MANAGE ENERGY BETTER

+125 Years

Annual Report 2020

Landis+Gyr

Our Mission

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

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

Together, we manage energy better.

Our Values

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

Innovative Technology
We passionately innovate true differentiators for our customers.

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

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

Sustainable Impact
We manage energy better for a more sustainable world.

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+125 Years

Performance Report 2020

Landis+Gyr

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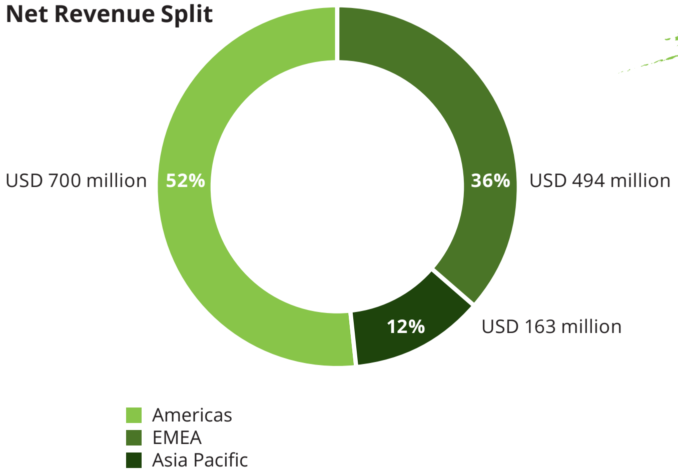
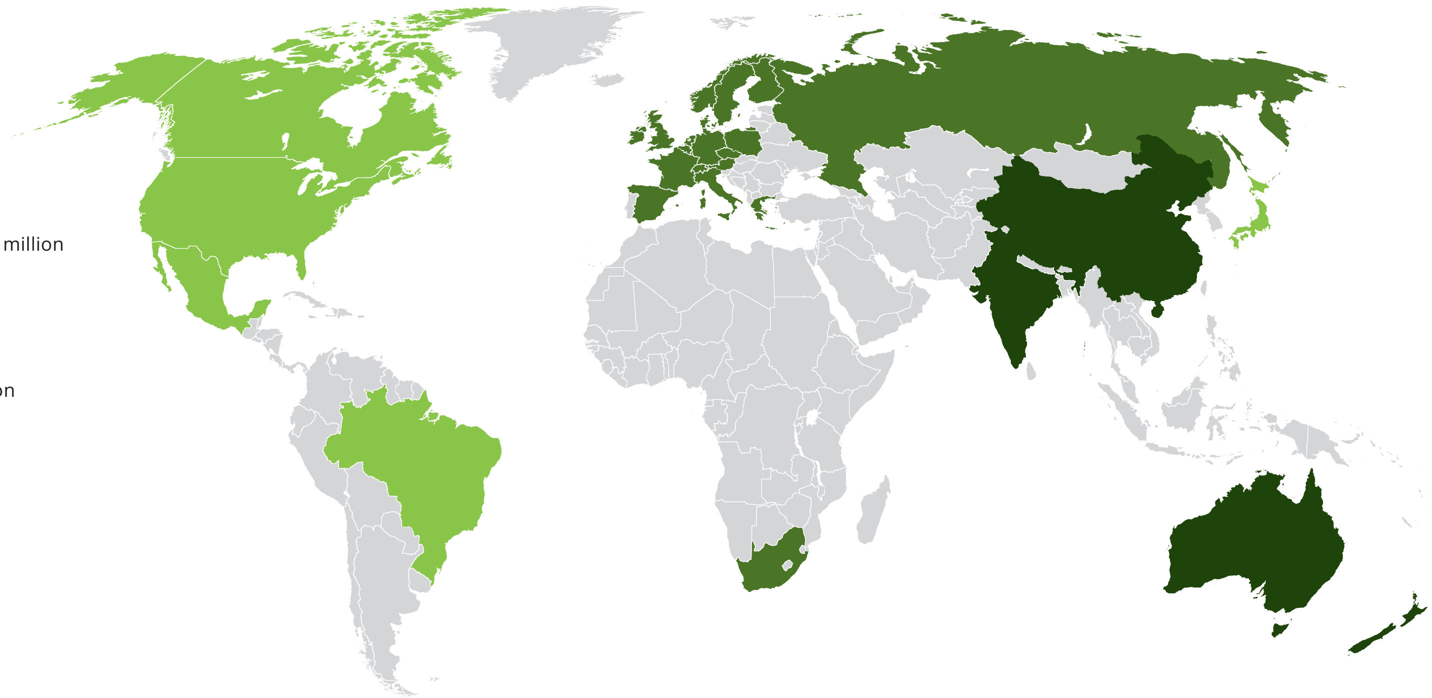
Global Reach – Local Presence

Net Revenue Split





FY 2020 at a Glance

+ Global reach & local presence – Swiss HQ with locations in **over 30 countries** worldwide

+ Worldwide largest **IoT utility network** 1.3 billion reads per day with 99.99 % accuracy

+ **Smart Infrastructure** Multi-year strategic partnership with Google

+ EcoVadis **Gold Medal 2020** ranked top 5% of sustainable companies

+ Largest installed base **300+ million** devices globally

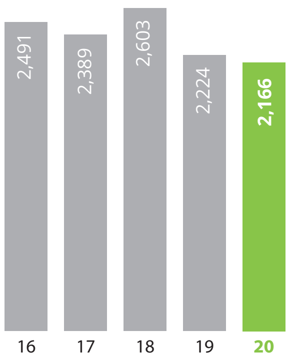
+ **Over 125 million** connected intelligent devices deployed

+ More than **15 million meter points** under managed services

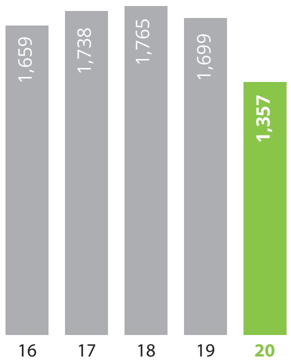
+ 125 years of services to **3,500+ customers** as a trusted partner

FY 2020 Key Figures

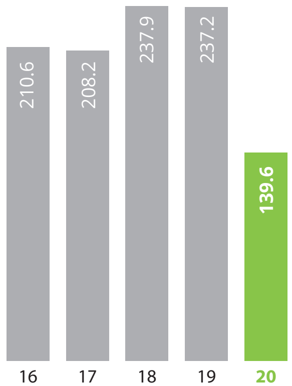
Committed Backlog
2,165.9
in million USD



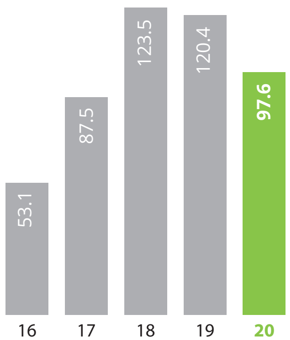
Net Revenue
1,357
in million USD



Adjusted EBITDA
139.6
in million USD



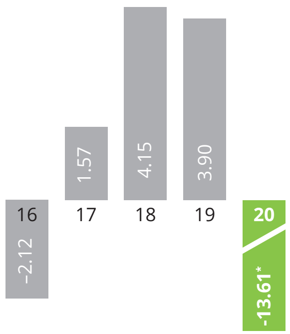
Free Cashflow
(excluding M&A)*
97.6
in million USD



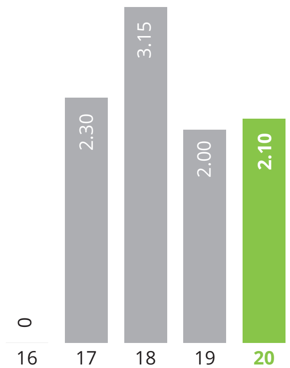
* Net cash provided by operating activities minus net cash used in investing activities, excluding merger&acquisition activities.

Earnings per Share
(13.61)*
in USD

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

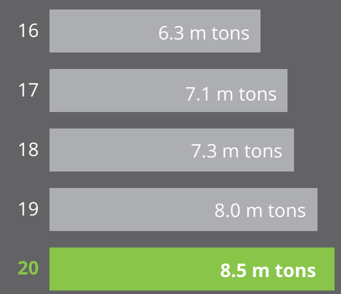


Dividend per Share
2.10
in CHF

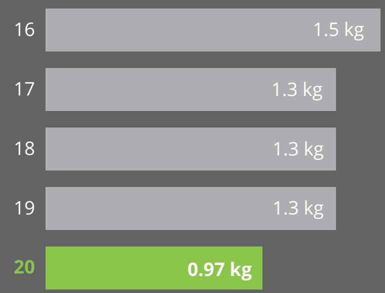


Carbon Neutral
by 2030

Direct CO_2 emissions reduced by
8.5 million tons
CO_2 emission reduction through Landis+Gyr's installed Smart Metering base in 2020



Direct CO_2 emissions from Landis+Gyr operations
0.97
kg CO_2 per USD 100 turnover



FY 2020+ Review

Q1

- New CEO Werner Lieberherr
- FY 2019 Earnings Call
- Renewed Leadership Team
- Restructuring Initiative ”Hermes” Announcement

Q2

- SMUD Contract (US)
- Vodafone Cellular IoT Partnership Announcement
- Strategic Initiatives Smart Water & Smart Gas

Q3

- Calvin Capital SMETS2 Contract (UK)
- H1 FY 2020 Earnings Call
- Publication of Sustainability Report
- New CFO Elodie Cingari
- SmartSTEP EV Charging Contract (UK)
- EGM 2021
- Regulatory Approvals (US)
- Google Partnership Announcement

Q4

- EDF SMETS2 Contract (UK)
- Rhebo Acquisition
- Capital Markets Day 2021
- Undisclosed Customer Contract (US)
- Evergy Contract Extension (US)
- Amazonas Energia Contract (Brazil)
- Smart Metering Choice SMETS2 Contract (UK)
- EcoVadis Gold Top 5%
- Polk-Burnett Contract (US)
- Restructuring Initiative ”Hermes” Completed

Q1 FY 2021

- Puget Sound Contract (US)
- True Energy Acquisition
- Agreement to Acquire Etrel
- FY 2020 Earnings Call

Consolidated Statements of Operations

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

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

Consolidated Balance Sheets

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

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

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

Letter to Shareholders

Dear Landis+Gyr Shareholders,

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

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

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

Furthermore, we are actively driving our Company's transformation to achieve profitable growth in our three strategic pillars *Smart Metering, Grid Edge Intelligence* and *Smart Infrastructure.* With increased focus on strategic initiatives, such as our seven-year partnership with Google, the development of Smart Water and Smart Gas as well as acquisitions like *Rhebo, True Energy* and soon also *Etrel,* we are strengthening our position in the market. As a result, we ensure that we are well equipped to remain a leading force in the future of energy while doing so in a sustainable way as we continue to invest in efforts to decarbonize the grid and elevate our Environmental, Social and Governance (ESG) efforts.

Financial Year 2020 Results

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

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

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

Fostering a Culture of Excellence

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

On April 1, 2020, Werner Lieberherr was appointed as the Chief Executive Officer and his global leadership experience in multiple industries is instrumental in our strategic transformation. On November 16, 2020, Elodie Cingari joined the Company as the new Chief Financial Officer, taking over from Jonathan Elmer who subsequently went into retirement.

Especially in light of the challenges presented by COVID-19, our teams across the globe have demonstrated a high level of resilience and shown an amount of dedication towards customers and each other that deserves recognition. Therefore, we would like to thank our over 5,000 global employees for their continued dedication, passion and entrepreneurial spirit to solidify our leading position and ensure continuous leading-edge innovation, customer satisfaction and speed to market.

Creating the Future on a Solid Foundation

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

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

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

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

Outlook for FY 2021

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

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

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

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

Embracing Change for a Greener Tomorrow

Actively driving sustainable impact is not just what we do, but who we are. Our strategic vision is driven by the desire to provide unrivaled customer value as the leading partner for integrated energy and resource management solutions with sustainability at the heart of everything we do. Our comprehensive portfolio of products and services uniquely positions us to empower utilities, energy consumers and communities by helping them to reduce their CO_2 footprint. In addition, we have made the commitment to be Carbon Neutral by 2030. We are also proud to have signed up to the *UN Global Compact* and of reporting our sustainability initiatives according to the *GRI core* requirements for the first time in our most recent Sustainability Report. In financial year 2020, we introduced an ESG component of 10% in our short-term incentive for all bonus-eligible employees, driving sustainable progress in support of the *UN Sustainable Development Goals.* The weight of the ESG component was raised to 20% for financial year 2021. Further, receiving the *EcoVadis* Gold Award, being rated in the top 5% of sustainable companies, fills us with pride and encourages us to passionately drive our ESG initiatives for lasting sustainable impact.

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


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

Yours sincerely,

Andreas Umbach
Chairman

Werner Lieberherr
Chief Executive Officer

125 Years of Excellence

Corporate Milestones

1896
Founded as Electro-technisches Institut Richard Theiler&Co

1905
Change of Company name to Landis+Gyr

1912
First branches abroad: Germany, France, Austria

1956
Opening to public shareholders, trading on the Zurich Stock Exchange

1996
Majority of shares sold to Elektrowatt AG

1998 – 2011
Different ownership by:
- Siemens
- Kohlberg Kravis Roberts & Co.
- Bayard Capital

2011
Landis+Gyr sold to Toshiba Corporation (60%) and to Innovation Network Corporation of Japan (40%)

2014
Development of Gridstream as the Company's solution brand

2017
Company brought back to Swiss Stock Exchange

ESG Milestones

1907
Construction of apartment buildings for staff

1915
Establishment of a "civil servants and workers fund" and voluntary payment of three months' wages for employees called up for military service

1917
Introduction of a compulsory company health fund with family insurance, employment of a social worker

1940
Landis+Gyr workers were employed in potato cultivation during WWII

1959
Introduction of employee participation in Landis+Gyr's success, regular employment of a number of physically and mentally disabled people

2007
First measure of Landis+Gyr's carbon footprint by an independent company

2016
First publication of Sustainability Report

125 Years of Excellence

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

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

Seven years later, engineer Heinrich Landis joined the company as a third partner. In 1904, after Adelrich Gyr had already withdrawn from the company, Richard Theiler sold the Company to Heinrich Landis. In the following year, Landis brought his school friend and chemist Karl Heinrich Gyr as a new partner to Zug and the previous partnership was converted into Landis & Gyr in 1905. K. H. Gyr recognized the promising business potential based on the rapid development of general usage of electricity, as it had to be measured to be able to manage consumption. At the same time, the well-being of its employees was a special concern of the management. Therefore, in 1907, Landis & Gyr initiated the construction of apartment buildings for staff.

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

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

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

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

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

Start of work at the Landis & Gyr plant in Gubelstrasse
(Source: Archiv für Zeitgeschichte ETH Zürich: IB LG-Audiovisuals / FA.04629)

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Foundation

Uncompromising Performance

Performance Review – Group

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

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

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

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

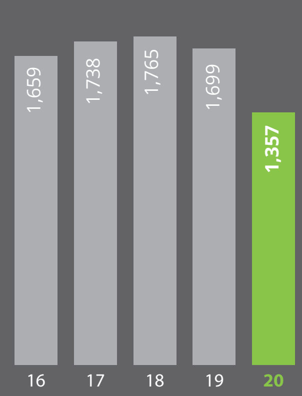
COVID-19 Impact and Restructuring and Streamlining Initiative Hermes Concluded

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

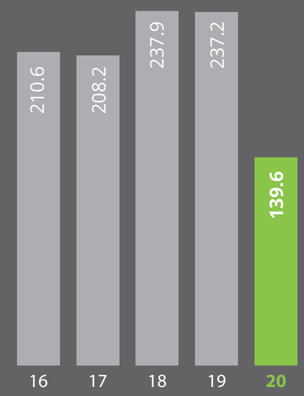
Landis+Gyr has not experienced any major project cancellations and software and service contracts continue unchanged. While some customers had suspended or slowed down meter installations, deployment rates continue to increase as countries impacted by COVID-19 recover. Regulators have granted project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

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

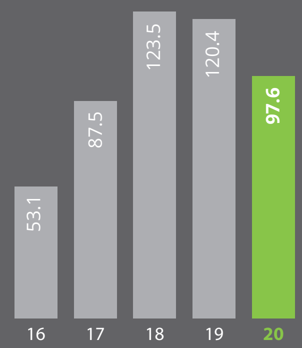
Net Revenue
1,357
in million USD



Adjusted EBITDA
139.6
in million USD



Free Cashflow
(excluding M&A)*
97.6
in million USD



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

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

Outlook for the Group's Financial Year 2021

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

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

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

At the beginning of FY 2021, Landis+Gyr strengthened its position in the electric vehicle market by acquiring two companies which specialize in EV charging. The Company signed agreements to acquire 75% of the shares of Etrel d.o.o. from Slovenia for a mid-double-digit million purchase price, which is expected to close in June 2021, and 100% of the shares of True Energy A/S from Denmark for a single-digit million purchase price. Etrel provides interactive smart residential charging stations for home and public applications, complemented by an advanced software suite that enables utilities to manage load and demand response for optimized grid stability. True Energy offers scalable solutions for smart charging and demand response, covering a large part of the value chain, including a smartphone app for smart charging, demand response to help utilities balance the grid as well as load aggregation and participation in flexibility programs with grid operators to sell flexibility enabling frequency stabilization. The two acquisitions enable Landis+Gyr to enter the electric vehicle ("EV") charging and infrastructure market and to build new business and revenue streams, leveraging its leading expertise in Smart Metering and Grid Edge Intelligence technology and building on pilot and proof of concept projects in the UK and France.

Werner Lieberherr, Chief Executive Officer

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

Interview with Werner Lieberherr

How would you describe our year in three words?

Transformation, Innovation, Resilience.

What was your proudest moment in FY 2020?

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

How do you drive innovation?

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

What do you expect in FY 2021?

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

FY 2021 will be an exciting year for us!

Performance Review – Americas

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

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

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

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

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

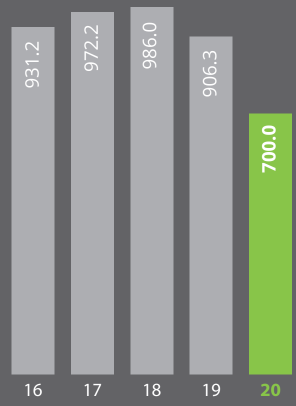
Finally, while the pandemic extended decision-making timelines for regulatory approvals which gate many utility projects, regulators approved two major projects for utilities in the northeast following months of delay and enabling projects to move forward.

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

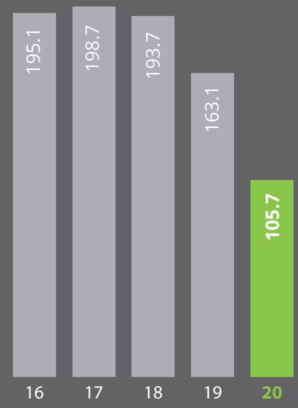
South America continues to be a growing market for Landis+Gyr, demonstrated by multiple wins, expanding existing and signing new customers including CEEE, EDP and Enel. Additionally, Amazonas Energia, a Brazilian energy distribution company, was announced as a new customer in February with plans to bring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

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

Net Revenue
700.0
in million USD



Adjusted EBITDA
105.7
in million USD



Market Share
31%
No. 1 for Smart Electricity Meters
(Source: Frost & Sullivan)

Number of Utilities Served
780+

Number of Connected Intelligent Devices
79+ million

Outlook for Americas' Financial Year 2021

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

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

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

Interview with Prasanna Venkatesan

How would you describe our year in three words?

Partnership, Resilience, Innovation.

What was your proudest moment in FY 2020?

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

How do you drive innovation in your region?

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

What do you expect in FY 2021?

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

Prasanna Venkatesan,
EVP and Head of Americas

"Every day we push the bounds of how to 'manage energy better' by providing utilities and consumers tools to create resilient energy systems ."

Performance Review – Europe, Middle East and Africa

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

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

UK Installation Rates Dropped, Smart Meter Rollout Extended

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

Due to COVID-19, the smart meter program in the UK has been extended until June 2025. In FY 2020, Landis+Gyr secured an additional major contract with large supplier EDF for further 650,000 SMETS2 gas and electricity meters by June 2025.

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

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

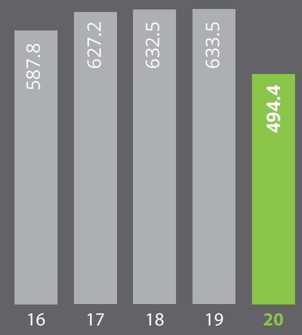
Landis+Gyr started to work with government and industry bodies in the UK to scope the potential of the SMETS infrastructure to support the UK's 2050 carbon zero targets. As an example, the Company is engaged in the so-called SmartSTEP project, which is part of the government's 'Beyond Off Street Electric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

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

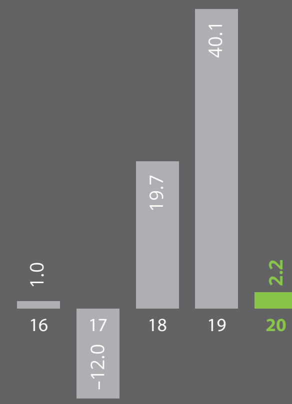
The smart meter rollout in France is in full swing, with more than 31 million Linky smart meters already installed and a further 11 million to be deployed until 2026 to Enedis, overseas territories and medium utilities. As one of the three remaining suppliers, Landis+Gyr will deliver approximately 20% of the volume and will expect more in the new tender launched for 2022 to 2026. Enedis has selected Landis+Gyr as a partner for two strategic projects, both based on Linky technology.
In the Netherlands, as the rollout moves into the next phase at the beginning of FY 2021, the Company confirmed its leading position and extended its relationship and contract with major grid operators Stedin and Alliander to deliver at least 400,000 additional smart electricity and gas meters in FY 2021 and 2022.

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

Net Revenue
494.4
in million USD



Adjusted EBITDA
2.2
in million USD



Market Share
19%
No. 2 for Smart Electricity Meters
(Source: Frost & Sullivan)

Number of Utilities Served
1,300+

Number of Connected Intelligent Devices
40+ million

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

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

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

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

Outlook for EMEA's Financial Year 2021
Landis+Gyr expects a market recovery in the UK in the short term, while the medium-term growth will be driven by Second Wave rollouts in Northern Europe and upcoming First Wave rollouts in Central and Eastern Europe. The Company also expects to continue to improve its EBITDA margin due to streamlining initiatives and product cost-outs.

