in the sustainability report. Some sites also publish the result of their local assessments locally. – Local community development programs: In locations like India, Brazil, South Africa, Mexico, Greece and the UK, there is a long-standing tradition of engaging with communities via donations or volunteering initiatives. See section 'Community Engagement' for a summary of community development initiatives undertaken in FY 2022. – Stakeholder engagement plans: Stakeholder engagement is central to the success of Landis+Gyr's Community Engagement efforts. At group level, stakeholder engagement is a crucial element of the materiality assessment, which involves relevant stakeholders from all regions. At local level, the identification and implementation of actions, as well as the set-up of Community Engagement targets is done in coordination and collaboration with both internal and external stakeholders. For example, Landis+Gyr consults with local stakeholders to understand what the most pressing community needs are and who the key local actors are, and designs interventions accordingly. Furthermore, certain sites like India and Brazil have local stakeholder engagement plans. – Broad-based local community consultation committees and processes: Consultation is commonly implemented for workforce-related topics. Certain sites like India or Mexico participate in different local community committees. Furthermore, Landis+Gyr engages regularly with local authorities, especially in locations where the Company has major plants. – Works councils, occupational health and safety committees and other worker representation bodies: OH&S committees are in place in all major sites. Additionally, work councils focusing on different issues are active in most sites. – Local community grievance processes: Some sites have specific grievance processes for local communities, others use the generic grievance process. – At several Landis+Gyr sites, regular or ad hoc support is provided for specific activities that benefit the local community.

GRI Standard		Response/ Location/ Omission
Customer health and safety (Product social impact)		
GRI 3: Material Topics 2021	3–3 Management of Product social impact	See section 'Product social impact'.
GRI 416: Customer Health and Safety 2016	416–1 Assessment of the health and safety impacts of product and service categories	See section 'Product social impact'. Every new product development (100%) is designed in line with strict product safety requirements and regulations. Landis+Gyr adheres to safety protocols that exceed regulatory and industry requirements to ensure meters do not pose any health and safety risks. In the event of a failure, our products are designed to fail in a safe manner. Manuals, instructions, and training courses are provided enabling the safe use of our products. Landis+Gyr conducts extensive product testing and secures all required approvals prior to installation. In case of observed potentially safety relevant issues in the field, Landis+Gyr has a robust Quality Crisis Management & Resolution Procedure in place and works with customers to mitigate and remediate any incidents. Furthermore, the Company also considers how new products can support its customers and their customers in managing energy better.
	416–2 Incidents of non-compliance concerning the health and safety impacts of products and services	Landis+Gyr has not identified any incidents of non-compliance with regulations and/or voluntary codes.
Customer privacy (Security and Data Privacy)		
GRI 3: Material Topics 2021	3–3 Management of Security and Data Privacy	See section 'Security and data privacy'.
GRI 418: Customer Privacy 2016	418–1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	See sections 'Security and data privacy' and 'Statistics'. No breaches or complaints regarding customer privacy were experienced during the reporting period. Number of identified leaks, thefts, or customer data losses: 1. This incident posed no risk or harm to any organization or individual as no sensitive data was compromised. The Landis+Gyr Security Operating Center (SOC) successfully stopped an attack, in which potentially a very limited amount of data could have been stolen. After stopping the attack, the scenario was analyzed in detail and it was concluded that even in case of potential data copy no privacy data, no customer data, and no supplier data were involved in this attack.