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

Interview with Susanne Seitz

How would you describe our year in three words?
Determination, Rethinking, Together.

What was your proudest moment in FY 2020?
While the pandemic hit EMEA hard with installations coming to a halt in many countries, I'm very proud of how we rose to the challenge. We protected our workforce, stayed very close to our customers, swiftly adapted our cost base and continued to invest in innovation.

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

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

Susanne Seitz,
EVP and Head of EMEA

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

Performance Review – Asia Pacific

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

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

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

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

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

In China, the company continues to be the leader in the imported electricity GRID segment. In Heat metering, good progress towards rebuilding, a stronger position through improved distribution channels and expanding market offering was made in a stagnant market.

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

Promising Trials and Smart Meter Rollouts across Southeast Asia

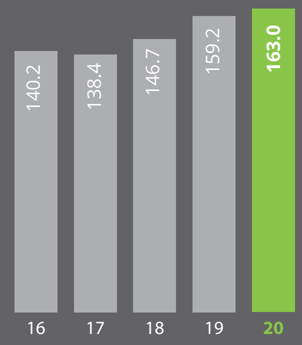
With growing interest in Narrowband Internet of Things ("NB-IoT"), a cellular technology that connects everyday objects to the internet, the Company is progressing a trial that will provide a valuable experience for the Company in terms of developing its NB-IoT offering for the region. Thailand, in particular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

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

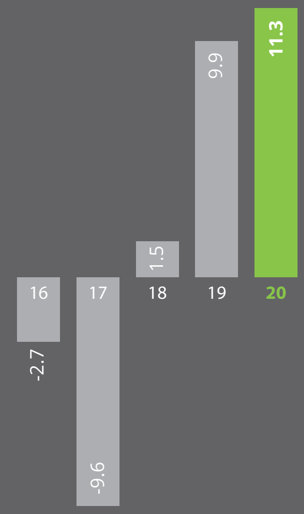
Towards the end of FY 2020, the Company received the final approvals necessary to deliver its smart meters to TNB, Malaysia's largest electricity utility. The first meters will be delivered in early FY 2021, which places Landis+Gyr well for the next tender expected later in the fiscal year.

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

Net Revenue
163.0
in million USD



Adjusted EBITDA
11.3
in million USD



Market Share
11%
Number 3 for Smart Electricity Meters
(excl. China & Japan, Source: Frost & Sullivan)

Number of Utilities Served
129

Number of Connected Intelligent Devices
4.8 million

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

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

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

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

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

Interview with Steve Jeston

How would you describe our year in three words?
Rewarding, Change, Agile.

What was your proudest moment in FY 2020?
Recently I attended a project review meeting which all key stakeholders from many functional areas, both junior and more senior, attended. I was truly impressed by the committed and coordinated effort being made involving R&D from APAC, Americas and partners, and the way the team was managing to address issues or develop workarounds to deliver this project to meet customer expectations. I felt very proud of all those involved.

How do you drive innovation in your region?
Being close to markets and customers is the key to uncovering new requirements whether by understanding changing market dynamics or understanding aspects of a customer's business where our products and services add value.

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

Steve Jeston,
EVP and Head of APAC

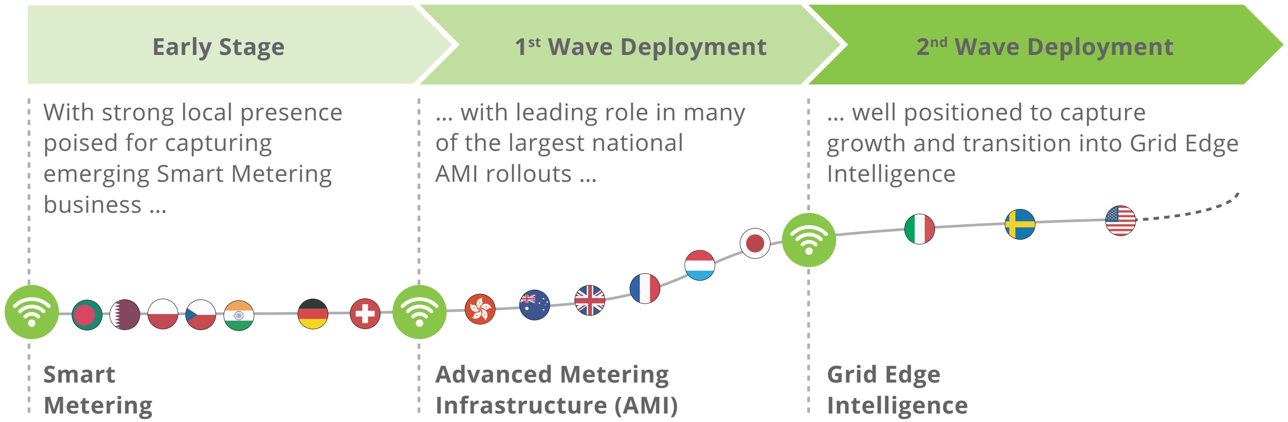
"Being close to markets and customers is the key to uncovering new requirements whether by understanding changing market dynamics or understanding aspects of a customer's business."

Value Drivers

Innovative Technology

Market Environment

The utility business model is expected to change rapidly over the next five to ten years, driven by current and future challenges, as well as megatrends impacting the global energy industry. The Company believes that smart meters play a key role for future energy distribution systems, which are rolled out across the globe.



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

On the other hand, utilities protect and continually improve their infrastructure, for example by ensuring it can withstand severe weather events such as wildfires, floods and extreme heat or cold, which occur with increased frequency and intensity. As a result, the need for transparency of the low voltage network increases to gain more visibility at the grid edge. In addition, cybersecurity is an increasing concern for utilities as operators of critical infrastructure systems and providers of essential services. There is a profound need to connect a growing number of market participants to core utility systems and to protect private consumer data, which is fed into utilities' systems through Smart Metering and smart home applications.

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

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

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

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

Strategy & Business Model

Landis+Gyr is responding to customer needs and provides solutions to their biggest challenges driven by industry trends and policies that shape the future of energy consumption. Already today, the Company's Smart Metering and Grid Edge Intelligence technology allow utilities and consumers to control the way energy is used in a safe, secure and reliable way, driving efficiencies and allowing for increased cost control and data utilization. Going forward, Landis+Gyr will shape the way resources are being managed through Smart Infrastructure technology even more effectively and efficiently, creating value for utilities and energy consumers.

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

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

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

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

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

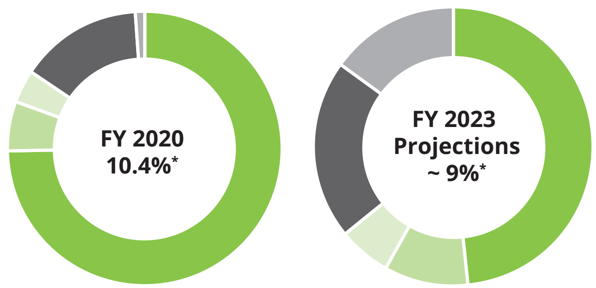
Smart Infrastructure
Landis+Gyr's Smart Infrastructure solutions are designed to deliver benefits for energy companies from the proliferation of intelligence beyond simple energy, to also include other urban infrastructure segments. A unique suite of open, scalable and robust solutions built on a utility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

R&D, Innovation & Portfolio

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

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

Technology Investment Shift towards Grid Edge Intelligence and Smart Infrastructure



* R&D expense as % of revenue

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

Smart Metering

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

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

Ultrasonic Global Smart Water Meter

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

Ultrasonic Global Smart Gas Meter

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

Grid Edge Intelligence

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

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

Smart Infrastructure

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

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

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

Continued Growth in Patents

Landis+Gyr's global portfolio includes granted patents and pending patent applications, filed in over 50 countries. These filings reflect innovation in a broad array of energy management technologies. Recent patent filings affirm the Company's focus on Smart Metering, Grid Edge Intelligence and Smart Infrastructure, including additional inventions supporting growth in solar and other distributed energy resources. Landis+Gyr continues its long tradition of protecting a pipeline of new ideas that will further strengthen its position as a global innovator in future energy consumption.

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

People

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

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

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

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

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

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

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

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

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

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

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

Energizing Internal Communications

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

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

New Corporate Values Defined for Landis+Gyr

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

The culture is defined by the following corporate values:

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

Internal Development Continued despite the Pandemic

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

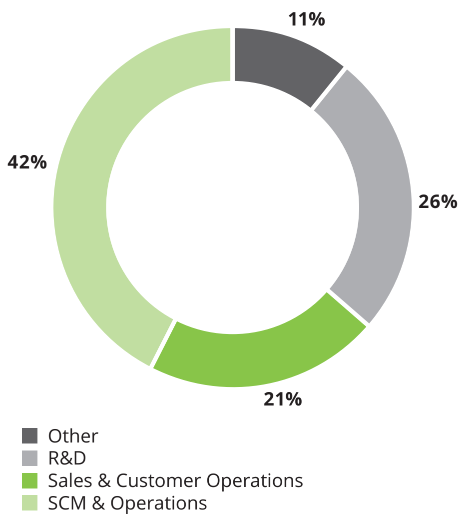
As a result of Landis+Gyr's partnership with Google, the Company launched a Google Cloud platform training program to support employees in improving their technical skills required for the transformational journey. The training program offers unlimited access to on-demand courses and role-based learning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

Learning Hours 2020

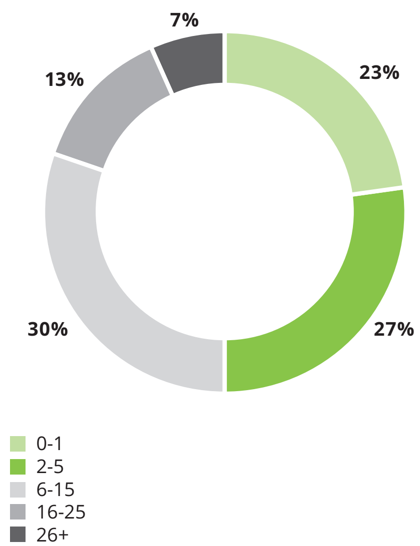
Compulsory Learning Hours: **15,218 hours**

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

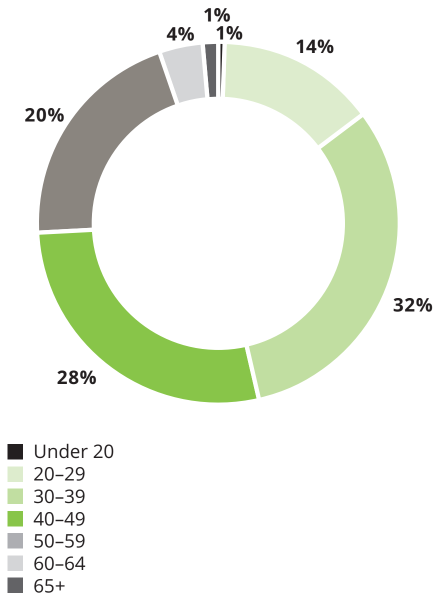
Employees by Function



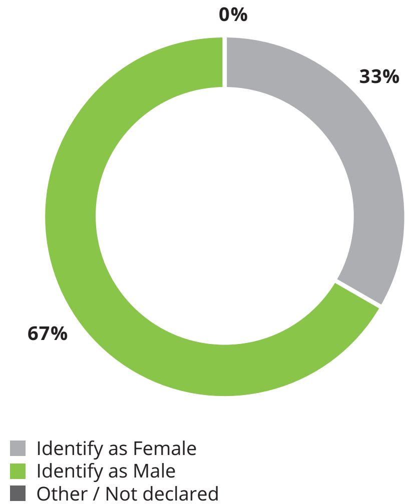
Employees by Length of Service (in years)



Employees by Age



Employees by Gender



Risk Management

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

Landis+Gyr tracks its risk exposure across the spectrum of 72 unique operational, strategic, financial and compliance categories. Other considerations include the potential impact of important business-related aspects such as sustainability, political, reputational and regulatory risks. Management is responsible for the implementation, tracking and reporting of risk mitigation measures. A risk owner at the senior management level is assigned to each material risk identified and is responsible for the implementation of appropriate measures.

Oversight by the Board of Directors
Landis+Gyr's Board of Directors has a total of three committees, of which the Audit and Finance Committee ("AFC"), which is comprised of three Board members, focuses on the assessment of the adequacy of the Group's systems, policies and controls regarding both financial and non- financial risks, including legal matters that could have a material impact on the Group. The AFC regularly consults with the Group's CEO as well as the Executive Management. At least once a year, the Board of Directors, via the AFC, is briefed by the Group Executive Management of any significant changes in risk management. In financial year 2020, the Group Risk Report was reviewed with the Board of Directors at the February board meeting.

Risk Radar and Mitigation Actions at the End of Financial Year 2020
Amongst the top material risks on the Company's risk radar are Supply Chain, Quality, Infectious Diseases, Portfolio and Technology, as well as Foreign Exchange. The overview describes these risks in more detail and shows mitigation actions implemented by Landis+Gyr.

Exposure to component market shortages as well as limited capabilities of suppliers and increased freight rates
- Identify and qualify alternative sources and purchase certain (critical) components from multiple suppliers
- Maintain an inventory on important components
- Maintain close collaboration with contract manufacturers

Potential failure of suppliers and contract manufacturers or inadequate processes to meet quality requirements
- Global standardized supplier management process
- Global Zero Defect Quality Initiative
- Adopted quality management system standard from the automotive industry

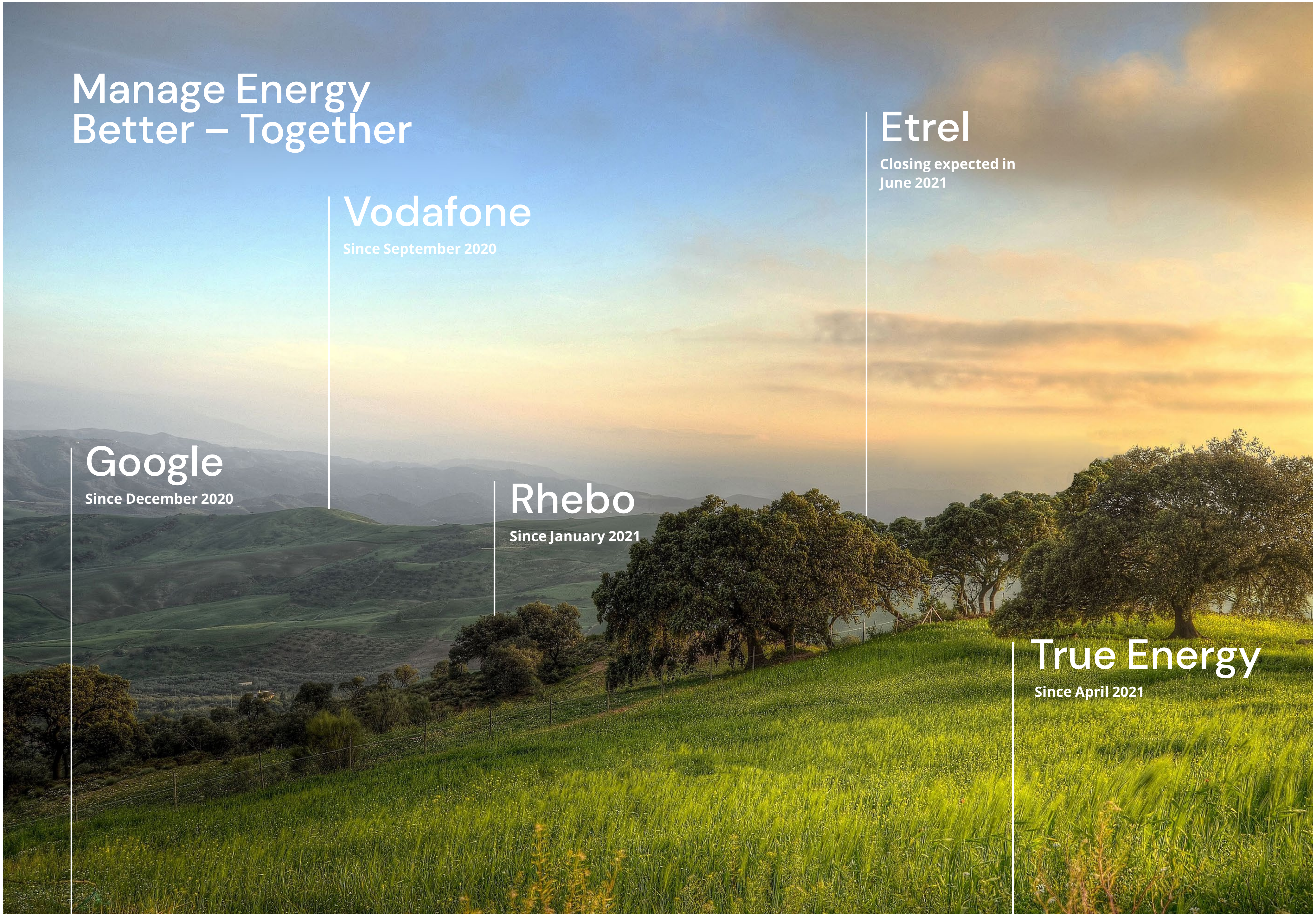
Risk for Landis+Gyr, customers and suppliers to be impacted by COVID-19 longer than anticipated
- Implement emergency contingency plans as defined in business continuity plans
- Cooperate with customers to understand changes in client and market conditions, confirm the impact of resumption

Risk of not having the right portfolio of offerings which addresses customer needs and is superior to the offering of competitors
- Significant investments in new product development in all three growth platforms
- Continually develop and introduce new products, e.g. next generation electricity metering
- Extend the gas and water portfolio and strengthen the partner program to develop new offerings

Financial risk caused by fluctuations in exchange rates
- Hedging contracts in place
- As consequences of the BREXIT situation, expanded hedging program for GBP/USD in place

Purpose

Sustainable Impact



Manage Energy Better – Together

Vodafone
Since September 2020

Etrel
Closing expected in June 2021

Google
Since December 2020

Rhebo
Since January 2021

True Energy
Since April 2021

Manage Energy Better – Together

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

Google Partnership

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

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

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

Vodafone

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

The progress in Cellular IoT technology development offers a compelling alternative to low-power radio frequency ("RF") and power-line communication ("PLC"). While cellular devices offer the advantage of being able to be installed anywhere, they have the disadvantage of depending on local telecom operators, which adds complexity to set up and operate end-to-end-solutions with a third party, the telecom operator, acting in the middle. In addition, telecom operators' technologies, coverage and tools are not fully harmonized worldwide, and very few single operators can offer the expected level of service required by utilities that manage critical infrastructures. Landis+Gyr's end-to-end solutions and services benefit from Vodafone 's global IoT infrastructure. This infrastructure operates over the largest number of local telecom operators worldwide, with a single SIM managed by a single IOT platform.

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

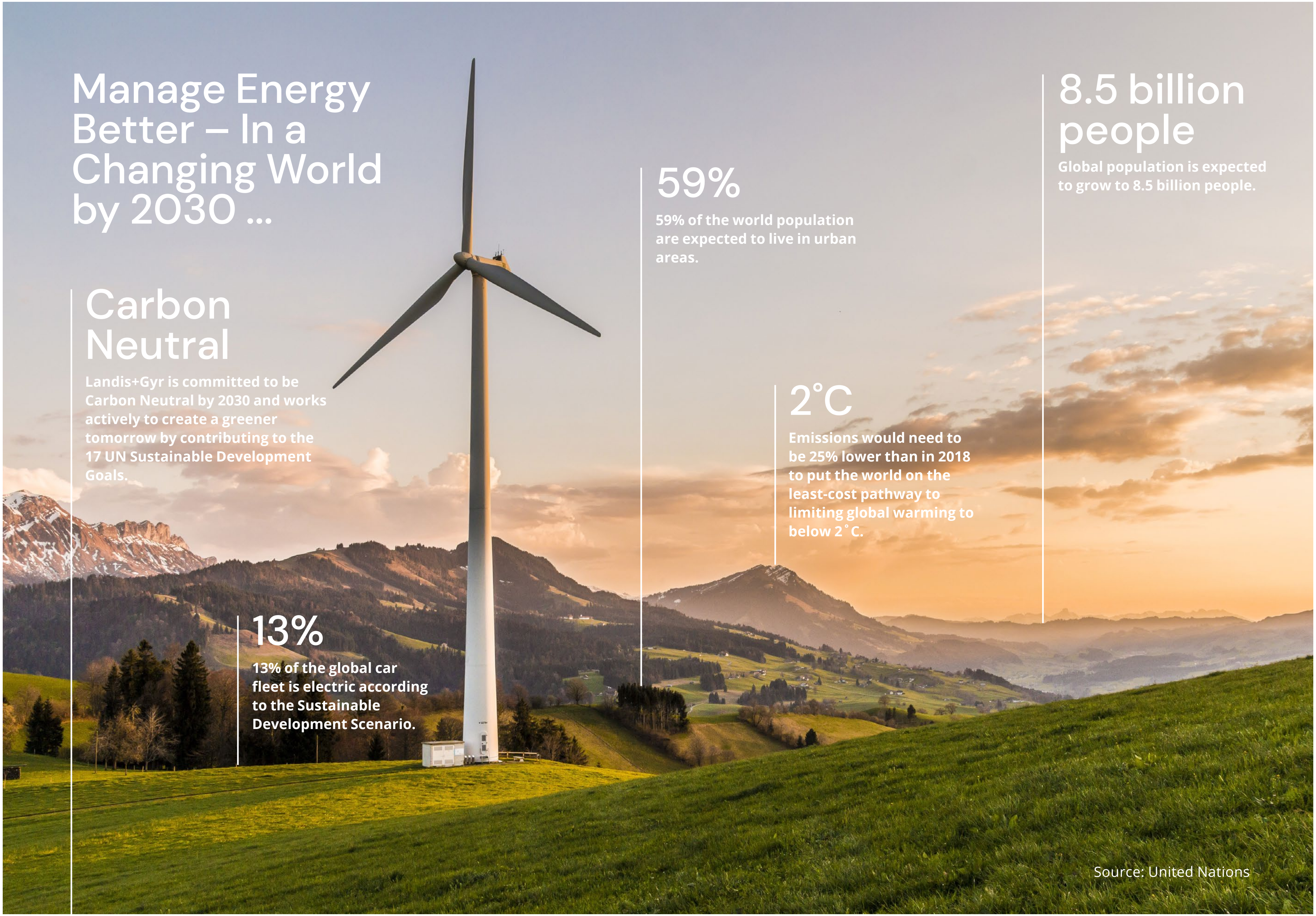
Rhebo

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

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

FY 2021 – True Energy and Etrel

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



Manage Energy Better – In a Changing World by 2030 …

Carbon Neutral

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

13%

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

59%

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

2°C

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

8.5 billion people

Global population is expected to grow to 8.5 billion people.

Source: United Nations

Manage Energy Better – In a Changing World

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

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

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

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

Electric Vehicles Play an increasingly Crucial Role in Meeting Environmental Goals

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

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


Manage Energy Better – For a Greener Tomorrow
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Decent Work and Economic Growth
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Affordable and Clean Energy
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Peace, Justice and Strong Institutions
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Industry, Innovation and Infrastructure
12
Responsible Consumption and Production
11
Sustainable Cities and Communities
By 2030
Landys + Gyr to Become Carbon Neutral

Manage Energy Better – For a Greener Tomorrow

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

Climate

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

The emergence of new technologies holds opportunities for Landis+Gyr to provide increasingly smart and energy-efficient products and solutions. Smart Meters enable meaningful energy efficiency gains and the integration of renewable resources into the supply network, which, in turn, makes it possible for utilities and end consumers to reduce their CO_2 emissions substantially. In the past financial year, Landis+Gyr's installed smart meter base reduced direct CO_2 emissions by an estimated 8.5 million tons – enough to provide electricity to San Diego homes for a year. At the same time, the Company has been working together with partners to provide software that enables more transparent insights of the energy use that allows end consumers to consume energy outside of peak hours, and therefore, at lower rates.

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

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

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

New opportunities emerge as additional markets begin to undergo a technological advancement process: Smart meters with enhanced functionality allow for advanced load management, enabling end consumers to better steer and manage their own energy consumption and cost. At the end of FY 2020, Landis+Gyr signed a contract with Puget Sound Energy, Washington state's largest utility, to add street light control capabilities to their smart grid and AMI program. The smart controllers will perform a variety of functions, including control of lighting intensity to boost energy efficiency and metered billing of street lights using the metrology in control.

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

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

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

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

In FY 2020, Landis+Gyr emitted 13.297 tons of CO_2. This is 47% less than the year before. The pandemic had a significant impact on CO_2 reduction, however, the Company also performed energy audits in its most important production sites, set targets for energy consumption savings and identified actions. This helped Landis+Gyr to not only reduce the overall energy usage but also to considerably enhance the portion of green energy in its offices and plants, specifically in Corinth, Lafayette and Pequot Lakes.

The carbon footprint of Landis+Gyr is measured in accordance with the Greenhouse Gas Protocol (“GHG”) Corporate Accounting and Reporting Standard and verified by an external partner. As described already in the contributions to SDG 7, the Company plays an important role in mitigating climate change on a global scale by developing state-of-the-art technologies and solutions. These helped to enable a reduction of 8.5 million tons of direct CO_2 emissions in the past business year through the installed smart meter base.

Resources

SDG 12 – Ensure sustainable consumption and production patterns.

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

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

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

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

Trust & Equality

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

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

Landis+Gyr’s fair labor practices are aligned with global standards and guidelines such as the Declaration on the Fundamental Principles and Rights at Work of the International Labor Organization and the United Nations Global Compact. They focus on the implementation of a set of internal guidelines and control measures within the entire organization and supply chain to ensure compliance with local laws and international standards. A central requirement is a guarantee of equal employment opportunities without discrimination and harassment based on age, gender, religion, sexual orientation or ethnicity. In 2020, the LinkedIn learning training course “Unconscious Bias” was the number one course taken by Landis+Gyr’s employees with 1,858 participants.

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

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

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

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

Further Information

Customer Intimacy

Share Information

Key Stock Exchange Figures

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

1) Data source: SIX Swiss Exchange

Key Per Share Figures

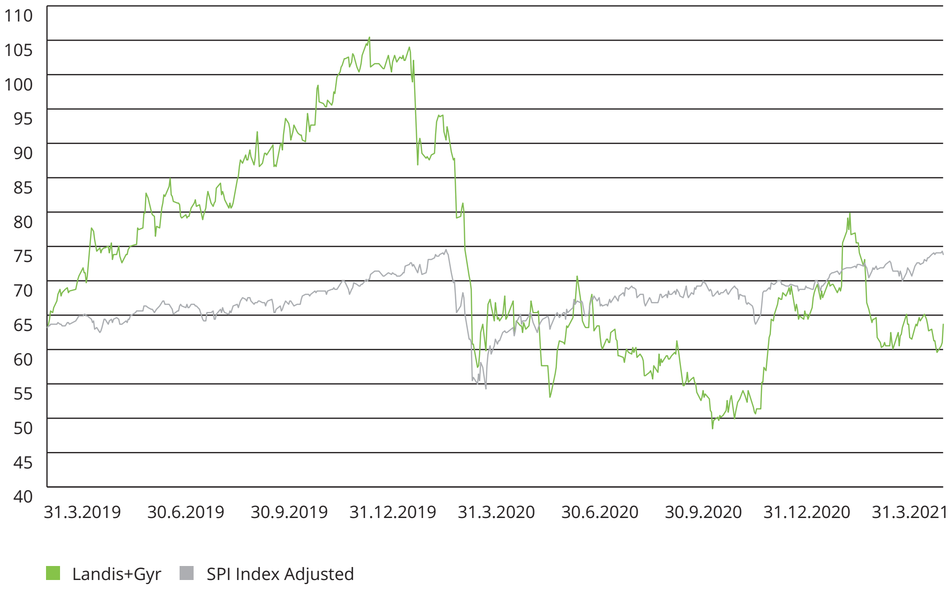
	FY 2020 (1.4.20 – 31.3.21)	FY 2019 (1.4.19 –31.3.20)
Earnings per share – basic and diluted (USD)	(13.61)	3.90
Dividend per share (CHF)	2.10	2.00

Shareholder Structure

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

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

Share Price Performance Landis+Gyr Group AG



Share Price Performance Landis+Gyr Group AG

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

Corporate Calendar

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

Information Policy

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

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This Annual Report includes forward-looking information and statements, including statements concerning the outlook for Landis+Gyr Group AG and Landis+Gyr group ("Landis+Gyr"). These statements are based on current expectations, estimates and projections about the factors that may affect Landis+Gyr's future performance, including global economic conditions, and the economic conditions of the regions and industries that are major markets for Landis+Gyr Group AG.

These expectations, estimates and projections are generally identifiable by statements containing words such as "expects", "believes", "estimates", "targets", "plans", "outlook", "guidance" or similar expressions.

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

The important factors that could cause such differences include, among others: the duration, severity and geographic spread of the COVID-19 pandemic, government actions to address or mitigate the impact of the COVID-19 pandemic, and the potential negative impacts of COVID-19 on the global economy, the company's operations and those of its customers and suppliers; global shortage of supplied components as well as increased freight rates; business risks associated with the volatile global economic environment and political conditions; costs associated with compliance activities; market acceptance of new products and services; changes in governmental regulations and currency exchange rates; estimates of future warranty claims and expenses and sufficiency of accruals; and such other factors as may be discussed from time to time in Landis+Gyr Group AG filings with the SIX Swiss Exchange.

Although Landis+Gyr Group AG believes that its expectations reflected in any such forward-looking statement are based on reasonable assumptions, it can give no assurance that those expectations will be achieved.

MANAGE ENERGY BETTER

+125 Years

Corporate Governance Report 2020

Landis+Gyr

Contents

Corporate Governance Report 2020

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, in force on March 31, 2021 (the "DCG"), and is structured in accordance with the DCG. In addition, we follow the recommendations of the Swiss Code of Best Practice for Corporate Governance.[1] We continue to develop our 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 Our Group's Operational Structure

Landis+Gyr is a global provider of integrated energy management solutions for the utility sector. Our 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 more than 5,000 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, a holding company governed by the laws of Switzerland.[2] Landis+Gyr Group AG (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, 2021, 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 each.

The general meeting of shareholders of the Company (the "General Meeting") is the supreme corporate body and the Company's board of directors (the "Board of Directors" or the "Board", each member a "Director") is accountable and reports to the shareholders by whom it is elected. 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
Our 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. Our Americas segment primarily focuses on smart metering communications networks and solutions, connected intelligent devices, software and services.

EMEA
Our operations in EMEA are headquartered in Cham, Canton of Zug, Switzerland. The EMEA segment comprises our 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, software and services.

Asia Pacific
Our 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: 37,115,349). On March 31, 2021, the market capitalization (excluding treasury shares) of the Company's shares amounted to CHF 1,833,407,821. There are no other listed companies belonging to the Group.

With the exception of 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, 2021.
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, 2021, 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 P/L	Mascot, NSW	Australia	100	45,587	AUD
Bayard Metering P/L	Mascot, NSW	Australia	100	45,587	AUD
Landis+Gyr GmbH	Vienna	Austria	100	300	EUR
Landis+Gyr NV	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
Landis+Gyr OY	Jyväskylä	Finland	100	16,819	EUR
Landis+Gyr SAS	Montluçon	France	100	2,460	EUR
Landis+Gyr GmbH	Nuremberg	Germany	100	1,023	EUR
Rhebo GmbH	Leipzig	Germany	100	279	EUR
Landis+Gyr A.E.	Corinth	Greece	100	7,950	EUR
Landis+Gyr Ltd.	Kolkata	India	100	457,400	INR
Landis+Gy S.p.A	Rome	Italy	100	1,500	EUR
Landis&Gyr Japan KK	Kawasaki	Japan	100	20,000	YEN
Landis+Gyr SA de CV	Reynosa	Mexico	100	10	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 AS	Billingstad	Norway	100	1,000	NOK
Landis+Gyr Sp. z o.o.	Warsaw	Poland	100	5,000	PLZ
Landis+Gyr Pte. Ltd.	Singapore	Singapore	100	3,503	USD
Landis+Gyr d.o.o.	Sencur	Slovenia	100	200	EUR
Landis and Gyr (Pty) Ltd	Kosmosdal	South Africa	70	2,000	ZAR
Landis & Gyr S.A.U.	Seville	Spain	100	3,000	EUR
Landis+Gyr AB	Vallentuna	Sweden	100	1,000	SEK
Landis+Gyr AG	Cham	Switzerland	100	29,700	CHF
Caligyr AG	Cham	Switzerland	100	100	CHF
Ampy Holdings Ltd, UK	Peterborough	United Kingdom	100	42,306	USD
Bayard Metering (UK) Ltd	Peterborough	United Kingdom	100	6,986	GBP
Generis Technology Ltd.	Manchester	United Kingdom	100	0.747	GBP
Landis+Gyr Ltd.	Peterborough	United Kingdom	100	2,800	GBP
Landis+Gyr (Stockport) Ltd.	Peterborough	United Kingdom	100	n/a	GBP
Landis+Gyr Innovations, Inc.	Delaware	USA	100	0.01	USD
Landis+Gyr Investments, LLC	Delaware	USA	100	0.1	USD
Landis+Gyr Technologies Canada, Inc.	Delaware	USA	100	0.03	USD
Landis+Gyr Technology, Inc.	Delaware	USA	100	0.01	USD
Landis+Gyr Midwest, Inc.	Delaware	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, 2021 amounted to 7,612, holding a total of 20.4 million shares, which equals approximately 70.7% of the Company's total shares. A total of 8.5 million shares, equaling approximately 29.3% of the Company's total shares, were held by unregistered shareholders. As of March 31, 2021, the Company held 81,777 treasury shares (which are registered), which represents 0.28% of the Company's share capital. The sources of the Company's treasury shares are explained in more detail in Section 2.3.2 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, 2021, 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%
Franklin Resources, Inc. / Franklin Templeton Investments Corp., Franklin Templeton Investment Management Limited, Templeton Investment Counsel, LLC	931,580	3.22%
BlackRock, Inc., New York, NY, U.S.A. (Mother Company)	920,642	3.18%
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. Any reportable changes since the date hereof can also be found 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, 2021, 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, 2021, the Company's ordinary share capital as registered with the Commercial Register of the Canton of Zug amounted to CHF 289,089,440, 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, 2021, 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 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 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 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 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 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 approximately 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 30, 2022.[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 30, 2022 (1) out of the Authorized Capital with the 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 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 three 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
July 11,2017 / July 11,2017	Adjustment of number and nominal value of the Company's then-issued and outstanding shares (no change in share capital)	Nominal value per share increased from CHF 1 to CHF 10, total number of shares divided by ten; no changes to the Company's share capital (see Section 2.3.1 for further information)
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 each (see Section 2.3.2 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 each (see Section 2.3.2 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 Adjustment of Number and Nominal Value of Shares in Connection with the Company's Initial Public Offering

From 2012 through the date of the initial public offering (the "IPO"), the Company had a nominal share capital of CHF 295,100,000, divided into 295,100,000 fully paid-in registered shares with a nominal value of CHF 1.00 each. In connection with the IPO of the Company, the General Meeting on July 11, 2017 resolved to change the number and nominal value of the Company's shares divided into 29,510,000 fully paid-in registered shares with a nominal value of CHF 10.00 each. The Company's share capital itself was neither increased nor decreased.

2.3.2 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 and lasts until January 28, 2022 at the latest. The shares are being 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] On March 27, 2020, the Company announced to suspend its Share Buy-Back Program with immediate effect. As of March 31, 2021, 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.

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.

2.3.3 Treasury Shares

Besides treasury shares stemming from the Share Buy-Back Program (see Section 2.3.2 above), which, as of March 31, 2021, 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, 2021, the Company held 81,777 treasury shares, which represents 0.28% of the Company's share capital.

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

2.4 Shares and Participation Certificates

As of March 31, 2021, 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.

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, 2021, no exceptions under art. 5 of the Articles had been granted during the period under review.

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.

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 regards 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 effected 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, 2021.

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 diversity in backgrounds (current members represent six nationalities and diverse ages) as well as experience and 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 Committee (the “AFC”), the Remuneration Committee (the “RemCo”) and the Nomination & Governance Committee (the “NGC”, together the “Committees”).

Pursuant to Swiss corporate law and the Articles, all Directors are elected annually. The Board of Directors consists of eight non-executive members (six of which are independent) and no executive members. As the current chairman of the Board (the “Chairman”) formerly served as the Company’s CEO, the Board of Directors has a Lead Independent Director whose role is further described in Section 3.5.1.2 below. As of March 31, 2021, the Directors of the Company were:

Name	Role	First Election	Expires	Committees
Andreas Umbach	Chairman, not independent[14]	2017	2021 AGM	Nomination & Governance (Chair)
Eric Elzvik	Lead Independent Director	2017	2021 AGM	Remuneration (Chair), Audit and Finance, Nomination & Governance
Dave Geary	Independent Member	2017	2021 AGM	Remuneration
Pierre-Alain Graf	Independent Member	2017	2021 AGM	Remuneration
Peter Mainz	Independent Member	2018	2021 AGM	Nomination & Governance
Søren Thorup Sørensen	Not independent; representative of largest shareholder	2019	2021 AGM	None
Andreas Spreiter	Independent Member	2017	2021 AGM	Audit and Finance (Chair)
Christina Stercken	Independent Member	2017	2021 AGM	Audit and Finance

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

14 Andreas Umbach qualifies as Independent Member 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.

3.1.2 Selection and Skills

We aim 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 in financial year 2018 (April 1, 2018 to March 31, 2019) and reconfirmed in financial year 2019 (April 1, 2019 to March 31, 2020). In financial year 2020 (April 1, 2020 to March 31, 2021), the respective set of skills/traits was again reviewed and expanded to better reflect the Company's focus on environment, social and governance ("ESG") aspects. 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 of the identified skills/traits.

Board Skills Matrix

General	Governance	Technical/Functional	Industry Experience	Personality	Diversity
Independence	Understanding Fiduciary, Legal and Ethical Duties	Strategy Development and Execution	Utility Markets and Regulation	Honest, Fair and Diligent	Multicultural Background
Financial Proficiency	Board Experience	Growth and Innovation	Utility Operations	Commitment, Efficiency and Effectiveness	Gender
Global / International / Emerging Markets Experience	Governance Experience	Operational Excellence	Solutions, Software and Services in Energy Management	Independent Thinking	
ESG Leadership Mindset and Track Record	Risk Management and Oversight	Financial Expertise			
Leadership, General Management and Profit & Loss Experience	Environmental/ Anti-Corruption / Health and Safety	Digitalization incl. Cybersecurity			
		Transformation and Restructuring			

The Board of Directors conducts an annual self-assessment based on a comprehensive and anonymous questionnaire in the last quarter of the financial year. In financial year 2020, this assessment was further expanded to cover also, among others, the relationship of the Board of Directors with the new CEO, as well as with other members of the senior management team, the conduct of board meetings via video tools due to COVID-19 and the ESG mindset and track record of the directors. Further, the directors provided feedback regarding the Board succession roadmap and on focus criteria for new directors. The Chairman conducts individual feedback and performance reviews with each director. The Lead Independent Director conducts the Chairman's performance review with the Board of Directors and in absence of the Chairman. 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.

3.1.4 Information regarding Directors

Andreas Umbach

Chairman, not independent*
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 Combibloc 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-profitoriented 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 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 Global Connect group (2019 to present); Board member of VFS Global (2018 to present); Senior Industrial Advisor to EQT Group (2017 to present)

Current outside mandates at non-profitoriented 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).

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

Dave Geary

Independent Member
Since July 19, 2017
Born: 1955

Nationality: USA

Prior positions at Landis+Gyr:
None

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

Current positions at not publicly traded companies other than Landis+Gyr:
Founder of DJGeary Consulting, LLC (2016 to present)

Current outside mandates at non-profitoriented organizations:
None

Prior other positions:
Executive Vice President Business Integration at Nokia Networks (2016); President of the Wireless Networks business at Alcatel-Lucent (2012 to 2015); President of Wireline Networks (2009 to 2012); and before that other senior positions within Lucent Technologies and AT&T Network Systems

Education:
Master of Business Administration in Finance, Kellogg School of Management, Northwestern University, USA; Bachelor of Science in Electrical Engineering, Bradley University, USA

* Andreas Umbach, as of March 31, 2021, qualifies as Independent Member 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.

Pierre-Alain Graf

Independent Member
Since July 19, 2017
Born: 1962

Nationality: Swiss

Prior Positions at Landis+Gyr:
None

Current positions at publicly traded companies other than Landis+Gyr:
Senior Vice President of Global Security Business at Hitachi ABB Powergrids (JPX: 65010) (2017 to present)

Current positions at not publicly traded companies other than Landis+Gyr:
Board member of Broadband Networks AG (2016 to present); owner of PAG Consulting & Services GmbH (2016 to present); Chairman of DEPSys SA (2020 to present)

Current outside mandates at non-profitoriented organizations:
Co-Chair of workgroup in Cyberresilience Electricity at World Economic Forum

Prior other positions:
Board member of Leclanché SA (2017 to 2018); Chief Executive Officer of Swissgrid (2008 to 2015); Chairman of the TSC – TSO Security Cooperation (2011 to 2015); General Manager Cisco Systems, Switzerland (2006 to 2008); several executive positions at COLT Telecommunications in Europe

Education:
Master of Business Administration, University of St. Gallen, Switzerland; Master of Law, University of Basel, Switzerland, Advanced Management Program at Harvard Business School, USA

Peter Mainz

Independent Member
Since June 28, 2018
Born: 1964

Nationality: Austrian

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-profitoriented 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

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); Board member 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-profitoriented organizations:
Ole Kirk's Foundation, Board member; ATTA Fonden, 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 Member
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:
Board member and Chairman of audit committee of Reichle & De-Massari Holding AG (2010 to present); Member of the supervisory board and Chairman of the audit and risk committee at Alpha ABMD Holdco B.V. (Ammega Group) (2019 to present)

Current outside mandates at non-profitoriented 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 Member
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-profitoriented organizations:
Vice Chairman of Myanmar Foundation, Munich (2001 to present)

Prior other positions:
Partner at Euro Asia Consulting PartG (EAC) (2006 to 2017); earlier positions include Siemens AG, Managing Director Corporate Finance M&A, Lead 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

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 (respectively the Chairman 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 our 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 Chairman, 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.[15]

The members of the Remuneration Committee as well as the independent proxy (the "Independent Proxy") are also elected by the General Meeting for a one-year term.

15 For more information on the terms of office of Board members, see art. 4 of the Organization Regulations.

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 Chairman, the Lead Independent Director and the Committees as well as the CEO, the Group Executive Management and the extended executive management.

In general, the Chairman of the Board of Directors or, in his absence, conflict of interest, unavailability, or failure to act, the Lead Independent Director (or, in his 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 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 and Finance Committee, a Remuneration Committee and a Nomination & Governance 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 Chairman – 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 Chairman is indisposed or conflicted, the Lead Independent Director chairs the Board meetings. This includes any deliberations or decision-taking involving the assessment of the Chairman'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 and Finance Committee
In addition to assisting the Board with oversight of financial reporting, the AFC focuses on assessment of the adequacy of the Group's systems, policies and controls regarding financial and non-financial risks. This includes compliance with legal and regulatory obligations, insurance and related matters.

Comprising three independent board members (whereas the minimum number of members amounts to two per the Organization Regulations), the AFC also 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.[16] 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
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,[17] 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 Chairman 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.

16 The external auditor is PwC (auditor of Landis+Gyr Group AG and of the Consolidated Financial Statements of the Landis+Gyr Group). It conducts its audit in compliance with Swiss law and in accordance with Swiss auditing standards and auditing standards generally accepted in the United States of America (US GAAS).
17 In accordance with Swiss law, these members are elected each year by the shareholders' meeting. They serve for one year and may be re-elected for further terms.