Locations

Landis+Gyr Worldwide

Global Headquarters

	ISO 9001	ISO 45001	ISO 14001	ISO 22301	ISO 27001	ISO 17025	ISO 20000
Cham (CH)	✓	✓	✓	✓	✓	✓	

EMEA

Regional HQ

	ISO 9001	ISO 45001	ISO 14001	ISO 22301	ISO 27001	ISO 17025	ISO 20000
Cham (CH)	✓	✓	✓	✓	✓	✓	

R&D Centers

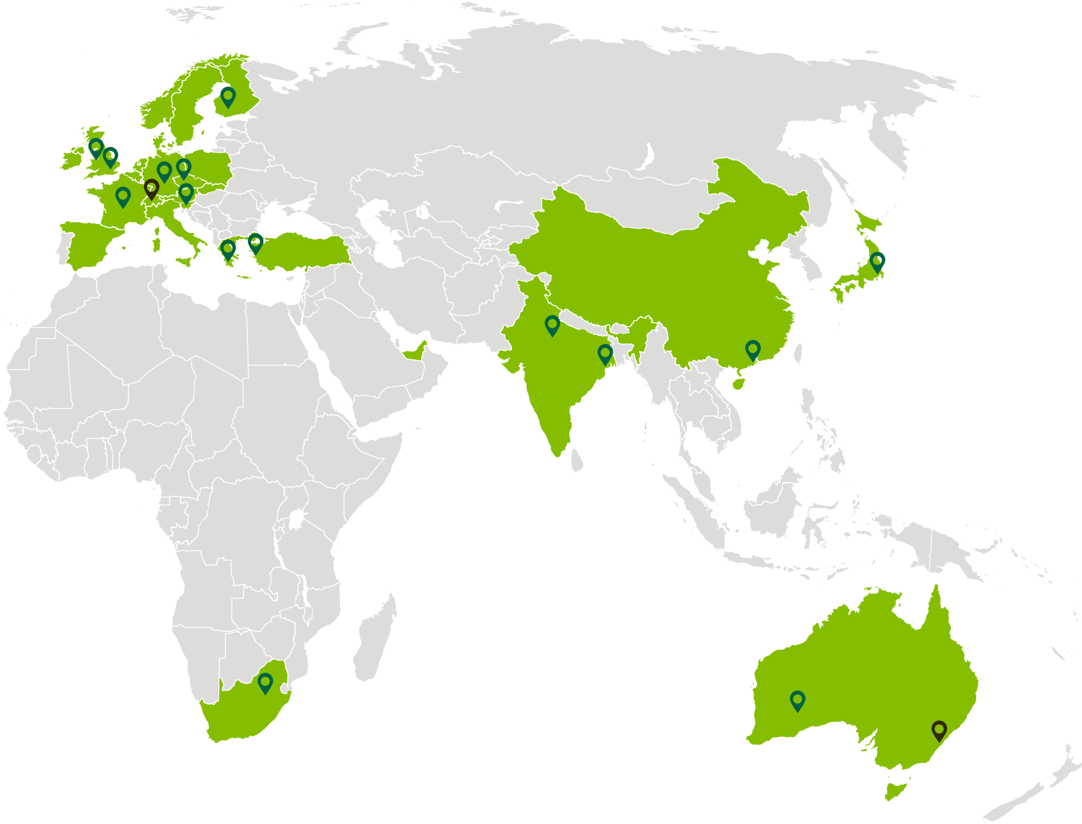
	ISO 9001	ISO 45001	ISO 14001	ISO 22301	ISO 27001	ISO 17025	ISO 20000
Cham (CH)	✓	✓	✓	✓	✓	✓	
Gauteng (RSA)	✓	✓	✓	✓		✓	
Grosuplje (SLO)	✓	✓	✓	✓	✓		
Izmir (TUR)	✓	✓	✓		✓	✓	
Kangas (FIN)	✓	✓	✓	✓	✓		✓
Manchester (GBR)	✓	✓	✓	✓	✓		
Montluçon (FRA)	✓	✓	✓	✓	✓	✓	
Northfields (GBR)	✓	✓	✓	✓	✓		
Nuremberg (GER)	✓	✓	✓	✓			
Prague (CZE)	✓	✓	✓	✓	✓		