3.5.2.3 Tasks and Area of Responsibility of the Nomination & Governance Committee
Comprising three members of the Board of Directors, which is the minimum number of members as set forth in the Organization Regulations, of which the majority is independent, the NGC supports the Board of Directors with respect to matters involving (i) the nomination of the members of the Board and the Group Executive Management and (ii) the corporate governance of the Company and the Group. More particularly, the NGC supports the Board in assessing the members of the Board, the CEO and the other members of the Group Executive Management with regards 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 NGC 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. The organization, detailed responsibilities and reporting duties of the NGC 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 in person or via conference call. The Organization Regulations foresee that meetings take place at the request of the Chairman 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. 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 Data Privacy Officer provide regular, independent reports to the CEO and to the AFC and ad hoc reports whenever 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 Chairman 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 NGC typically meets once every two to three months. The Chairman of the NGC regularly reports to the Board on its activities, resolutions and contemplations. The overall responsibility, including for approval of recommendations, remains with the Board of Directors.

The Board of Directors adapted to the consequences of the COVID-19 pandemic with respect to travel limitations. In general, the overall number of meetings was increased, whereas the meetings held via video conference were generally reduced in duration. In the 12 months preceding this Corporate Governance Report, the Board of Directors held 13 meetings (of which six were in-person meetings and six were conference calls and the strategy session hybrid, see below). The in-person meetings were for a full day, except for the strategy session, which was conducted over two full days and which involved certain directors and some management members attending in person and others via video-conference. The calls had an average duration of approximately five hours.

As of April 1, 2020 through March 31, 2021	Number of meetings (attendance)	Average duration (hours)
Board of Directors	13 (100%)	6
AFC	5 (100%)	5[18]
RemCo	5 (100%)	3
NGC	4 (100%)	1

3.5.3.2 Meeting Attendance

All meetings by the Board of Directors, the AFC, the RemCo and the NGC 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. Meetings of the AFC were all attended by the Chairman, the CEO, the CFO, the Group General Counsel and other senior managers, 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. The Chairman attended all RemCo meetings but was not present during meetings or parts thereof during which his own remuneration was discussed. Except for some Director-only sessions, the meetings of the NGC were attended by the Group General Counsel and some meetings were also attended by the CEO, who was however excluded from certain discussions.

18 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, 2020 through March 31, 2021:

Dates	03.04.	05.05.	27.05.	29.06.	23.07.	23.09.	09.10.	19.11.	17.12.	20.01.	26.01.	24.02.	23.03.
Andreas Umbach	√	√	√	√	√	√	√	√	√	√	√	√	√
Eric Elzvik	√	√	√	√	√	√	√	√	√	√	√	√	√
Dave Geary	√	√	√	√	√	√	√	√	√	√	√	√	√
Pierre-Alain Graf	√	√	√	√	√	√	√	√	√	√	√	√	√
Peter Mainz	√	√	√	√	√	√	√	√	√	√	√	√	√
Søren Thorup Sørensen	√	√	√	√	√	√	√	√	√	√	√	√	√
Andreas Spreiter	√	√	√	√	√	√	√	√	√	√	√	√	√
Christina Stercken	√	√	√	√	√	√	√	√	√	√	√	√	√

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.[19] Resolutions of the Board of Directors require the affirmative simple majority of the votes cast.

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

Circular resolutions require the majority of the members of the Board. In the case of a tie on any issue, the Chairman has the casting vote.

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.[20] The CEO, in his duties,[21] 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 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 Chairman 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 Chairman 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.

Other reports to the Board include information about 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 Chairmen of the AFC, the RemCo and of the NGC also report on all matters discussed by their committees and on the key findings and assessments, and they submit proposals accordingly. Each year, the Board of Directors discusses and approves the budget for the following year and the five-year midterm plan.

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

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

The internal audits are conducted by the internal audit function in accordance with an annual plan approved by the 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 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 eliminated by measures adopted by management and are regularly monitored. In the financial year 2020, 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.

20 See art. 10.1 of the Organization Regulations.
21 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.

The NGC supports the Board in all matters that relate to nominations and governance. In this capacity, the NGC reviews current corporate governance matters but also the CEO and GEM performance review and succession plan. Within the context of the annual Board Self-Assessment process run by the NGC, the Board also reviews the cooperation with the CEO and the Group Executive Management and identifies improvement opportunities. The NGC also identifies training and education options for the Board and also for the Group Executive Management.

4 Group Executive Management

4.1 Members of the Group Executive Management
As of March 31, 2021, 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
Susanne Seitz	Executive Vice President and Head of EMEA	2018
Prasanna Venkatesan	Executive Vice President and Head of Americas	2014

Werner Lieberherr assumed the CEO role starting on April 1, 2020. Elodie Cingari took over the CFO position from Jonathan Elmer, effective November 16, 2020.

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

Susanne Seitz

EVP and Head of EMEA
Since November 19, 2018
Born: 1967

Nationality: Swiss

Prior positions at Landis+Gyr:
None

Current positions outside of Landis+Gyr:
Member of the Expert Committee for the Technology Fund, Swiss Federal Office for the Environment (2019 to present); Member of the Board of Directors of Reichle & De-Massari Holding AG (2021 to present)

Prior other positions:
Various management positions with Siemens Building Technologies (2003 to 2018), including SVP Europe North (2017 to 2018), SVP Systems & Solutions (2015 to 2017); VP Enterprise Security (2012 to 2015); and Director of Product Line Intrusion (2006 to 2010). Earlier in her career she worked for BT&T Asset Management in corporate communications and as a project manager with Ernst Basler and Partners

Outside mandates at non-profit-oriented organizations:
None

Education:
Executive Master of Business Administration from the University of St Gallen, Switzerland; Master of Science in Environmental Engineering, ETH Zurich, Switzerland

Prasanna Venkatesan

EVP and Head of Americas
Since January 1, 2014
Born: 1960

Nationality: USA

Prior positions at Landis+Gyr (2006 to 2013):
SVP & General Manager Systems & Services, Landis+Gyr North America (2009 to 2013); VP Research and Development, Landis+Gyr (Jan 2008 to Jan 2009); positions at Cellnet Technology, Inc. (acquired by Landis+Gyr in 2007), included VP of Supply Chain and Manufacturing engineering and leading the integration process of Cellnet Technology, Inc. into Landis+Gyr

Current positions outside of Landis+Gyr:
Advanced Energy Economy (Board member of not-for-profit organization) (2015 to present)

Prior other positions:
Several senior level engineering and operations management positions (including as Technology Center Manager), Schlumberger

Outside mandates at non-profit-oriented organizations:
None

Education:
Master of Science in Industrial Engineering, University of Oklahoma, USA

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 themselves 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 public companies and 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. Both the AGM 2020 as well as the extraordinary General Meeting 2020 were held without physical presence of the shareholders in accordance with the Swiss COVID-19 Ordinance.

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 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:
- 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);
- the facilitation or abolishment of the limitations on the transferability of shares as set forth in the Articles; or
- 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. To the extent 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 Chairman 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 2020.

8.3 Additional Fees
PwC charged CHF 0.2 million for non-audit services performed during the year-ended March 31, 2021. 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 Chairman, 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 2019 and the audit plan for the audit of the Group's accounts for the financial year 2020.

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.[22]

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:

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/media-releases

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

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MANAGE ENERGY BETTER

125 Years

Remuneration Report 2020

Landis+Gyr

Contents

Letter from the Chairman 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, 2021.**

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.

In a year of unprecedented challenges posed by the global COVID-19 pandemic, Landis+Gyr displayed business resilience. With respect to the remuneration systems, the targets for the Short-Term Incentive Plan, which were being finalized at the time when the COVID-19 crisis started, were not adjusted. Similarly, no changes were made to the Earnings per Share and the relative Total Shareholder Return vesting curves for the Long-Term Incentive Plan granted in financial year 2020, nor for any of the outstanding Long-Term Incentive Plan grants.

Further, due to the uncertainty of the COVID-19 pandemic, the members of the Board of Directors and Group Executive Management decided at the beginning of the financial year to take a voluntary 10% reduction to their base and committee fees and base salaries, respectively, for a period of six months. A large part of this is invested in a welfare fund, which provides financial assistance to help our employees in India, and dependent family members, who have been directly impacted by COVID-19. Remaining funds are intended to support community engagement activities.

At the last Annual General Meeting in 2020, binding votes were conducted on the maximum aggregate remuneration amounts for the Board of Directors and the Group Executive Management, both with approval rates of more than 97%. 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 to drive Landis+Gyr's sustainable strategic and performance development in the interest of our shareholders.

During the financial year, the Remuneration Committee continued to evaluate our remuneration systems and programs with the aim of further aligning our incentive plans with Landis+Gyr's business strategy and shareholders' interests. As in previous years, we greatly appreciated the opportunity to continue our dialogue with investors and stakeholders, in particular also addressing the challenges we faced as a consequence of the COVID-19 pandemic, as well as the further development of our approach towards linking our sustainability priorities to our incentive systems. As the first step in this context, and as already communicated in the Remuneration Report 2019, a sustainability-related component with an overall weight of 10% was introduced in the Short-Term Incentive Plan in financial year 2020. Focusing on the topics of energy efficiency and climate protection, the sustainability component was measured against three specific targets concerning the reduction of our CO_2 emissions and waste, as well as the impact of our product portfolio on the environment. Through targeted initiatives and action plans, very good progress was made against these targets during the year under review.

Throughout the past 12 months we have continued to review the sustainability component of our Short-Term Incentive Plan and its evolvement in line with Landis+Gyr's overall Environmental, Social and Governance ("ESG") strategy. Given our strategic focus on creating a sustainable impact in managing energy better and our commitment overall to sustainable ESG practices, the sustainability-related component will be expanded as follows as of financial year 2021:

– Increase of the overall weight within the Short-Term Incentive from 10% to 20%. (with financial performance targets accordingly going from currently 90% to 80%)
– Addition of further targets directly linked to our ESG strategy.

The Remuneration Committee and the Board also continued their review to evolve the Long-Term Incentive Plan. As of financial year 2021, to allow for more specific industry performance comparability, the relative Total Shareholder Return component will be measured against a focused custom group of companies, replacing the current measurement against the broader SPI Industrials Index. The selected peer companies are aligned to Landis+Gyr in terms of industry, business model and geographical reach. In alignment with common market practice, the performance of Landis+Gyr's Total Shareholder Return relative to the peer companies will be expressed as a percentile rank instead of the methodology applied so far, which measures the percentage point deviation to an index.

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 Annual General Meeting. At the upcoming Annual General Meeting in June 2021, 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 Annual General Meeting in 2022 and to the Group Executive Management for the financial year ending March 31, 2023. 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 2020.

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

In closing, I would like to recognize the level of relentless energy, determination and resilience demonstrated by the Group Executive Management and Landis+Gyr employees across the world in driving performance and navigating the unprecedented pandemic challenges during the year.

Eric Elzvik
Chairman of the Remuneration Committee
and Lead Independent Director
Cham, May 2021

Remuneration Report 2020

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 ended March 31, 2021 ("FY 2020").

The Remuneration Report is written in accordance with the Ordinance Against Excessive Compensation with respect to Listed Stock Corporations ("Ordinance"), 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.

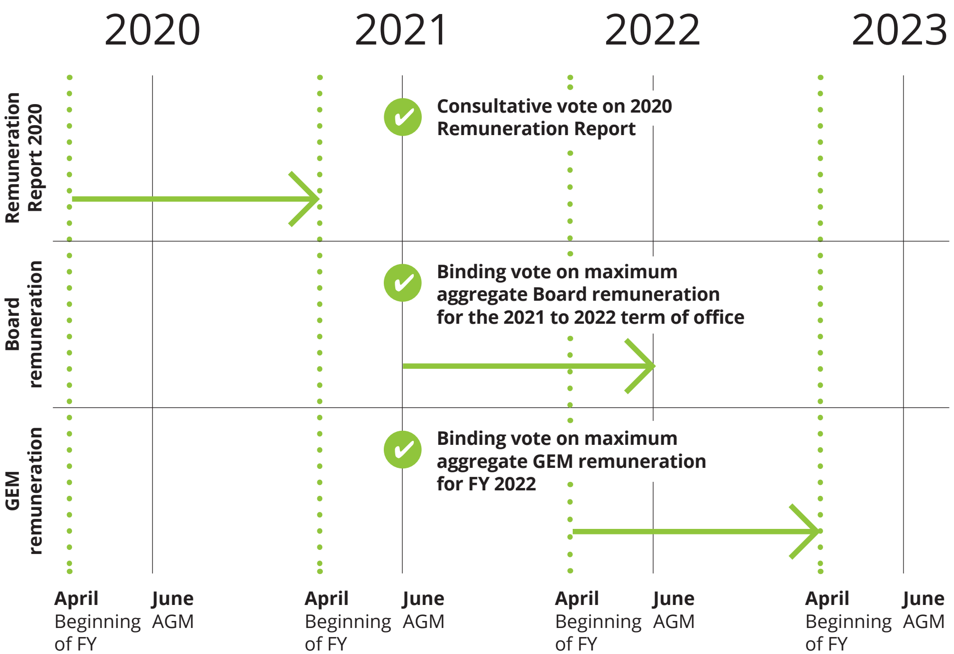
Landis+Gyr's Articles of Association include the principles governing remuneration (specifically Articles 12, 25, 26, 28 and 29) and can be viewed online at: www.landisgyr.com/about/executive-management-and-board/ → Corporate Governance Documents → Articles of Association. The key provisions are summarized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

- **Votes on remuneration (Article 12):** Every year the Annual General Meeting ("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 newly appointed or promoted members of the GEM in the respective financial year, the Company may pay an additional amount in each case up to 30% of the last 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 2021 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 2021 AGM to 2022 AGM (binding vote).
- The maximum aggregate remuneration amount for the GEM for the financial year starting April 1, 2022 and ending March 31, 2023 (binding vote).

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



At the 2020 AGM held on June 30, 2020, shareholders approved a maximum aggregate remuneration amount for the Board for the term of office until the 2021 AGM of CHF 1.8 million, as well as the maximum aggregate amount of fixed and variable remuneration for members of the GEM for FY 2021 in the amount of CHF 8.5 million. In addition, shareholders approved the Remuneration Report 2019 in a consultative vote.

The estimated remuneration granted to the Board for the term of office from the 2020 AGM to the 2021 AGM is CHF 1.4 million compared to the approved amount of CHF 1.8 million. An amount of CHF 7.0 million was granted to the GEM in FY 2020 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 GEM, except for the remuneration-related shareholder approvals for the Board and GEM. Members of the Remuneration Committee are elected annually and individually by the shareholders at the respective Annual General Meeting. The Chairman 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 Chairman 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 Chairman 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 2020, 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 during FY 2020

The Remuneration Committee meets as often as business requires but at least four times a year. In FY 2020, the Remuneration Committee held five 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 8ff.

EXHIBIT 3: OVERVIEW OF THE MAIN TOPICS DISCUSSED BY THE REMUNERATION COMMITTEE DURING FY 2020

	4 May	27 May	26 Oct	16 Dec	23 Feb
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	X	X
Review of stakeholder feedback on remuneration disclosure			X		
Remuneration Committee governance, meeting schedule and agenda setting			X		
Communication with major shareholders and their representatives					X
Board remuneration					
Review of Board Remuneration Policy	X				
GEM remuneration					
Review of GEM performance[1] and objective setting	X				X
Review of GEM benchmarking peer group and external benchmark				X	X
Review and recommendation of individual GEM remuneration levels	X				X
Review of short-term incentive performance target setting for new financial year and performance and payouts for previous financial year	X	X			X
Review of long-term incentive performance target setting and eligibility for new performance period and performance for previous performance period	X	X			X

1 The review of GEM performance, as well as succession planning, fall within the responsibility of the Nomination and Governance Committee newly established during FY 2020 and were therefore, going forward, removed from the annual Remuneration Committee agenda.

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 our Environmental, Social and Governance ("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 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. In addition, the benchmarks used for the GEM periodically include a comparison to international pay practices.

For the GEM, a benchmark examining remuneration levels and structure against a reference group of 15 Swiss listed industrial companies[1] was undertaken in FY 2020. Consistent with the last benchmark for the GEM, the companies were selected based on revenue, with market capitalization and number of employees used as further checkpoints. The conducted benchmarking showed that the GEM's remuneration levels and structures are comparable to the defined reference market. It was therefore concluded that no further expansion of the reference group was needed. The outcome of the benchmarking for the GEM was considered by the Board when discussing remuneration levels for FY 2021.

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

The remuneration of the Board was last benchmarked in FY 2019, based on a reference group of 24 companies[1]. Following this analysis, the Remuneration Committee and the Board decided to undertake the next benchmarking for the Board in FY 2021.

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 Chairman of the Board receives a fixed annual base fee of CHF 400,000 and a lump sum for expenses. The Chairman 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 in accordance with 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 Chairman himself. This ensures that the Company does not incur costs for pension fund contributions in addition to the Chairman's fixed base fee of CHF 400,000. The actual base fee payment to the Chairman 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 2020 the Company paid CHF 37,621 (FY 2019: CHF 37,541) in employer pension contributions, for the Chairman, which were deducted accordingly from the Chairman's base fee payment.

1 The Swiss listed industrial companies included in the reference group in FY 2019 for the purpose of Board benchmarking were: Sulzer, Geberit, Bucher, Dormakaba, OC Oerlikon, SIG, Conzzeta, SFS Group, Bobst Group, Daetwyler, Flughafen Zuerich, Schweiter. This reference group was further expanded with the following 12 cross-industry Swiss listed companies: Emmi, Galenica Sante, Logitech, Sonova, EMS-Chemie, Sunrise, KTM Industries, AMS, Vifor Pharma, Straumann, Forbo, Tamedia.

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 2020 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 2020 compared to FY 2019. 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.

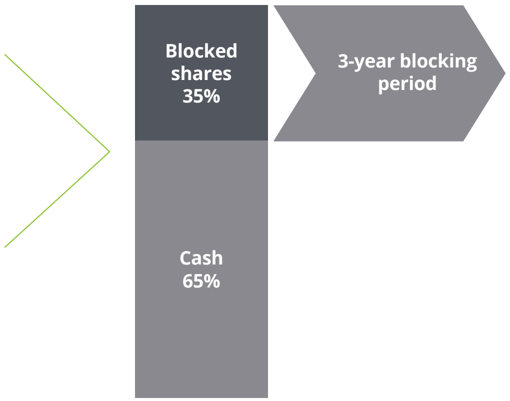
EXHIBIT 5: REMUNERATION SYSTEM OF THE BOARD, IN CHF

Fixed remuneration

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

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

Pay Mix



1 The base fee for the Chairman is CHF 400,000 (no change compared to FY 2019); CHF 37,621 of the base fee were deducted in FY 2020 (FY 2019: CHF 37,541) as the Chairman 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 Chairman is chairing the Nomination and Governance Committee, no Chair fee was paid in FY 2020 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 requirements	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	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 target amounts based on respective role and in alignment with market; cannot exceed the equivalent of 80% of base salary	Individually defined target amounts based on respective role and in alignment with market; cannot exceed the equivalent of 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 our 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 executive benefits allowance, tax advisory services, etc. 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.

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, accounting for 90% of the individual target incentive amount. These 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.

As already announced in the Remuneration Report 2019, as of FY 2020 additional targets related to Landis+Gyr's ESG strategy were introduced for all participants in the STIP, including for the members of the GEM, with a weight of 10% of the individual target incentive amount. 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. Information on realized payout for FY 2020 is provided on page 15.

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 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. Total payout under the STIP can range from 0% to 200% of the target incentive amount. For FY 2020, the individual target incentive amount for the CEO corresponds to 75% (FY 2019 for previous CEO: 75%) of base salary and for the other members of the GEM on average to 65% (FY 2019: 67%) of base salary. The maximum payout amount for the CEO is hence equivalent to 150% of base salary (FY 2019 for previous CEO: 150%) and for other members of the GEM on average to 130% of base salary (FY 2019: 134%).

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.

For FY 2020, the STIP scorecard for the GEM comprised both financial and non-financial performance targets, measured using the Key Performance Indicators ("KPIs") as detailed in Exhibit 7.

EXHIBIT 7: STIP PERFORMANCE SCORECARD FOR THE GEM FOR FY 2020

% of target incentive	Topic	KPI	Weight FY 2020	KPI Measurement
90%	Sales	Net Sales	30%	CEO, CFO: 100% Group results Regional EVPs: 30% Group results, 70% Regional results
	Profit	Adjusted EBITDA	40%	
	Cash Flow	Operating Cash Flow less taxes paid	30%	
10%	Sustainability / ESG	Energy efficiency and climate protection[1]		100% Group results

1 Measured against three specific targets concerning the reduction of our CO_2 emissions and waste, as well as the impact of our product portfolio on the environment.

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, 30% Group and 70% regional results of the respective region are evaluated, with the financial KPIs correspondingly assessed at both global and regional level. The non-financial KPIs are assessed at the global level for all participants.

Outlook for FY 2021:
The non-financial performance targets will be expanded to cover material Environmental, Social and Governance ("ESG") topics in line with Landis+Gyr's ESG strategy. Furthermore, the weight of the ESG performance targets will be increased to 20% of the target incentive amount, with the weight of the financial performance targets correspondingly accounting for 80% of the target incentive amount.

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:

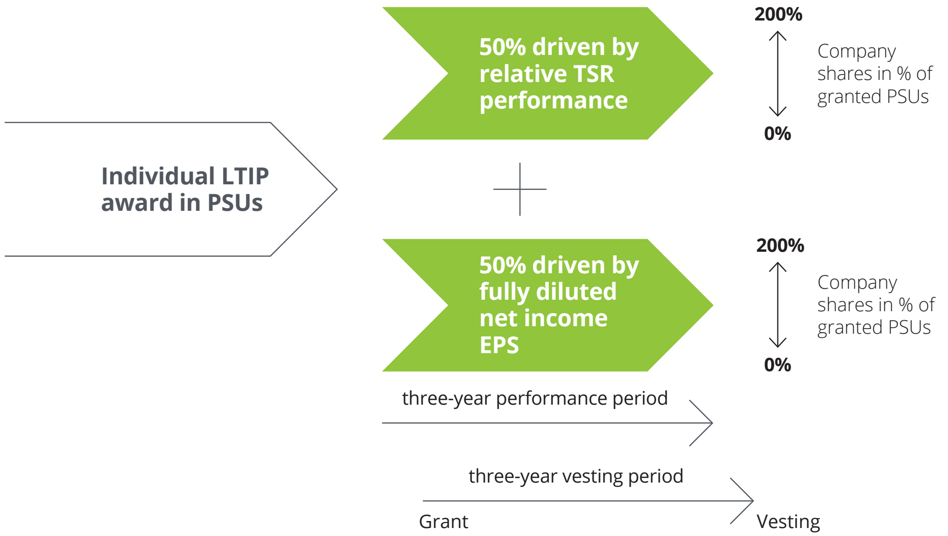
- to become shareholders or to increase their shareholding in the Company,
- to participate in the future long-term success of Landis+Gyr, and
- to further align the long-term interests of the plan participants with those of the shareholders.