Manufacturing

	ISO 9001	ISO 45001	ISO 14001	ISO 22301	ISO 27001	ISO 17025	ISO 20000
Corinth (GRE)	✓	✓	✓	✓	✓	✓	
Gauteng (RSA)	✓	✓	✓	✓		✓	
Izmir (TUR)	✓	✓	✓		✓	✓	
Montluçon (FRA)	✓	✓	✓	✓	✓		
Nuremberg (GER)	✓	✓	✓	✓			
Preserje (SLO)	✓	✓	✓	✓	✓		

Sales Offices and Service Centers

	ISO 9001	ISO 45001	ISO 14001	ISO 22301	ISO 27001	ISO 17025	ISO 20000
Austria	✓	✓		✓			
Belgium	✓	✓		✓			
Czech Republic	✓	✓	✓	✓	✓		
Denmark	✓	✓	✓	✓	✓		
Finland	✓	✓	✓	✓	✓		✓
France	✓	✓	✓	✓	✓		
Germany	✓	✓	✓	✓			
Italy	✓	✓		✓			
Netherlands	✓	✓		✓			
Poland	✓	✓		✓			
Slovakia	✓	✓		✓			
Slovenia	✓	✓		✓			
South Africa	✓	✓		✓			
Spain	✓	✓		✓			
Sweden	✓	✓	✓	✓	✓		
Switzerland	✓	✓	✓	✓	✓	✓	
Turkey	✓	✓	✓		✓	✓	
United Kingdom	✓	✓	✓	✓	✓		



APAC

Regional HQ

	ISO 9001	ISO 45001	ISO 14001	ISO 22301	ISO 27001	ISO 17025	Note
Sydney (AUS)	✓	✓	✓	✓			

R&D Centers

	ISO 9001	ISO 45001	ISO 14001	ISO 22301	ISO 27001	ISO 17025	Note
Noida (IND)	✓	✓	✓	✓	✓		1)
Sydney (AUS)	✓	✓	✓	✓			
Tokyo (JAP)	✓	✓	✓	✓			

Manufacturing

	ISO 9001	ISO 45001	ISO 14001	ISO 22301	ISO 27001	ISO 17025	Note
Joka (IND)	✓	✓	✓	✓	✓	✓	
Laverton (AUS)	✓	✓	✓	✓			
Zhuhai (CHN)	✓	✓	✓	✓			2)

Sales Offices and Service Centers

	ISO 9001	ISO 45001	ISO 14001	ISO 22301	ISO 27001	ISO 17025	Note
Australia	✓	✓	✓	✓			
China	✓	✓	✓	✓			
Hong Kong	✓	✓	✓	✓			
India	✓	✓	✓	✓			
Japan	✓	✓	✓	✓			
New Zealand	✓	✓	✓	✓		✓	
Singapore	✓	✓	✓	✓			

- ISO 9001 (Quality Management)
- ISO 45001 (Occupational Health and Safety)
- ISO 14001 (Environmental Management)
- ISO 22301 (Business Continuity)
- ISO 27001 (Information Security)
- ISO 17025 (Testing and Calibration Laboratories)
- ISO 20000 (IT Service Management)

1) Incl. CMMi Level 3
2) Incl. ISO 10012 (Measurement management systems)

Joka site is in the process of closing

Regional HQ
R&D Centers and Manufacturing

North America

Regional HQ
Alpharetta (USA)

R&D Centers
Alpharetta (USA)
Lafayette (USA)
Pequot Lakes (USA)

Manufacturing
Reynosa (MEX)

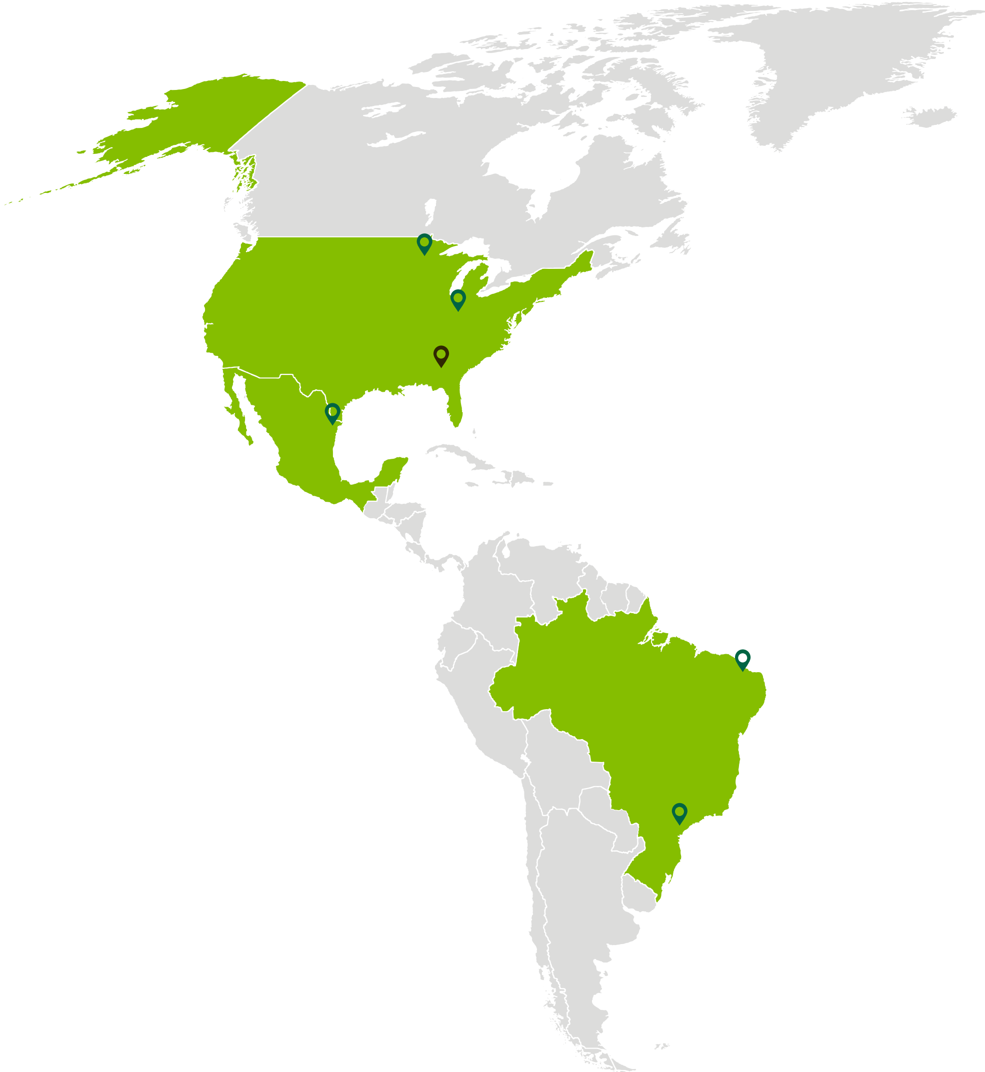
Sales Offices and Service Centers
Alpharetta (USA)
Austin (USA)
Bethlehem (USA)
Indianapolis (USA)
Jacksonville (USA)
Kirkland (USA)
Lenexa (USA)
Orange (USA)
Overland (USA)
Phoenix (USA)
Roseville (USA)
Waukesha (USA)

South America

R&D Centers
Curitiba (BRA)
Fortaleza (BRA)

Manufacturing
Curitiba (BRA)

Sales Offices and Service Centers
Curitiba (BRA)
Duque de Caxias (BRA)



ISO 9001 (Quality Management)
ISO 45001 (Occupational Health and Safety)
ISO 14001 (Environmental Management)
ISO 22301 (Business Continuity)
ISO 27001 (Information Security)
ISO 17025 (Testing and Calibration Laboratories)
ISO 20000 (IT Service Management)
1) Incl. CMMi Level 3
2) Incl. ISO 10012 (Measurement management systems)

Regional HQ
R&D Centers and Manufacturing

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