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 the equivalent of 80% of base salary. For the grants made in FY 2020, the individual target incentive amount for the CEO corresponds to 75% (FY 2019 for previous CEO: 50%) of base salary and for other members of the GEM represents on average 43% (FY 2019: 50%) 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 the SPI Industrials Index[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 SPI Industrials Index is the SWX ID Industry TR Index

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.

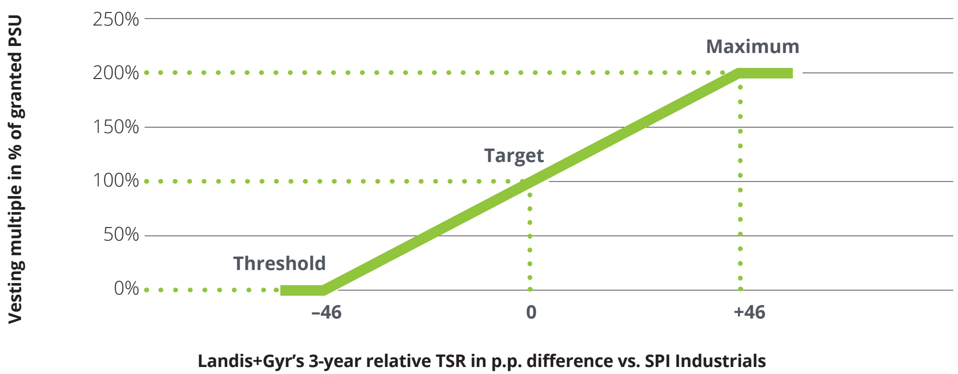
The relative TSR is calculated considering not only the variations of the closing price over the three-year performance period but also the dividends distributed in the same period, assuming that those dividends are reinvested at the time of the distribution in the shares of Landis+Gyr.

For the FY 2020 grant, 100% of the PSUs linked to the relative TSR performance will vest after the 3-year performance period, if the Landis+Gyr TSR is equivalent to the SPI Industrials TSR. The maximum vesting multiple of 200% applies if the Landis+Gyr TSR is 46 or more percentage points above the SPI Industrials TSR. The vesting multiple of 0% applies, should the Landis+Gyr TSR be 46 or more percentage points below the SPI Industrials TSR. Linear interpolation applies between the threshold, target and maximum performance levels. Further, if Landis+Gyr's absolute TSR attributable to the relevant three-year performance period is negative, the relative TSR vesting multiple will be set at zero regardless of Landis+Gyr's performance relative to the SPI Industrials Index.

Outlook for FY 2021:
Starting from the FY 2021 grant, TSR will be measured relative to a custom peer group, consisting of 24 Swiss and international organizations operating in comparable industries to Landis+Gyr and representing the markets that are relevant for Landis+Gyr. The full list of peers will be provided in the Remuneration Report 2021. Landis+Gyr's 3-year performance will be assessed as a percentile rank compared to the peer companies, translating into payout with threshold, target and maximum performance levels.

Exhibit 9 represents an illustration of the relative TSR vesting curve for the FY 2020 grant.

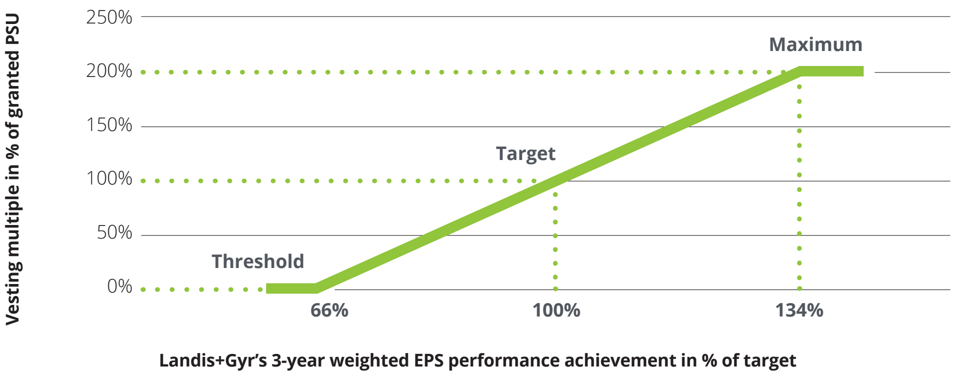
EXHIBIT 9: VESTING CURVE 3-YEAR RELATIVE TSR FOR FY 2020 GRANT



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 2020 grant.

EXHIBIT 10: VESTING CURVE 3-YEAR WEIGHTED EPS FOR FY 2020 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 2020 grant with the reporting for FY 2022.

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.

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, however, subject to forfeiture rules in case of termination of employment before the end of the respective vesting period as summarized in Exhibit 11.

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 (but not earlier than FY 2018). 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 a notice period up to a maximum of twelve months. GEM members 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. Employment contracts for GEM members include non-competition agreements not exceeding a period of twelve months following end of employment.

Remuneration awarded to Members of Governing Bodies

The section below is in line with Swiss law and specifically with Arts. 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 2020

Explanatory comments

Exhibit 12 summarizes remuneration paid to the Board for the full FY 2020. As announced in May 2020, due to the uncertainties surrounding the effects of the COVID-19 pandemic, the base and committee fees paid to the members of the Board were reduced by 10% for a period of 6 months; this reduction is reflected accordingly in Exhibit 12. Further, the committee fees for the newly established Nomination and Governance Committee were only paid to the respective Board members as of the last quarter of the financial year, i.e., as of January 2021. 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 2020 AGM to 2021 AGM.

Exhibit 13 summarizes remuneration paid for the full FY 2019. Mary Kipp did not stand for re-election at the 2019 AGM; Exhibit 13 therefore includes the remuneration paid to her for the period from April 1, 2019 to June 30, 2019. The other seven Board members were re-elected at the 2019 AGM; in addition, Søren Thorup Sørensen was newly elected at the 2019 AGM, keeping the overall number of members unchanged. As the representative of Kirkbi Invest A/S, Landis+Gyr's largest shareholder, he waived all remuneration for his Board duties for the term of office from 2019 AGM to 2020 AGM.

In FY 2020 the Board received total remuneration of CHF 1,437,476 (FY 2019: CHF 1,530,200). There was no change to individual fee levels in FY 2020 as compared to FY 2019. The difference in total remuneration in FY 2020 as compared to FY 2019 is due to the reasons as explained above.

Remuneration of the Board

EXHIBIT 12: REMUNERATION OF MEMBERS OF THE BOARD FOR FY 2020[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)	Expenses	Employer Social Security Contributions	Total remuneration
Andreas Umbach	Chairman	261,153[3]		120,698	381,851	20,000	25,263	427,114
Eric Elzvik	Lead Independent Director	142,025	30,225	92,750	265,000	10,000	19,654	294,654
David Geary	Independent Member	74,100	9,263	44,888	128,251	10,000		138,251
Pierre-Alain Graf	Independent Member	74,100	9,263	44,888	128,251	10,000	9,807	148,058
Andreas Spreiter	Independent Member	74,100	18,525	49,875	142,500	10,000	10,897	163,397
Christina Stercken	Independent Member	74,100	9,263	44,888	128,251	10,000		138,251
Peter Mainz	Independent Member	74,100	2,438	41,213	117,751	10,000		127,751
Søren Thorup Sørensen[4]	Not independent; representative of largest shareholder							
Total Board of Directors		**773,678**	**78,977**	**439,200**	**1,291,855**	**80,000**	**65,621**	**1,437,476**

1 Represents gross amounts, prior to deductions for social security, withholding tax, etc. for services rendered from April 1, 2020 until March 31, 2021.
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 37,621 funded by the Chairman through a reduction to base fees paid.
4 Waived all remuneration for the term of office 2020/2021.

EXHIBIT 13: REMUNERATION OF MEMBERS OF THE BOARD FOR FY 2019[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]	Pension fund contribution[3]	Total fees (cash and shares)	Expenses	Employer Social Security Contributions	Total remuneration
Andreas Umbach	Chairman	235,409		127,050	37,541	400,000	20,000	26,156	446,156
Eric Elzvik	Lead Independent Director	149,500	29,250	96,250		275,000	10,000	20,062	305,062
David Geary	Independent Member	78,000	9,750	47,250		135,000	10,000		145,000
Pierre-Alain Graf	Independent Member	78,000	9,750	47,250		135,000	10,000	10,176	155,176
Andreas Spreiter	Independent Member	78,000	19,500	52,500		150,000	10,000	11,306	171,306
Christina Stercken	Independent Member	78,000	9,750	47,250		135,000	10,000		145,000
Mary Kipp[4]	Independent Member	19,500		10,500		30,000	2,500		32,500
Peter Mainz	Independent Member	78,000		42,000		120,000	10,000		130,000
Søren Thorup Sørensen[5]	Not independent; representative of largest shareholder								
Total Board of Directors		**794,409**	**78,000**	**470,050**	**37,541**	**1,380,000**	**82,500**	**67,700**	**1,530,200**

1 Represents gross amounts, prior to deductions for social security, withholding tax, etc. for services rendered from April 1, 2019 until March 31, 2020 (with exception of one Board member who did not stand for re-election at the 2019 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 Employer pension contribution funded by the Chairman through a reduction to base fee paid.
4 Amounts reflect the period in office from April 1, 2019 until June 30, 2019. Mary Kipp did not stand for re-election at the 2019 AGM.
5 Newly elected at 2019 AGM; waived all remuneration for the term of office 2019/2020.

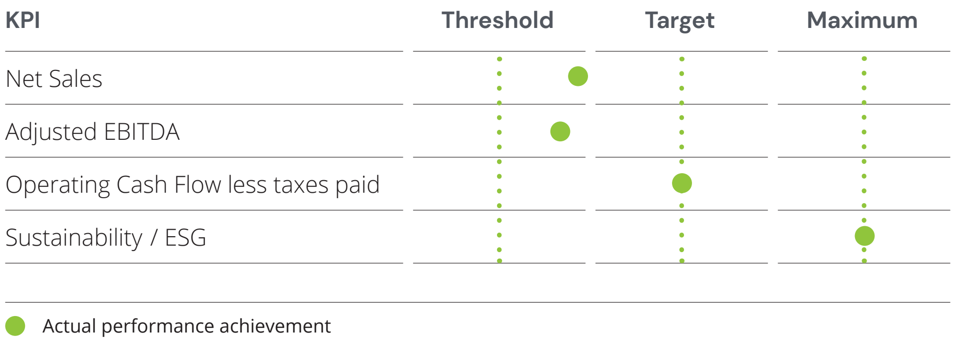
Remuneration awarded to the GEM for FY 2020

Performance assessment and explanatory comments

For FY 2020, 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 2020 results related to the financial KPIs were below target for Net Sales and Adjusted EBITDA and at target for Operating Cash Flow less taxes paid. The sustainability component reached maximum achievement.

EXHIBIT 14: PERFORMANCE AT GROUP LEVEL FY 2020



At a regional level, there was variation in performance with regard to the financial KPIs, with overall achievement below target for the Americas and EMEA and at target for Asia Pacific.

At Group level, the resulting weighted payout factor related to the financial performance targets, which account for 90% of the target incentive amount, amounts to 58.1%. The resulting weighted payout factor related to the non-financial performance targets, accounting for 10% of the target incentive amount, amounts to 20%.

The financial and non-financial performance targets for FY 2020 were not adjusted, nor did the Board apply any discretion to the outcome of the STIP for FY 2020.

The overall payout for both financial and non-financial performance targets is 78.1% of the STIP target incentive amount for the CEO (FY 2019 for previous CEO: 29.6%) and between 59.2% and 86.7% of the STIP target incentive amounts for the other active members of the GEM (FY 2019: 15.2%–108.8%).

In FY 2020, GEM members received total remuneration of CHF 6,978,059 (FY 2019: CHF 5,913,740). This is an overall increase of 18% compared to previous year, in particular due to the changes to the composition of the GEM during the year as detailed further below, with the reporting of both the current and previous CEOs and CFOs in the FY 2020 disclosure.

Remuneration of the GEM

EXHIBIT 15: REMUNERATION OF GROUP EXECUTIVE MANAGEMENT MEMBERS FOR FY 2020[1] (AUDITED), IN CHF

Remuneration elements	Members of the GEM[2]	Highest remuneration Werner Lieberherr, CEO
Base salary	3,072,583	760,000
Short-term incentive in cash[3]	1,880,541	468,840
Fair value at grant under the LTIP[4]	749,538	454,655
Other benefits[5]	480,171	42,000
Pension costs[6]	431,632	157,124
Employer Social Security Contributions[7]	363,594	137,571
Total remuneration	**6,978,059**	**2,020,190**

1 Represents gross amounts paid, prior to deductions for social security, withholding tax, etc. for services rendered from April 1, 2020 until March 31, 2021.
2 Reflects remuneration of six members of the GEM for FY 2020, including the full-year remuneration paid to the previous CEO for the contractual 12-month notice period, as well as the full-year remuneration for the retiring CFO who stepped down as a member of the GEM as of November 16, 2020, and the pro-rated remuneration for the newly appointed CFO for the period November 16, 2020 to March 31, 2021. The total remuneration included for the previous CEO and CFO amounts to CHF 2.6m.
3 Payable in FY 2021 for FY 2020.
4 Disclosure reflects awards for the reporting year, that is, fair value at grant for FY 2020. 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, tax equalization for expatriates, employer contribution to 409a, etc. as well as the replacement awards for compensation forfeited from previous employers 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 four GEM members under Swiss employment contracts; and representing employer 401k contributions for the two GEM members on US employment contracts.
7 As of FY 2020 includes estimates of social security contributions related to the LTIP grant made in FY 2020 to align the timing of social security reporting to the timing of reporting the respective LTIP grant. Not included are the actual social security contributions paid in FY 2020 for the amounts settled under the 2017 LTIP amounting to CHF 20,681. In FY 2019 this included actual social security contributions paid in the reporting year for the amounts settled under the 2016 LTIP.

EXHIBIT 16: REMUNERATION OF GROUP EXECUTIVE MANAGEMENT MEMBERS FOR FY 2019[1] (AUDITED), IN CHF

Remuneration elements	Members of the GEM[2]	Highest remuneration Richard Mora, CEO
Base salary	2,692,945	800,000[7]
Short-term incentive in cash[3]	809,909	175,232
Fair value at grant under the LTIP[4]	1,094,473	388,994
Other benefits[5]	872,437	226,423
Pension costs[6]	225,566	10,703
Employer Social Security Contributions	218,410	28,536
Total remuneration	**5,913,740**	**1,629,888**

1 Represents gross amounts paid, prior to deductions for social security, withholding tax, etc. for services rendered from April 1, 2019 until March 31, 2020.
2 Reflects remuneration of six members of the GEM for FY 2019, including pro-rated remuneration for two members for their remaining contractual notice periods ending during FY 2019, of 6 months (from April 1, 2019 to September 30, 2019) and 7 months (from April 1, 2019 to October 31, 2019), respectively.
3 Payable in FY 2020 for FY 2019.
4 Disclosure reflects awards for the reporting year, that is, fair value at grant for FY 2019. The LTIP value at vesting may vary based on performance outcomes and respective share price at the time of vesting. Resulting employer social security contributions (and tax equalization related costs for expatriates) will be reflected at the time of settlement of the LTIP.
5 Includes car benefits, allowances, tax advisory services, tax equalization for expatriates, employer contribution to 409a, etc. as well as the replacement award as mentioned below.
6 For GEM members under Swiss employment contracts, the employer's contribution to the supplementary welfare plan in FY 2019 also includes company contributions to retirement savings in addition to the already existing risk cover for death and disability. The change took effect as of January 2020 and resulted in an additional cost of CHF 19,300 for FY 2019 as compared to FY 2018.
7 Paid in USD.

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

Composition of the GEM: Exhibit 15 includes remuneration paid in FY 2020 to six members of the GEM. In addition to the full-year remuneration for the CEO Werner Lieberherr, who was appointed on April 1, 2020, this also includes the remuneration paid to the previous CEO, Richard Mora, for his contractual 12-month notice period from April 1, 2020 to March 31, 2021. The outgoing CFO, Jonathan Elmer, stepped down from his role as CFO and member of the GEM on November 16, 2020 and retired on March 31, 2021. Correspondingly his remuneration is also included for the full financial year from April 1, 2020 to March 31, 2021. Exhibit 15 further includes the pro-rata remuneration for the CFO, Elodie Cingari, who joined Landis+Gyr and was appointed a member of the GEM on November 16, 2020. Overall, the remuneration levels for the GEM members appointed in FY 2020 are at a comparable level to that of their predecessors.

Remuneration for FY 2019 as shown in Exhibit 16 included full-year remuneration for four members of the GEM, as well as pro-rated remuneration for the remaining contractual notice periods of two former members of the GEM (six and seven months, respectively).

Base salary: The variance in base salary is due to the changes to the GEM composition during the year, as mentioned above. Base salaries were not increased for any members of the GEM in FY 2020. Further, as announced in May 2020, due to the uncertainties surrounding the effects of the COVID-19 pandemic, the base salaries paid to the members of the GEM were reduced by 10% for a period of 6 months; this reduction is reflected accordingly in Exhibit 15.

STIP: The overall higher payouts under the STIP in FY 2020 vs. FY 2019 reflect the achieved performance levels as described above, as well as the changes to the composition of the GEM. The previous CEO and CFO received STIP payments for FY 2020 in accordance with respective contractual obligations. No member of the GEM received an increase to their STIP target incentive amount in FY 2020.

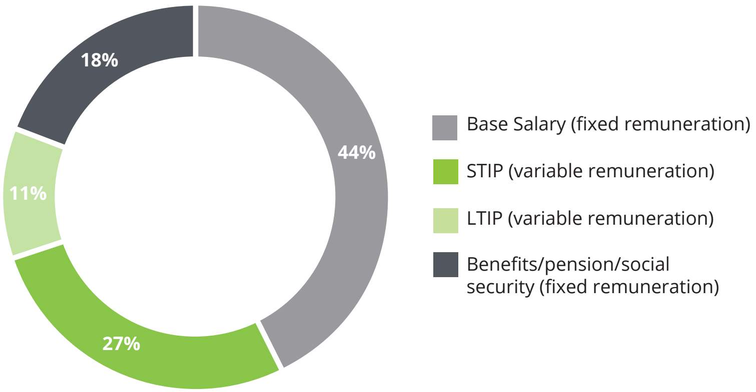
LTIP: No LTIP grants were made to the previous CEO and CFO, nor to the incoming CFO in FY 2020 in accordance with the terms of the plan. The latter will be eligible for the LTIP grant starting from FY 2021. In total therefore, three members of the GEM received LTIP grants in FY 2020 as compared to four members in FY 2019. No members of the GEM received an increase to their LTIP target incentive amount in FY 2020. The 20-day volume-weighted average share price prior to grant date used to convert the target incentive amount into PSUs was CHF 64.58 for the grant made in FY 2020, compared to a price of CHF 62.19 used for the grant in FY 2019. Correspondingly, there are no windfall gains in the amount of PSUs granted in FY 2020 resulting from any COVID-related share price development ahead of the FY 2020 grant.

Other benefits: One member of the GEM, who joined Landis+Gyr during FY 2020, is entitled to a replacement award compensating for a deferred cash award at the previous employer which was fully forfeited as a result of joining Landis+Gyr. As per contract, this replacement award is payable in two instalments at the start of employment and after 12 months of employment. Both instalments are subject to continuous employment at the payment date and for 12 months following the payment of each respective instalment. The first instalment paid is reflected in the remuneration for FY 2020 as shown in Exhibit 15; the second instalment is payable during FY 2021 and will be disclosed accordingly in the reporting for FY 2021. Further, as already disclosed in the Remuneration Report 2019, one member of the GEM, who joined Landis+Gyr during FY 2018, is entitled to a replacement award partially compensating the deferred remuneration forfeited at the previous employer as a result of joining Landis+Gyr. As per contract, this replacement award is payable in two instalments subject to continued employment of the GEM member at each respective payment date. The second instalment was payable after 24 months of employment in November 2020 and is correspondingly included in the remuneration for FY 2020 as shown in Exhibit 15. The first instalment was paid after 12 months of employment and disclosed in the remuneration for FY 2019 (Exhibit 16).

Pension and social security costs: The pension costs are higher in FY 2020 as compared to FY 2019 due to two additional members of the GEM, including the new CEO, being covered under the Swiss pension plans, which provide for employer contributions to retirement savings, death and disability in accordance with the rules of the plans and Swiss pension regulations. The previous CEO was on a US employment contract and therefore covered in the US scheme, with lower employer contributions to retirement savings in accordance with respective regulations and market practice. Similarly, the employer contributions to the statutory social security plans are higher in FY 2020 as compared to FY 2019, as the new CEO is subject to the Swiss scheme, whereas the previous CEO was subject to the US scheme, with lower statutory employer contributions.

As illustrated in Exhibit 17, for FY 2020 the total variable remuneration, i.e. STIP and LTIP, for the GEM represents 38% of total remuneration received. For the CEO, the total variable remuneration represents 46% of his total remuneration and 84% 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 33% of total remuneration and ranges from 24% to 81% of total fixed remuneration, reflecting the variation in achieved performance levels. 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 2020



Performance of LTIP Grant FY 2018

For the LTIP grant made in FY 2018, with the performance period covering the three financial years 2018 to 2020, the respective threshold performance levels for both relative TSR and EPS were not met. The vesting multiple for the 2018 LTIP grant is therefore zero and correspondingly no shares will be allocated at the vesting date.

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 0.45% of the outstanding registered shares as of March 31, 2021 (0.55% as of March 31, 2020). 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, 2021	Shares held as at March 31, 2020
Andreas Umbach	Chairman	71,545	69,589
Eric Elzvik	Lead Independent Director	6,282	4,779
David Geary	Independent Member	1,879	1,150
Pierre-Alain Graf	Independent Member	2,663	1,534
Andreas Spreiter	Independent Member	8,499	7,689
Christina Stercken	Independent Member	2,529	1,800
Peter Mainz	Independent Member	1,689	1,022
Søren Thorup Sørensen[1]	Not independent; representative of largest shareholder	0	0

1 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, 2021	Shares held as at March 31, 2020
Werner Lieberherr[1]	Chief Executive Officer	3,300	n/a
Prasanna Venkatesan	Head of Americas	22,072	22,072
Susanne Seitz	Head of EMEA	0	0
Elodie Cingari[2]	Chief Financial Officer	500	n/a
Richard Mora[3]	Chief Executive Officer	0	41,641
Jonathan Elmer[4]	Chief Financial Officer	9,030	9,030

1 Member of the GEM as of April 1, 2020
2 Member of the GEM as of November 16, 2020
3 Active member of the GEM until March 31, 2020; employment ended on March 31, 2021.
4 Active member of the GEM until November 16, 2020; employment ended on March 31, 2021.

In addition, as at March 31, 2021 members of the GEM held a total of 37,105 PSUs with respect to grants made under the LTIP. As at March 31, 2020 members of the GEM held a total of 23,530 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.

Equity Overhang and Dilution as of March 31, 2021

In total as of March 31, 2021, the equity overhang, defined as the total number of outstanding unvested PSUs divided by the total number of shares issued, amounts to 0.5%.

The company's gross burn rate defined as the total number of equities (shares and PSUs) granted in FY2020 divided by the total number of shares issued amounts to 0.25%.

Loans granted to Members of the Board or the GEM

As referenced on page 5, 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 2020. Correspondingly, no loans to members of the Board, the GEM or to closely related parties were outstanding at the end of FY 2020.

Related-Party Transactions

Disclosure on remuneration for FY 2020 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 2020 no remuneration was paid to any related party.

Remuneration to Former Members of Governing Bodies

During FY 2020 no payments were made to former members of the Board or the GEM for their time as a member of such governing bodies, nor to any related parties. For the avoidance of doubt, remuneration paid to the two departing GEM members in FY 2020 is included in the remuneration table on page 15.

Reconciliation of AGM Remuneration Resolutions

For the term to the 2021 AGM, the 2020 AGM approved a maximum aggregate remuneration amount for the Board of CHF 1.8 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 2020 approved by the 2019 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 2020 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
2019 AGM to 2020 AGM	CHF 1.5 million[1]	CHF 2.0 million	Approved (2019 AGM)
2020 AGM to 2021 AGM	CHF 1.4 million[2]	CHF 1.8 million	Approved (2020 AGM)
2021 AGM to 2022 AGM		CHF 1.8 million[3]	Proposed (2021 AGM)

1 For 8 members of the Board, of which one member waived his remuneration for the term of office.
2 For 8 members of the Board of which one member waived his remuneration for the term of office; represents an estimate for the term of office from 2020 AGM to 2021 AGM; the final amount will be disclosed in the Remuneration Report 2021.
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 2019	CHF 5.9 million[1]	CHF 11.5 million	Approved (2018 AGM)
FY 2020	CHF 7.0 million[2]	CHF 8.5 million	Approved (2019 AGM)
FY 2021		CHF 8.5 million	Approved (2020 AGM)
FY 2022		CHF 8.5 million[3]	Proposed (2021 AGM)

1 For 6 members of the GEM as per the explanations given on pages 15 to 17.
2 For 6 members of the GEM as per the explanations given on pages 15 to 17.
3 The amount requested for FY 2022 is for 4 members of the GEM, consistent with the amount requested for FY 2021.

Report of the statutory auditor

to the General Meeting of Landis+Gyr Group AG

Cham

We have audited the remuneration report of Landis+Gyr Group AG for the year ended March 31, 2021. The audit was limited to the information according to articles 14-16 of the Ordinance against Excessive Compensation in Stock Exchange Listed Companies (Ordinance) contained in the sections labelled 'audited' on pages 14-17 of the remuneration report.

Board of Directors' responsibility

The Board of Directors is responsible for the preparation and overall fair presentation of the remuneration report in accordance with Swiss law and the Ordinance against Excessive Compensation in Stock Exchange Listed Companies (Ordinance). The Board of Directors is also responsible for designing the remuneration system and defining individual remuneration packages.

Auditor's responsibility

Our responsibility is to express an opinion on the accompanying remuneration report. We conducted our audit in accordance with Swiss Auditing Standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the remuneration report complies with Swiss law and articles 14–16 of the Ordinance.

An audit involves performing procedures to obtain audit evidence on the disclosures made in the remuneration report with regard to compensation, loans and credits in accordance with articles 14–16 of the Ordinance. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatements in the remuneration report, whether due to fraud or error. This audit also includes evaluating the reasonableness of the methods applied to value components of remuneration, as well as assessing the overall presentation of the remuneration report.

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

Opinion

In our opinion, the remuneration report of Landis+Gyr Group AG for the year ended March 31, 2021 complies with Swiss law and articles 14–16 of the Ordinance.

PricewaterhouseCoopers AG

Rolf Johner	Claudia Muhlinghaus
Audit expert Auditor in charge	Audit expert

Zug, May 27, 2021

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MANAGE ENERGY BETTER

125 Years

Financial Report 2020

Landis+Gyr

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") 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.

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.

The Company is a leading global provider of integrated energy management solutions for the utility sector. Offering one of the broadest portfolios, we deliver innovative and flexible solutions to help utilities solve their complex challenges in Smart Metering, Grid Edge Intelligence and Smart Infrastructure. Building on over 125 years of industry experience, Landis+Gyr employs more than 5,000 people in over 30 countries across five continents, with the sole mission of helping the world 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, the Landis+Gyr's Smart Metering and Grid Edge Intelligence technology allow utilities and consumers to control the way energy is used in a safe, secure and reliable way, driving efficiencies and allowing for increased cost control and data utilization. Going forward, Landis+Gyr will shape the way resources are being managed through Smart Infrastructure technology even more effectively and efficiently, creating value for utilities and energy consumers.

We provide our products, services and solutions in more than 70 countries around the world.

To best serve our customers, we have organized our 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 52% of our total net revenue for the financial year 2020 (FY 2020; April 1, 2020 to March 31, 2021). We are a leading supplier of Advanced Metering Infrastructure ("AMI") communications networks and the leading supplier of smart electricity meters in North America. In addition, we are 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% of our total net revenue for the financial year 2020. In EMEA, we are one of the leading providers of smart electricity meters and we are 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 12% of our total revenue for the financial year 2020. In Asia Pacific (excluding China), we are one of the leading smart electricity meter providers.

Summary of Financial Information

RESULTS OF OPERATIONS

	FINANCIAL YEAR ENDED MARCH 31,				
USD in millions, except per share data	**2021**	2020	2019	2018	2017
Order Intake	1,298.7	1,371.4	2,079.0	1,574.4	1,325.5
Committed Backlog as of March 31,	2,165.9	2,223.9	2,603.1	2,389.0	2,491.4
Net revenue	**1,357.4**	**1,699.0**	**1,765.2**	**1,737.8**	**1,659.2**
Cost of revenue	966.8	1,166.2	1,188.8	1,227.7	1,117.0
Gross profit	**390.7**	**532.8**	**576.3**	**510.1**	**542.2**
Operating expenses(*)					
Research and development	148.7	157.7	156.8	163.8	162.8
Sales and marketing	69.6	88.2	95.4	104.9	104.7
General and administrative	107.2	113.5	130.9	161.6	186.2
Amortization of intangible assets	34.2	34.5	34.9	35.7	35.1
Impairment of intangible assets	396.0	–	–	–	60.0
Operating income (loss)	**(365.1)**	**139.0**	**158.3**	**44.0**	**(6.6)**
Net interest and other finance expense	(8.5)	(4.2)	(7.9)	1.2	(25.0)
Non-operational pension (cost) credit(*)	2.8	3.6	4.1	3.8	1.4
Gain on sale of investments	2.3	–	14.6	–	–
Income (loss) before income tax expense	**(368.6)**	**138.4**	**169.0**	**49.0**	**(30.3)**
Income tax expense	(19.4)	(19.5)	(42.1)	(2.2)	(31.8)
Net income (loss) before noncontrolling interests and equity method investments	**(388.0)**	**119.0**	**126.9**	**46.8**	**(62.1)**
Net loss from equity investments	(4.6)	(5.8)	(4.3)	–	–
Net income (loss) before noncontrolling interests	**(392.7)**	**113.2**	**122.6**	**46.8**	**(62.1)**
Net income (loss) attributable to noncontrolling interests, net of tax	(0.3)	(0.6)	0.4	0.4	0.5
Net income (loss) attributable to Landis+Gyr Group AG Shareholders	**(392.4)**	**113.7**	**122.2**	**46.4**	**(62.6)**
Earnings per share (basic)	(13.61)	3.90	4.15	1.57	(2.12)
Earnings per share (diluted)	(13.61)	3.90	4.15	1.57	(2.12)
Adjusted gross profit	449.3	584.3	609.3	597.3	620.2
Adjusted operating expenses	309.5	347.2	371.4	389.1	409.6
Adjusted EBITDA	**139.6**	**237.2**	**237.9**	**208.2**	**210.6**
Free Cash Flow (excluding M&A)	**97.6**	**120.4**	**123.5**	**87.5**	**53.1**

* Following the adoption by the Company of ASU 2017-07 relating to defined benefit pension scheme costs, all pension income and expenses other than service costs are now reported under "Non-operational pension (cost) credit". Net income is unchanged. For comparison purposes, the Company applied the new standard retrospectively in the Consolidated Statements of Operations for the years ended March 31, 2018 and 2017 presented above.

SUMMARY CONSOLIDATED BALANCE SHEETS

USD in millions(*)	March 31, 2021	March 31, 2020	March 31, 2019	March 31, 2018	March 31, 2017
ASSETS					
Current assets					
Cash and cash equivalents	140.5	319.4	73.4	101.8	101.0
Accounts receivable, net	282.1	335.8	367.9	315.8	301.4
Inventories, net	110.6	147.5	133.7	121.4	115.7
Prepaid expenses and other current assets	65.6	59.7	54.8	50.4	44.4
Total current assets	**598.9**	**862.3**	**629.8**	**589.3**	**562.5**
Property, plant and equipment, net	118.5	117.5	142.1	164.4	188.8
Goodwill and other Intangible assets, net	1,218.2	1,642.4	1,686.1	1,743.3	1,786.6
Deferred tax assets	18.0	17.0	15.8	16.0	12.9
Other long-term assets	205.8	145.1	78.2	37.7	34.2
TOTAL ASSETS	**2,159.4**	**2,784.3**	**2,551.9**	**2,550.7**	**2,585.1**
LIABILITIES AND EQUITY					
Current liabilities					
Trade accounts payable	127.8	175.9	220.3	150.2	139.3
Accrued liabilities	45.1	28.4	31.2	40.0	37.0
Warranty provision – current	37.3	31.6	34.3	47.9	43.8
Payroll and benefits payable	51.6	55.5	66.8	65.2	76.6
Loans and current portion of shareholder loans	147.7	352.2	90.7	142.3	227.9
Operating lease liabilities – current	15.2	13.2	–	–	–
Other current liabilities	93.9	84.6	81.4	69.7	87.6
Total current liabilities	**518.6**	**741.3**	**524.7**	**515.2**	**612.2**
Warranty provision – non current	20.3	30.4	10.9	25.6	8.0
Pension and other employee liabilities	32.3	46.1	48.4	55.7	65.2
Deferred tax liabilities	14.5	25.0	37.3	32.5	55.0
Tax provision	32.1	20.6	29.2	25.5	28.7
Operating lease liabilities – non current	95.3	59.5	–	–	–
Other long-term liabilities	70.6	63.8	68.0	88.1	83.5
Total liabilities	**783.7**	**986.6**	**718.6**	**742.7**	**852.5**
Shareholders' equity					
Total Landis+Gyr Group AG shareholders' equity	**1,374.5**	**1,796.3**	**1,830.7**	**1,804.6**	**1,730.1**
Noncontrolling interests	1.3	1.4	2.7	3.4	2.6
Total shareholders' equity	**1,375.8**	**1,797.6**	**1,833.4**	**1,808.0**	**1,732.6**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**2,159.4**	**2,784.3**	**2,551.9**	**2,550.7**	**2,585.1**

* Certain amounts reported for prior years in the Consolidated Balance Sheets have been reclassified to conform to the current year's presentation. These changes primarily relate to 1) the reclassification of certain contract liabilities, from Trade accounts payable to Other current liabilities, following the adoption of the ASU 2014-09 Revenue from Contracts with Customers and 2) the reclassification and netting of deferred tax assets and liabilities as a result of the adoption of the ASU 2015-17 Income Taxes (Topic 740): Balance Sheet Classification of Deferred Taxes, which requires deferred tax assets and liabilities to be classified as noncurrent in the Consolidated Balance Sheets.

Order Intake

Order intake decreased by USD 72.7 million, or 5.3%, from USD 1,371.4 million in the year ended March 31, 2020 (FY 2019) to USD 1,298.7 million in the year ended March 31, 2021 (FY 2020), on a reported currency basis (–6.2% on a constant currency basis). The decrease in order intake was predominantly driven by COVID-19 and continued order delays in the US. In the year ended March 31, 2021 EMEA was awarded additional contracts in the UK, the Netherlands and the Nordics, however several project awards were delayed due to COVID-19. In Asia Pacific, order intake increased from new AMI awards in India.

Committed Backlog

Committed Backlog decreased by USD 58.0 million, or 2.6%, from USD 2,223.9 million in the year ended March 31, 2020 to USD 2,165.9 million in the year ended March 31, 2021, on a reported currency basis (decrease of 4.8% on a constant currency basis).

As of March 31, 2021, in the Americas, committed backlog related to products, services and solutions was USD 1,427.0 million compared to USD 1,480.3 million as of March 31, 2020. In EMEA, as of March 31, 2021, committed backlog was USD 636.7 million compared to USD 649.4 million as of March 31, 2020. More than half of the committed backlog in EMEA relates to contracts in the UK. In Asia Pacific, as of March 31, 2021, committed backlog was USD 102.2 million compared to USD 94.3 million as of March 31, 2020.

Net Revenue

Net revenue decreased by USD 341.6 million, or 20.1%, from USD 1,699.0 million in the year ended March 31, 2020 to USD 1,357.4 million in the year ended March 31, 2021, on a reported currency basis (decrease of 20.8% on a constant currency basis). The decrease in net revenue was predominantly driven by the impact of the global COVID-19 pandemic. In the Americas segment, the decrease in net revenue of 21.9%, on a constant currency basis, was driven by US customers slowed deployments due to COVID-19 effects and delayed regulatory decisions. In the EMEA segment, the decrease in net revenue of 24.6%, on a constant currency basis, was driven by temporary installation suspensions due to COVID-19, particularly in the UK market. The Asia Pacific segment net revenue increased by 0.5% on a constant currency basis driven by growth in Southeast Asia including Hong Kong, offsetting declines in India, Australia and New Zealand.

Cost of Revenue and Gross Profit

Cost of revenue decreased by USD 199.4 million, or 17.1%, from USD 1,166.2 million in the year ended March 31, 2020 to USD 966.8 million in the year ended March 31, 2021. This decrease results directly from the lower level of sales combined with a significant decrease in warranty expenses. Warranty expenses improved to USD 17.0 million for the year ended March 31, 2021 from USD 46.7 million in the previous period, due to a lower increase to the legacy component warranty provision in the Americas (USD 3.8 million in the year ended March 31, 2021 compared to USD 28.2 million in prior year, net of related insurance proceeds). As a result, gross profit decreased by USD 142.2 million, or 26.7%, from USD 532.8 million (or 31.4% in percentage of revenue) in the financial year 2019 to USD 390.7 million (or 28.8% as a percentage of revenue) in the financial year 2020.

OPERATING EXPENSES

	FINANCIAL YEAR ENDED MARCH 31,	
USD in millions	**2021**	2020
Research and development	148.7	157.7
Sales and marketing	69.6	88.2
General and administrative	107.2	113.5
Amortization of intangible assets	34.2	34.5
Impairment of intangible assets	396.0	–
Total operating expenses	**755.8**	**393.8**

Research and Development

Research and development expenses decreased by USD 9.0 million, or 5.7%, from USD 157.7 million in the year ended March 31, 2020 to USD 148.7 million in the year ended March 31, 2021. The decrease was the result of tight cost control measures and restructuring initiatives.

Sales and Marketing

Sales and marketing expenses decreased by USD 18.6 million, or 21.0%, from USD 88.2 million in the year ended March 31, 2020 to USD 69.6 million in the year ended March 31, 2021. This decrease in sales and marketing expenses is the result of tight cost control measures and restructuring initiatives combined with the effect of the COVID-19 pandemic, including temporary benefits from furlough, government schemes and decreased travel and entertainment expense.

General and Administrative

General and administrative expenses decreased by USD 6.3 million, or 5.6%, from USD 113.5 million in the year ended March 31, 2020, to USD 107.2 million in the year ended March 31, 2021. The decrease in general and administrative expenses is the result of tight cost control measures and restructuring initiatives combined with the effect of the COVID-19 pandemic, including temporary benefits from furlough, government schemes and decreased travel and entertainment expense.

Amortization of Intangible Assets
Certain amortization charges were included in cost of revenue in the amount of USD 13.5 million and USD 12.6 million for the years ended March 31, 2021 and 2020, respectively; amortization of intangible assets included under operating expenses decreased by USD 0.3 million, or 0.9%, from USD 34.5 million in the year ended March 31, 2020 to USD 34.2 million in the year ended March 31, 2021.

Impairment of Intangible Assets
In the year ended March 31st, 2021, the goodwill related to the acquisition of the Company by Toshiba Corporation in 2011 was impaired by USD 396 million in the Americas reporting unit. The contraction of the global economy in 2020 and considerable uncertainty around the macroeconomic recovery, coupled with lower forecasted growth, primarily due to regulatory delays, as well as the significant increase of the weighted average cost of capital, led to a reduction in the fair value of the reporting unit.

Operating Income
Operating income decreased by USD 504.1 million to USD (365.1) million for the year ended March 31, 2021 from USD 139.0 million for the year ended March 31, 2020 largely as a result of a goodwill impairment of USD 396.0 million and to the other extent by lower sales. Operating income included depreciation, amortization and impairment of USD 478.9 million for the year ended March 31, 2021 and USD 86.4 million for the year ended March 31, 2020, which are included in various line items in the Consolidated Statement of Operations.

Operating income before depreciation, amortization and impairment, which corresponds to EBITDA, decreased by USD 111.6 million, or 49.5%, to USD 113.7 million for the year ended March 31, 2021 from USD 225.3 million for the year ended March 31, 2020. EBITDA included non-recurring and other items in the financial year ended March 31, 2021, which amounted to USD 25.9 million. These non-recurring and other items included (i) restructuring expenses in the amount of USD 15.3 million relating to costs associated with restructuring programs in all segments, (ii) warranty normalization adjustments of USD (13.2) million, included 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 23.8 million. EBITDA included non-recurring and other items in the financial year ended March 31, 2020, which amounted to USD 11.9 million. These non-recurring and other items included (i) restructuring expenses in the amount of USD 6.7 million relating to costs associated with restructuring programs in all segments, (ii) warranty normalization adjustments of USD 13.1 million, included 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 (7.9) million.

In the year ended March 31, 2021, Adjusted EBITDA, which corresponds to EBITDA adjusted for certain non-recurring or other items that are not indicative of operational performance (as outlined above), was USD 139.6 million, compared to USD 237.2 million in the year ended March 31, 2020. The decrease in Adjusted EBITDA was driven by a lower Gross profit resulting from a lower level of sales partly offset by reduced operating expenses. For further details, refer to the next chapter Segment Information.

OTHER INCOME (EXPENSE) AND INCOME TAXES

	FINANCIAL YEAR ENDED MARCH 31,	
USD in millions	**2021**	2020
Other income (expense)		
Interest income	0.5	5.2
Interest expense	(7.5)	(6.8)
Non-operational pension (cost) credit	2.8	3.6
Gain on sale of investments	2.3	–
Income (loss) on foreign exchange, net	(1.5)	(2.6)
Income (loss) before income tax expense	**(368.6)**	**138.4**
Income tax expense	(19.4)	(19.5)

Interest Income
Interest income decreased by USD 4.7 million from USD 5.2 million in the year ended March 31, 2020 to USD 0.5 million in the year ended March 31, 2021 attributable to the nonrecurrence of the interest income from the VAT ruling in Brazil of approximately USD 4.7 million in the previous financial year.

Interest Expense
Interest expense increased by USD 0.7 million from USD 6.8 million in the year ended March 31, 2020 to USD 7.5 million in the year ended March 31, 2021 attributable to the amortization of the debt issuance costs.

Non-operational pensions (cost) credit
Non-operational pension credit decreased by USD 0.8 million, from USD 3.6 million in the year ended March 31, 2020 to USD 2.8 million in the year ended March 31, 2021.

Gain on sale of investments

On May 31, 2018, the Company entered into an agreement with Pacific Equity Partners ("PEP"), an Australian private equity firm, to establish Spark Investment Holdco Pty Ltd (the "Joint Venture"). Under the agreement, the Company contributed its wholly owned subsidiary IntelliHUB Operations Pty Ltd ("IntelliHUB").

As part of the IntelliHUB contribution, the Company may be entitled to receive additional contingent consideration from the Joint Venture 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, 2021, the Company received additional cash consideration from the Joint Venture in the amount of USD 2.3 million, which is included in the Consolidated Statement of Operations.

Income (Loss) on Foreign Exchange, Net

Net loss on foreign exchange, decreased by USD 1.1 million, from a loss of USD (2.6) million in the year ended March 31, 2020 to a loss of USD (1.5) million in the year ended March 31, 2021. The improvement is primarily attributable to the weaker USD during FY 2020.

Provision for Taxes

Income tax expense decreased by USD 0.1 million, from USD 19.5 million in the year ended March 31, 2020 to USD 19.4 million in the year ended March 31, 2021. The variance in total income tax expenses is impacted by recurring items such as tax rates in the different jurisdictions where the company operates and the income mix within jurisdictions. The decrease of income tax expense was driven by a lower taxable income (impacted by the lower operating results) partly offset by unfavorable change in the provision for uncertain tax positions and change in valuation allowance.

Segment Information

The following tables set forth net revenues and Adjusted EBITDA for our segments: Americas, EMEA and Asia Pacific for the years ended March 31, 2021 and 2020.

KEY FIGURES

	FINANCIAL YEAR ENDED MARCH 31,		CHANGE	
USD in millions, unless otherwise indicated	**2021**	2020	**USD**	**Constant Currency**
Committed Backlog				
Americas	1,427.0	1,480.3	(3.6%)	(2.4%)
EMEA	636.7	649.4	(2.0%)	(10.7%)
Asia Pacific	102.2	94.3	8.4%	2.9%
Total	**2,165.9**	**2,223.9**	**(2.6%)**	**(4.8%)**
Net revenue to external customers				
Americas	700.0	906.3	(22.8%)	(21.9%)
EMEA	494.4	633.5	(22.0%)	(24.6%)
Asia Pacific	163.0	159.2	2.4%	0.5%
Total	**1,357.4**	**1,699.0**	**(20.1%)**	**(20.8%)**
Adjusted Gross Profit				
Americas	257.6	344.7	(25.3%)	
EMEA	149.0	200.5	(25.7%)	
Asia Pacific	42.4	36.7	15.5%	
Inter-segment eliminations	0.3	2.4		
Total	**449.3**	**584.3**	**(23.1%)**	
Adjusted EBITDA				
Americas	105.7	163.1	(35.2%)	
EMEA	2.2	40.1	(94.5%)	
Asia Pacific	11.3	9.9	14.1%	
Corporate unallocated	20.3	24.1		
Total	**139.6**	**237.2**	**(41.1%)**	
Adjusted EBITDA % of net revenue to external customers				
Americas	15.1%	18.0%		
EMEA	0.4%	6.3%		
Asia Pacific	6.9%	6.2%		
Group	**10.3%**	**14.0%**		

Americas

Segment Revenue
Net revenue to external customers in the Americas segment decreased by USD 206.3 million, or 22.8%, from USD 906.3 million in the year ended March 31, 2020 to USD 700.0 million in the year ended March 31, 2021, on a reported currency basis ((21.9)% on a constant currency basis). The decrease in revenue in the Americas segment was primarily driven by US customers slowed deployments due to COVID-19 impact and delayed regulatory decisions.

Segment Adjusted EBITDA
Adjusted EBITDA in the Americas segment decreased by USD 57.4 million, or 35.2%, from USD 163.1 million in the year ended March 31, 2020 to USD 105.7 million in the year ended March 31, 2021. The decrease in Adjusted EBITDA is the result of lower adjusted gross profit affected by lower sales and an unfavorable warranty normalization adjustment of USD (14.0) million. Offsetting these negative trends, Americas showed lower Adjusted operating expenses of USD 29.7 million because of the lower personnel expenses, effect of the restructuring plan and other cost control measures. For a reconciliation of Adjusted EBITDA on a segment basis to Adjusted EBITDA on a Group basis, see the section Supplemental Reconciliations and Definitions.

EMEA

Segment Revenue
Net revenue to external customers in the EMEA segment decreased by USD 139.1 million, or 22.0%, from USD 633.5 million in the year ended March 31, 2020 to USD 494.4 million in the year ended March 31, 2021, on a reported currency basis ((24.6)% on a constant currency basis). The decrease in revenue to external customers in the EMEA segment was mainly driven by the delays in the installations due to the lockdowns imposed by the COVID-19, predominantly in the UK and in other countries.

Segment Adjusted EBITDA
Adjusted EBITDA in the EMEA segment decreased by USD 37.9 million, from USD 40.1 million in the year ended March 31, 2020 to USD 2.2 million in the year ended March 31, 2021. The decrease in Adjusted EBITDA is the result of lower adjusted gross profit of USD 51.5 million driven by the lower revenue, partly offset by lower operating expenses attributable to COVID-19, tight cost control measures and restructuring initiatives. 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 3.8 million, or 2.4%, from USD 159.2 million in the year ended March 31, 2020 to USD 163.0 million in the year ended March 31, 2021, on a reported currency basis (0.5% on a constant currency basis). The increase in revenue in the Asia Pacific segment was primarily driven by an acceleration in Hong Kong roll-out offsetting the shortfall recorded in India, Australia and New Zealand due to COVID-19.

Segment Adjusted EBITDA
Adjusted EBITDA in the Asia Pacific segment increased by USD 1.4 million, from USD 9.9 million in the year ended March 31, 2020 to USD 11.3 million in the year ended March 31, 2021. The increase in profitability in the Asia Pacific segment was driven by a better profitability on sales with a gross profit margin increase of 290bps as a result of a product cost-out and a favorable product mix, combined with lower 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, 2021	Total Costs incurred in the Financial year ended March 31, 2021
Americas	12.7	6.2
EMEA	8.7	6.4
Asia Pacific	2.5	1.6
Corporate	2.9	1.1
Restructuring Charges	**26.8**	**15.3**

The majority of the restructuring cost in FY 2020 relate to a global savings initiative ("Project Hermes"), which aimed at restructuring and streamlining the organization to increase efficiencies and optimize the Company's cost structure. The Project Hermes has concluded according to plan at the end of FY 2020. The number of employees was reduced by 12.1% or 697 employees across all levels and regions of the Company.

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 cash flow generation from operations has been resilient despite the COVID-19 pandemic. 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 purchase of treasury shares under the Company's share buyback program, if resumed, 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 our capital expenditures, debt service requirements, dividend payments and the purchase of treasury shares under the Company's share buyback program. 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	2021	2020
Cash flow provided by operating activities	123.9	148.9
Cash flow used in investing activities	(38.1)	(28.5)
Business acquisitions / divestments	11.7	–
Free Cash Flow (excluding M&A)	**97.6**	**120.4**
Cash flow provided by (used in) financing activities	(271.4)	129.3

Operating Activities

Cash flow provided by operating activities decreased by USD 25.0 million, or (16.8)%, from USD 148.9 million in financial year 2019 to USD 123.9 million in the financial year 2020, as a result of the weaker turnover and lower operating income, a USD 20.0 million payment related to the WADOR (Washington Department of Revenue) tax case, restructuring related cash-outs of USD 15.3 million, partly compensated by improvements in operating working capital management of USD 51.7 million and significantly lower warranty cash-outs of USD 17.3 million compared to prior year.

Investing Activities

Cash flow used in investing activities increased by USD 9.6 million, or 33.7%, from USD (28.5) million in the financial year 2019 to USD (38.1) million in the financial year 2020, primarily related to the acquisition of Rhebo GmbH ("Rhebo"). Rhebo's technology ensures real-time reporting of cybersecurity threats and other anomalies in network control systems, enabling utilities and other customers to react immediately to cyber threats.

Financing Activities

Cash flow provided by (used in) financing activities decreased by USD 400.7 million, from USD 129.3 million in the financial year 2019 to USD (271.4) million in the financial year 2020. In the year ended March 31, 2021, the outflow for financing activities was driven mainly by the dividend payment of USD (63.3) million, as well as the USD (207.4) million reduction of the borrowings, primarily under the corporate credit facility agreements. In the year ended March 31, 2020, the inflow from financing activities was driven mainly by the full utilization of the existing corporate credit facilities as a precautionary measure against the uncertainties brought by the COVID-19 pandemic with net proceeds of USD 263.7 million, reduced by the dividend payment of USD (94.0) million and USD (38.9) million used to purchase treasury shares under the Company's share buyback program and the share-based compensation schemes.

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 our operating working capital for the Group as of March 31, 2021 and 2020.

NET OPERATING WORKING CAPITAL

USD in millions, except percentages	March 31, 2021	March 31, 2020
Accounts receivable, net	282.1	335.8
Inventories, net	110.6	147.5
Trade accounts payable	(127.8)	(175.9)
Operating Working Capital	**264.9**	**307.4**
Operating Working Capital as a percentage of Net Revenue	19.5%	18.1%

During the period under review, the main changes to the Group's OWC arose from the decrease of accounts receivable and payable, as well as tight inventory level control.

Capital Expenditures

A key component of cash flow used in investing activities is capital expenditures ("Capex"). The Company calculates Capex as the amounts invested in property, plant and equipment and intangibles assets. Our 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 our 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	2021	2020
Service contracts	0.6	1.0
Expansion	10.8	8.9
Replacement	15.2	18.7
Capex	**26.6**	**28.6**
Capex as a percentage of Net Revenue	2.0%	1.7%

Capital expenditures decreased by USD 2.0 million, or 7.0%, from USD 28.6 million in the financial year 2019 to USD 26.6 million in the financial year 2020, primarily driven by the phasing effect of deployment projects in the Americas segment. Relative to sales, Capex represented 2.0%, and 1.7% of net revenue for the financial years 2020 and 2019, respectively. Capex has been fully funded by cash flow from operating activities.

Net Debt

The table below presents the components of net debt as of March 31, 2021 and 2020.

NET DEBT

USD in millions	March 31, 2021	March 31, 2020
Cash and cash equivalents	(140.5)	(319.4)
Credit facilities	141.8	343.5
Other borrowings from banks	5.8	8.6
Other financial liabilities (assets), net	(0.2)	(0.2)
Net Debt	**6.9**	**32.6**

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, 2021	March 31, 2020
Credit Facilities	141.8	343.5
Other borrowings from banks	5.8	8.6

For the description of the Company's indebtedness, refer to the Note 16: Loans payable in our 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, provisions 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 our 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 to make difficult and subjective judgments, 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
- Contingencies
- Pension and Other Post-retirement Benefits
- Income Taxes
- Goodwill and Other Intangible Assets
- 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 our Consolidated Financial Statements, see "Note 2: Summary of Significant Accounting Principles" in our 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, 2021 and 2020:

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	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
Operating income (loss)	**(365.1)**	**139.0**	**(330.1)**	**92.6**	**(51.1)**	**25.3**	**4.3**	**4.9**	**11.7**	**16.2**
Amortization of intangible assets	47.8	47.1	32.0	32.4	7.5	6.5	1.5	1.4	6.8	6.8
Depreciation	35.1	39.2	15.7	21.4	15.9	14.5	2.7	2.9	0.7	0.4
Impairment of intangible assets	396.0	–	396.0	–	–	–	–	–	–	–
EBITDA	**113.7**	**225.3**	**113.6**	**146.4**	**(27.7)**	**46.3**	**8.5**	**9.2**	**19.3**	**23.4**
Restructuring charges	15.3	6.7	6.2	4.4	6.4	1.3	1.6	0.3	1.1	0.7
Warranty normalization adjustments[1]	(13.2)	13.1	(14.0)	12.3	(0.3)	0.4	1.1	0.4	–	–
Timing difference on FX derivatives[2]	23.8	(7.9)	–	–	23.7	(7.9)	0.1	–	–	–
Adjusted EBITDA	**139.6**	**237.2**	**105.7**	**163.1**	**2.2**	**40.1**	**11.3**	**9.9**	**20.3**	**24.1**
Adjusted EBITDA margin (%)	10.3%	14.0%	15.1%	18.0%	0.4%	6.3%	6.9%	6.2%		

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 cash or the value of other compensation paid out to customers) 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, 2021 and 2020:

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	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
Gross profit	**390.7**	**532.8**	**249.6**	**307.8**	**102.5**	**189.2**	**38.2**	**33.4**	**0.3**	**2.4**
Amortization of intangible assets	13.6	12.6	5.5	5.1	6.7	6.2	1.4	1.3	–	–
Depreciation	26.8	32.0	13.3	18.1	12.2	12.6	1.3	1.3	–	–
Restructuring charges	7.7	1.7	3.2	1.4	4.2	–	0.3	0.3	–	–
Warranty normalization adjustments	(13.2)	13.1	(14.0)	12.3	(0.3)	0.4	1.1	0.4	–	–
Timing difference on FX derivatives	23.8	(7.9)	–	–	23.7	(7.9)	0.1	–	–	–
Adjusted gross profit	**449.3**	**584.3**	**257.6**	**344.7**	**149.0**	**200.5**	**42.4**	**36.7**	**0.3**	**2.4**
Adjusted gross profit margin (%)	33.1%	34.4%	36.8%	38.0%	30.1%	31.6%	26.0%	23.1%		

Adjusted operating expenses

The reconciliation of Operating expenses to Adjusted Operating Expenses is as follows for the financial years ended March 31, 2021 and 2020:

ADJUSTED OPERATING EXPENSES

	FINANCIAL YEAR ENDED MARCH 31,	
USD in millions	**2021**	2020
Research and development	**148.7**	**157.7**
Depreciation	(3.9)	(3.8)
Restructuring charges	(3.0)	(1.7)
Adjusted research and development	**141.8**	**152.2**
Sales and marketing	69.6	88.2
General and administrative	107.2	113.5
Depreciation	(4.4)	(3.4)
Restructuring charges	(4.7)	(3.3)
Adjusted sales, general and administrative	**167.7**	**195.0**
Adjusted operating expenses	**309.5**	**347.2**

Warranty Provisions

The Company offers standard warranties on our metering products and our 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 our 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.

For the financial years ended March 31, 2021 and 2020, the Company's Consolidated Statements of Operations include net changes to the warranty accruals, which were recorded in cost of goods sold, of USD 11.1 million and USD 38.5 million, respectively, comprising additions to and releases of, or other adjustments to, accruals in respect of such claims.

During the financial year ended March 31, 2020, the Company determined that the provision for product warranties for a legacy component issue in the Americas was no longer sufficient to cover expected warranty costs in the remaining warranty period. Accordingly, the previously estimated product warranty provision was increased by a total of USD 28.2 million, net of related insurance proceeds. The corresponding increase was included in Cost of revenue.

New product warranties recorded during the financial year ended March 31, 2021, primarily consist of additions in line with the ordinary course of business, including an amount of USD 3.8 million, net of related insurance proceeds, related to a legacy component issue in Americas, aligning the provision to the latest projected failures and cost assumptions at year-end.

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. For the years ended March 31, 2021, 2020 and 2019, the outflow (in cash or the value of other compensation paid out to customers) in respect of warranty claims (excluding X2) amounted to USD 17.3 million, USD 25.0 million, and USD 30.8 million, respectively, resulting in three-year average actual warranty costs incurred (in cash or the value of other compensation paid out to customers) in respect of such claims of USD 24.4 million. For the year ended March 31, 2020, the three-year average actual warranty costs incurred (in cash or the value of other compensation paid out to customers) amounted to USD 25.4 million. 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, 2021 and March 31, 2020 was related to the legacy component issue in the Americas.

Management presents Adjusted EBITDA in this Financial Report 2020 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 24.4 million and USD 25.4 million for the years ended March 31, 2021 and 2020. For the years ended March 31, 2021 and 2020, the warranty normalization adjustments made in calculating Adjusted EBITDA amounted to USD (13.2) million and USD 13.1 million, respectively.

The following table provides information on our 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, 2021	2020	2019	Average
Beginning of the year	**62.0**	**45.2**	**73.4**	
Additions[1]	17.0	46.7	18.7	
Other changes / adjustments to warranties[2]	(6.8)	(3.5)	(12.8)	
Outflow in respect of X2 matter	–	–	(1.2)	
Outflow in respect of other warranty	(17.3)	(25.0)	(30.8)	(24.4)
Total outflow in respect of X2 matter and other warranty	(17.3)	(25.0)	(32.0)	
Effect of changes in exchange rates	2.7	(1.4)	(2.2)	
Ending balance	**57.6**	**62.0**	**45.2**	

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 our 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, 2021	2020
Additions[1]	17.0	46.7
Releases	(4.1)	(3.5)
Expected proceeds from insurance receivable[2]	(1.8)	(4.7)
Net changes to warranty accruals	**11.1**	**38.5**
Three-year average actual warranty costs incurred (in cash or the value of other compensation paid out to customers) in respect of warranty claims	(24.4)	(25.4)
Warranty normalization adjustments	**(13.2)**	**13.1**

1 "Additions" reflects new product warranty amounts included in warranty provisions (USD 17.0 million and USD 46.7 million for the years ended March 31, 2021 and 2020, respectively).
2 Expected proceeds from insurance receivable represents the expected cash inflow over several years from an insurance receivable.

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 2021	2020	EXCHANGE RATE ON BALANCE-SHEET DATE 31.03.2021	31.03.2020
Euro countries – EUR	1.1670	1.1113	1.1750	1.0971
United Kingdom – GBP	1.3079	1.2704	1.3800	1.2398
Switzerland – CHF	1.0843	1.0135	1.0615	1.0353
Brazil – BRL	0.1850	0.2431	0.1760	0.1923
Australia – AUD	0.7180	0.6813	0.7617	0.6102

Glossary

The following table provides definitions for key terms and abbreviations used within this annual 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, exceptional warranty related expenses, 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
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
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 and acquisition 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

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Report of the statutory auditor

to the General Meeting of Landis+Gyr Group AG

Cham

Report of the statutory auditor on the consolidated financial statements

As statutory auditor, we have audited the accompanying consolidated financial statements of Landis+Gyr Group AG and its subsidiaries (the 'Company'), which comprise the consolidated statement of operations, consolidated statement of comprehensive income, consolidated balance sheet, consolidated statement of changes in shareholders' equity, consolidated statement of cash flows and notes (pages 22 to 62), for the year ended March 31, 2021.

Board of Directors' responsibility

The Board of Directors is responsible for the preparation of the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America (US GAAP) and the requirements of Swiss law. This responsibility includes designing, implementing and maintaining an internal control system relevant to the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error. The Board of Directors is further responsible for selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Swiss law, Swiss Auditing Standards and auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal control system relevant to the entity's preparation of the consolidated financial statements 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 system. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements for the year ended March 31, 2021 present fairly, in all material respects, the financial position, the results of operations and the cash flows in accordance with accounting principles generally accepted in the United States of America (US GAAP) and comply with Swiss law.

PricewaterhouseCoopers AG, Dammstrasse 21, Postfach, CH-6302 Zug, Switzerland
Telephone: +41 58 792 68 00, Telefax: +41 58 792 68 10, www.pwc.ch

Report on key audit matters based on the circular 1/2015 of the Federal Audit Oversight Authority

Key audit matters are those matters that, 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 March 31, 2021, the Company's carrying value of goodwill assigned to the Americas and EMEA reporting units ("the reporting units"), after an impairment charge of USD 396 million in the Americas reporting unit, was USD 737 million and USD 206 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 judgment, 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 12 *Goodwill*, and Note 13 *Impairment of intangible assets* of 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 consistency of the methodology applied with prior years. We tested the mathematical accuracy of the model and agreed inputs to supporting documentation. We agreed the FY 2021-FY 2025 projections to the Board of Directors approved mid-term plan and discussed with management the key drivers, as well as the intentions and the actions planned to achieve expected results. We also compared the current year actual results with prior year projections to assess any inaccuracies or bias in assumptions. We utilized PwC internal valuation specialists to assess the appropriateness of management's fair value model for the reporting units and the reasonableness of management's discount and terminal growth rates. We obtained the Company's sensitivity analysis around 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 analysis by changing various key assumptions to assess whether these would alter management's conclusions. On the basis of procedures performed, we determined that the approach taken, and the conclusions reached by management with regards to the recoverability of the reporting units' goodwill were reasonable.

Warranty provision – legacy component issue in the Americas segment

Key audit matter	How our audit addressed the key audit matter
As of March 31, 2021, a significant portion of the Company's warranty provision relates to a legacy component issue in the Americas segment. This warranty provision is an estimate that involves management's judgement on key assumptions, namely projected failure rates, costs incurred to repair or replace each unit, and affected units in service. Due to the estimation uncertainty and judgement pertaining to the estimate, we view the matter as a key audit matter. Refer to Note 24 *Commitments & Contingencies* of the consolidated financial statements.	We obtained an understanding of management's methodology in determining the warranty provision. We tested the mathematical accuracy of the model used to calculate the warranty provision and assessed its reasonableness. We tested the historical failure data used in developing the projected failure rates to ensure completeness and accuracy and assessed the reasonableness of management's assumptions used in developing the projected failure rates. We tested the cost incurred to repair or replace each unit used in the provision calculation and agreed the costs to supporting documentation. We assessed the reasonableness of the quantity of affected units in service. Based on the procedures performed, we found the approach taken and judgments made by management in relation to the warranty provision related to the legacy component issue in the Americas segment to be reasonable.

Report on other legal requirements

We confirm that we meet the legal requirements on licensing according to the Auditor Oversight Act (AOA) and independence (article 728 CO and article 11 AOA) and that there are no circumstances incompatible with our independence.

In accordance with article 728a paragraph 1 item 3 CO and Swiss Auditing Standard 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
Audit expert
Auditor in charge

Claudia Muhlinghaus
Audit expert

Zug, May 27, 2021

Consolidated Statements of Operations

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

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

Consolidated Statements of Comprehensive Income

	FINANCIAL YEAR ENDED MARCH 31,	
USD in thousands	**2021**	2020
Net income (loss) before noncontrolling interests	**(392,659)**	**113,165**
Other comprehensive income (loss):		
Foreign currency translation adjustments, net of income tax expense	17,019	(12,232)
Pension plan benefits liability adjustments, net of income tax expense	16,604	(4,853)
Comprehensive income (loss)	**(359,036)**	**96,080**
Net loss attributable to noncontrolling interests, net of tax	267	583
Foreign currency translation adjustments attributable to the noncontrolling interests	(244)	305
Comprehensive income (loss) attributable to Landis+Gyr Group AG Shareholders	**(359,013)**	**96,968**

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

Consolidated Balance Sheets

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

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

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

Consolidated Statements of Changes in Shareholders' Equity

USD in thousands except for shares	Registered ordinary shares		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, 2019	**29,510,000**	**309,050**	**1,408,122**	**177,966**	**(52,145)**	**(12,332)**	**1,830,661**	**2,714**	**1,833,375**
Net income (loss)	–	–	–	113,748	–	–	113,748	(583)	113,165
Foreign currency translation adjustments, net of income tax expense	–	–	–	–	(11,927)	–	(11,927)	(305)	(12,232)
Pension plan benefits liability adjustment, net of income tax expense	–	–	–	–	(4,853)	–	(4,853)	–	(4,853)
Dividends paid (CHF 3.15 per share)	–	–	(93,968)	–	–	–	(93,968)	–	(93,968)
Dividends paid to noncontrolling interest	–	–	–	–	–	–	–	(451)	(451)
Share-based compensation	–	–	1,529	–	–	–	1,529	–	1,529
Purchase of treasury shares	–	–	–	–	–	(38,920)	(38,920)	–	(38,920)
Delivery of shares	–	–	(370)	–	–	370	–	–	–
Retirement of shares	(258,751)	(2,709)	(11,514)	(2,321)	–	16,544	–	–	–
Balance at March 31, 2020	**29,251,249**	**306,341**	**1,303,799**	**289,393**	**(68,925)**	**(34,338)**	**1,796,270**	**1,375**	**1,797,645**
Net loss	–	–	–	(392,392)	–	–	(392,392)	(267)	(392,659)
Foreign currency translation adjustments, net of income tax expense	–	–	–	–	16,775	–	16,775	244	17,019
Pension plan benefits liability adjustment, net of income tax expense	–	–	–	–	16,604	–	16,604	–	16,604
Dividends paid (CHF 2.00 per share)	–	–	(63,288)	–	–	–	(63,288)	–	(63,288)
Purchase of noncontrolling interests	–	–	(46)	–	–	–	(46)	(54)	(100)
Share-based compensation	–	–	529	–	–	–	529	–	529
Delivery of shares	–	–	(435)	–	–	435	–	–	–
Retirement of shares	(342,305)	(3,585)	(15,231)	(8,233)	–	27,049	–	–	–
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**

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, 2021	2020
Cash flow from operating activities		
Net income (loss)	(392,659)	113,165
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:		
Depreciation and amortization	82,861	86,357
Impairment of intangible assets	396,000	–
Net loss from equity investments	4,636	5,788
Share-based compensation	529	1,529
Gain on sale of investments	(2,260)	–
Gain on disposal of property, plant and equipment	209	1,025
Effect of foreign currencies translation on non-operating items, net	(152)	(539)
Change in allowance for doubtful accounts	(3,044)	(158)
Deferred income tax	(15,276)	(13,161)
Change in operating assets and liabilities, net of effect of businesses acquired and effect of changes in exchange rates:		
Accounts receivable	77,308	19,001
Inventories	38,794	(7,629)
Trade accounts payable	(64,370)	(32,648)
Other assets and liabilities	1,365	(23,795)
Net cash provided by operating activities	**123,941**	**148,935**
Cash flow from investing activities		
Payments for property, plant and equipment	(26,596)	(28,524)
Payments for intangible assets	(20)	(79)
Proceeds from the sale of property, plant and equipment	244	84
Business acquisitions	(13,982)	–
Proceeds from the sale of investments	2,260	–
Net cash used in investing activities	**(38,094)**	**(28,519)**

USD in thousands	FINANCIAL YEAR ENDED MARCH 31, 2021	2020
Cash flow from financing activities		
Proceeds from third party facility	1,909	507,707
Repayment of borrowings to third party facility	(207,411)	(245,088)
Dividends paid to noncontrolling interests	–	(451)
Purchase of noncontrolling interests	(100)	–
Debt issuance cost	(2,523)	–
Dividends paid	(63,288)	(93,968)
Purchase of treasury shares	–	(38,920)
Net cash provided by (used in) financing activities	**(271,413)**	**129,280**
Net increase (decrease) in cash and cash equivalents	**(185,566)**	**249,696**
Cash and cash equivalents at beginning of period	319,379	73,381
Effects of foreign exchange rate changes on cash and cash equivalents	6,736	(3,698)
Cash and cash equivalents at end of period	**140,549**	**319,379**
Supplemental cash flow information		
Cash paid for income tax	26,087	31,369
Cash paid for interest	6,003	5,995

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, 2021, and at March 31, 2020, the Company had one less-than-wholly-owned subsidiary in South Africa with an ownership interest of 76.7% in both periods.

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 exercise 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 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. The full extent to which the COVID-19 pandemic will directly or indirectly impact our business, results of operations and financial condition, will depend on future developments that are highly uncertain, including as a result of new information that may emerge concerning COVID-19 and the actions taken to contain it or treat COVID-19, as well as the economic impact on local, regional, national and international customers and markets. The Company has made estimates of the impact of COVID-19 within our financial statements and there may be changes to those estimates in future periods. Actual results may differ materially from these estimates.

2.4 Revenue Recognition
The majority of the Company's revenues consist primarily of hardware sales, but may also include the license of software, software implementation services, 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 an 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 towards 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 shipped 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.

Professional services, which include implementation, project management, installation, and consulting services are recognized over time. The Company measures progress towards 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 represents a reasonable proxy for measuring progress. The estimate of expected costs to provide services requires judgment. Cost estimates take into consideration past history 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 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 locations 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.

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.

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.

The fair value measurement involves various valuation techniques and models, which involve inputs that are observable, when available, and include derivative financial instruments and long-term debt.

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. 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:

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 a significant influence nor to exercise control. 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.

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, 2022 to 2031, and an effective interest rate, which for the Company is driven 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 on 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 715, "Compensation – Retirement Benefits".

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 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 AOCI once the reason the tax effects were established cease to exist (e.g. when prior service cost and pension gains (losses) are reclassified out of AOCI 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 our 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 1.5 million and USD 5.0 million, respectively, for the financial years ended March 31, 2021 and March 31, 2020.

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 dilutive potential common shares outstanding. Potentially dilutive shares that are anti-dilutive are excluded from the diluted earnings per share calculation.

As of March 31, 2021 and 2020, the Company had nil and 32,355 dilutive shares outstanding, respectively.

2.26 Share-based Compensation

In April 2018, the Company introduced a new 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 the Swiss Performance Index ("SPI"), 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.

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

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 Bloomberg 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 Bloomberg 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. The latter 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, and for the PSP-TSR, is recognized on a straight-line basis over the requisite service period for the entire award (see Note 21: 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 currently intends to adopt the new standard as of April 1, 2023 and is currently in the process of evaluating the effect that the amendments will have on its Consolidated Financial Statements and related disclosures.

In December 2019, the FASB issued ASU 2019-12 – Income Taxes (Topic 740): Simplifying the Accounting for Income Taxes, which simplifies the accounting for income taxes by removing certain exceptions to the general principles in this topic. The amendments also improve consistent application of existing guidance by clarifying certain aspects. This update is effective for the Company for annual and interim periods beginning April 1, 2021, with early adoption in any interim period permitted. Depending on the amendment, adoption may be applied on a retrospective, modified retrospective or prospective basis. The Company is currently evaluating what impact this amendment will have in future periods but does not expect that it will have a material effect on its Consolidated Financial Statements.

In January 2020, the FASB issued ASU 2020-01 – Investments – Equity Securities (Topic 321), Investments – Equity Method and Joint Ventures (Topic 323), and Derivatives and Hedging (Topic 815) – Clarifying the Interactions between Topic 321, Topic 323, and Topic 815, which improves the accounting for certain equity securities when the equity method of accounting is applied or discontinued and clarifies that, for the purpose of applying paragraph 815-10-15-141(a), an entity should not consider whether, upon the settlement of the forward contract or exercise of the purchased option, individually or with existing investments, the underlying securities would be accounted for under the equity method in Topic 323 or the fair value option in accordance with the financial instruments guidance in Topic 825. This update is effective for the Company on April 1, 2021, but it will not have a material effect on the Company's Consolidated Financial Statements.

In August 2020, the FASB issued ASU 2020-06 – Debt – Debt with Conversion and Other Options (Subtopic 470-20) and Derivatives and Hedging – Contracts in Entity's Own Equity (Subtopic 815-40): Accounting for Convertible Instruments and Contracts in an Entity's Own Equity, which simplifies the accounting for certain financial instruments with characteristics of liabilities and equity, including convertible instruments and contracts on an entity's own equity. The ASU is part of the FASB's simplification initiative, which aims to reduce unnecessary complexity in U.S. GAAP. This update is effective for the Company on April 1, 2024, with early adoption in any interim period permitted. The Company is currently evaluating the impact of this update but does not expect that it will have a material effect on its Consolidated Financial Statements.

In October 2020, the FASB issued ASU 2020-08 – Codification Improvements to Subtopic 310-20, Receivables – Nonrefundable Fees and Other Costs, which clarifies an entity's accounting responsibilities related to callable debt securities. This update is effective for the Company on April 1, 2021, but it will not have a material effect on the Company's Consolidated Financial Statements.

Recently Adopted Accounting Pronouncements
In August 2018, the FASB issued ASU 2018-13, Changes to the Disclosure Requirements for Fair Value Measurement, which eliminates the requirements to disclose the amount of and reasons for transfers between Level 1 and 2 of the fair value hierarchy, the timing of transfers between levels and the Level 3 valuation process, while expanding the Level 3 disclosures to include the range and weighted average used to develop significant unobservable inputs and the changes in unrealized gains and losses on recurring fair value measurements. The changes and modifications to the Level 3 disclosures are to be applied prospectively, while all other amendments are to be applied retrospectively. This update was effective for the Company on April 1, 2020, but did not have a material effect on the Consolidated Financial Statements.

In August 2018, the FASB issued ASU 2018-14, Changes to the Disclosure Requirements for Defined Benefit Plans, which removes certain disclosures relating to (i) amounts expected to be recognized in net periodic benefit cost over the next twelve months, (ii) plan assets expected to be returned to the Company, (iii) a one-percentage-point change in assumed health care costs, and (iv) related parties, including insurance and annuity contracts. It clarifies the disclosure requirements for both the projected and accumulated benefit obligations, as well as requiring additional disclosures for cash balance plans and explanations for significant gains and losses related to changes in the benefit obligations. The Company adopted ASU 2018-14 on April 1, 2020 on a retrospective basis. This update modified the Company's disclosures but did not have a material effect on its consolidated financial position, results of operations, or cash flows.

In January 2021, the FASB issued ASU 2021-01, Reference Rate Reform (Topic 848): Scope, which refines the scope of ASC 848 and clarifies some of its guidance as part of the Board's monitoring of global reference rate reform activities. The ASU permits entities to elect certain optional expedients and exceptions when accounting for derivative contracts and certain hedging relationships affected by changes in the interest rates used for discounting cash flows, for computing variation margin settlements, and for calculating price alignment interest in connection with reference rate reform activities under way in global financial markets (the "discounting transition"). The amendments in this Update were effective immediately for all entities but did not have a material effect on the Company's consolidated financial position, results of operations, or cash flows.

Note 3: Shareholder's equity

At March 31, 2021 and 2020, the capital structure reflected 28,908,944 and 29,251,249, respectively, 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.
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-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, 2021, and March 31, 2020 no shares were issued from this conditional share capital.

Furthermore, the share capital of the Company may be increased by up to CHF 28,908,940 by the issuance of up to 2,890,894 fully paid up registered shares with a nominal value of CHF 10 each, upon the exercise or mandatory exercise of conversion, exchange, option, warrant or similar rights for the subscription of shares granted to shareholders or third parties alone or in connection with bonds, notes, loans, options, warrants or other securities or contractual obligations of the Company or any of its subsidiaries. This conditional share capital has been approved by the Annual General Meeting of Shareholders on June 30, 2020 and is available for use. As of September 30, 2020, 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 until June 30, 2022 by a maximum amount of CHF 28,908,940 by issuing a maximum of 2,890,894 fully paid-in registered shares with a nominal value of CHF 10 each. Increases in partial amounts are permissible. As of March 31, 2021, no shares were issued from this authorized share capital.

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.

On January 29, 2019, the Company announced its intention to execute a share buyback program amounting to a maximum value of CHF 100 million during a period of up to 36 months for the purpose of a capital reduction (the "Buyback program"). The implementation of the Buyback program depends on market conditions. The Buyback program lasts from January 30, 2019 to January 28, 2022 at the latest. The Company reserves the right to terminate the Buyback program at any time and has no obligation to acquire its own registered shares as part of the Buyback program. The Board of Directors of Landis+Gyr intends to request one or more capital reductions from future general meetings by canceling the registered shares repurchased under the Buyback program, if any.

As a precautionary measure to reflect current uncertainties related to the financial impact from the COVID-19 pandemic, the Company has decided to temporarily suspend the Buyback program, effective March 27, 2020. As of March 31, 2021, the Buyback program remains suspended.

The changes in Treasury shares during the financial years ended March 31, 2021 and 2020 were as follows:

MOVEMENT IN TREASURY SHARES

	FINANCIAL YEAR ENDED MARCH 31,			
	2021	**2021**	2020	2020
	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,	431,205	78.35	198,674	62.05
Purchases for share Buyback program	–	–	443,214	75.27
Other purchases	–	–	53,994	93.75
Delivery of shares	(7,123)	60.53	(5,926)	62.28
Retirement of shares	(342,305)	77.74	(258,751)	64.15
Treasury shares – closing balance as of March 31,	**81,777**	**82.46**	**431,205**	**78.35**

Share capital reduction

At the Annual General Meeting of Shareholders on June 30, 2020, shareholders approved the proposal of the Board of Directors to reduce the share capital of the Company by canceling 342,305 treasury shares which were acquired under the Buyback program. This cancellation was completed in October 2020, resulting in a decrease in Treasury shares of USD 27.0 million and a corresponding combined decrease in Registered ordinary shares, Additional paid-in capital and Retained earnings.

At the Annual General Meeting of Shareholders on June 25, 2019, shareholders approved the proposal of the Board of Directors to reduce the share capital of the Company by canceling 258,751 treasury shares which were acquired under the Buyback program. This cancellation was completed in September 2019, resulting in a decrease in Treasury shares of USD 16.5 million and a corresponding combined decrease in Registered ordinary shares, Additional paid-in capital and Retained earnings.

Dividend

At the Extraordinary General Meeting of Shareholders on November 24, 2020, shareholders approved the proposal of the Board of Directors to distribute CHF 2.00 per share to shareholders. The declared dividend amounted to CHF 57.7 million (USD 63.3 million at the exchange rate prevailing at November 24, 2020) and was paid in November 2020.

At the Annual General Meeting of Shareholders on June 25, 2019, shareholders approved the proposal of the Board of Directors to distribute 3.15 Swiss francs per share to shareholders. The declared dividend amounted to CHF 91.7 million (USD 94.0 million at the exchange rate prevailing at June 25, 2019) and was paid in July 2019.

Accumulated Other Comprehensive Income (Loss)
The components of accumulated other comprehensive loss (AOCL) of Landis+Gyr Group AG consist of:

	MARCH 31,	
USD in thousands	2021	2020
Foreign currency translation adjustments, net of tax	(30,760)	(47,535)
Pension plan benefits liability adjustments, net of taxes of USD 1,630 and USD 3,784 as of March 31, 2021 and March 31, 2020, respectively	(4,786)	(21,390)
Accumulated other comprehensive income (loss)	**(35,546)**	**(68,925)**

The following tables present the reclassification adjustments in accumulated other comprehensive loss by component:

USD in thousands	Defined benefit pension items	Foreign currency items	Total
Beginning balance, April 1, 2020	**(21,390)**	**(47,535)**	**(68,925)**
Other comprehensive income before reclassifications	16,599	16,775	33,374
Amounts reclassified from accumulated other comprehensive income	5	–	5
Net current-period other comprehensive income	16,604	16,775	33,379
Ending balance, March 31, 2021	**(4,786)**	**(30,760)**	**(35,546)**

USD in thousands	Defined benefit pension items	Foreign currency items	Total
Beginning balance, April 1, 2019	**(16,537)**	**(35,608)**	**(52,145)**
Other comprehensive loss before reclassifications	(4,537)	(11,927)	(16,464)
Amounts reclassified from accumulated other comprehensive income	(316)	–	(316)
Net current-period other comprehensive loss	(4,853)	(11,927)	(16,780)
Ending balance, March 31, 2020	**(21,390)**	**(47,535)**	**(68,925)**

The pension plan benefits liability adjustment, net of taxes, in the AOCL changed by USD 16.6 million and USD (4.9) million in the financial years ended March 31, 2021 and March 31, 2020, respectively. These changes represent the movement of the current year activity including the reclassified amounts from accumulated other comprehensive income to net income:

	FINANCIAL YEAR ENDED MARCH 31,	
USD in thousands	2021	2020
Amortization of actuarial loss	1,086	694
Amortization of prior service cost	(1,081)	(1,010)
Amounts reclassified from other comprehensive income to net income(1)	5	(316)
Net actuarial gain (loss)	18,787	(5,629)
Prior service cost	(34)	–
Total before tax	**18,758**	**(5,945)**
Tax benefit	(2,154)	1,092
Total other comprehensive income (loss) from defined benefit pension plans (net of tax) for the fiscal year ended March 31,	**16,604**	**(4,853)**

1) These accumulated other comprehensive income components are included in the computation of net periodic pension costs (see Note 20: 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 21: 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):

USD in thousands, except per share data	FINANCIAL YEAR ENDED MARCH 31, 2021	2020
Basic earnings per share		
Net income (loss) attributable to Landis+Gyr Group AG Shareholders	(392,392)	113,748
Weighted-average number of shares used in computing earnings per share	**28,824,039**	**29,169,434**
Basic earnings per share attributable to Landis+Gyr Group AG shareholders	**(13.61)**	**3.90**
Diluted earnings per share		
Net income (loss) attributable to Landis+Gyr Group AG Shareholders	(392,392)	113,748
Weighted-average number of shares used in computing earnings per share	**28,824,039**	**29,169,434**
Effect of dilutive securities	–	32,355
Adjusted weighted-average number of shares outstanding	**28,824,039**	**29,201,789**
Diluted earnings per share attributable to Landis+Gyr Group AG shareholders	**(13.61)**	**3.90**

There were 290,752 potentially dilutive securities from the Company's share-based long-term incentive plans for the financial year ended March 31, 2021, of which none were included in the computation of the adjusted weighted-average number of shares outstanding as the effect would be anti-dilutive due to the net loss per share. These stock-based awards could be dilutive in future periods.

There were 199,016 potentially dilutive securities from the Company's share-based long-term incentive plans for the financial year ended March 31, 2020. For the financial year ended March 31, 2020, 32,355 incremental potentially dilutive securities were included in the computation of the adjusted weighted-average number of shares outstanding as they were actually dilutive.

Note 5: Revenue

The following table provides information about contract assets and liabilities with customers:

USD in thousands	March 31, 2021	March 31, 2020
Advances from customers	5,419	6,766
Deferred revenue	59,520	58,020
Contract liabilities	**64,939**	**64,786**

Contract assets primarily relate to the Company's right to receive consideration for work completed but for which no invoice has been issued at the reporting date. Contract assets are transferred to receivables when rights to receive payment become unconditional.

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, 2020, the Company recognized revenue of USD 31.5 million during the financial year ended March 31, 2021.

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 represent 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 we estimate 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 620.9 million for the next twelve months and approximately USD 1,545.1 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 services 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.

Cost to obtain a contract and cost to fulfill a contract with a customer
Cost to obtain a contract and cost 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, 2021, and 2020, the carrying balances of assets recognized from the cost incurred to obtain a contract were USD 1.5 million and USD 1.9 million, respectively. These amounts are included in Other long-term assets in the Consolidated Balance Sheets.

For the financial years ended March 31, 2021 and 2020, the Company recognized USD 0.6 million and USD 0.5 million, respectively, amortization of capitalized cost 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 depict how revenue is affected by economic factors, is disclosed in Note 29: Segment Information.

Note 6: Accounts Receivable, net

A summary of accounts receivable, net is as follows:

	MARCH 31,	
USD in thousands	**2021**	2020
Trade accounts receivable	247,364	314,798
Contract receivable	43,311	33,049
Allowance for doubtful accounts	(6,652)	(9,696)
Total trade accounts receivable, net	**284,023**	**338,151**
Less: current portion of accounts receivable, net	282,132	335,761
Long-term accounts receivable, net	**1,891**	**2,390**

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:

	FINANCIAL YEAR ENDED MARCH 31,	
USD in thousands	**2021**	2020
Beginning balance	(9,696)	(9,854)
Provisions for doubtful accounts	(2,920)	(5,244)
Deductions, net of recoveries	5,964	5,402
Balance at March 31,	**(6,652)**	**(9,696)**

Note 7: Inventories, net

Inventories, net consist of the following:

	MARCH 31,	
USD in thousands	**2021**	2020
Raw material and supplies	82,258	96,705
Work in progress	8,143	7,921
Finished goods	47,357	56,646
Total inventories gross	**137,758**	**161,272**
Inventory reserve	(27,208)	(13,816)
Total inventories, net	**110,550**	**147,456**

Note 8: Prepaid expenses and other current assets

A summary of the prepaid expenses and other current assets balance is as follows:

	MARCH 31,	
USD in thousands	**2021**	2020
Prepaid expenses	18,404	15,457
Other tax receivables	10,353	9,003
Income tax receivables/advances	7,378	9,033
Others	29,507	26,202
Total prepaid expenses and other current assets	**65,642**	**59,695**

Note 9: Property, Plant & Equipment

A summary of the property, plant & equipment balance is as follows:

	MARCH 31,	
USD in thousands	**2021**	2020
Land	3,248	3,101
Buildings	26,830	18,846
Network equipment[1]	121,401	119,792
Machinery and equipment	122,309	135,475
Vehicles and other equipment	103,407	77,110
Construction in progress	13,475	19,725
Total cost	**390,670**	**374,049**
Less accumulated depreciation	(272,156)	(256,517)
Property, plant and equipment, net	**118,514**	**117,532**

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, 2021 and March 31, 2020 was USD 35.1 million and USD 39.2 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 10: Acquisitions and divestments

Acquisition of Rhebo GmbH

On February 26, 2021, the Company acquired all the issued and outstanding shares and voting interests of Rhebo GmbH ("Rhebo"), incorporated in Germany. The consideration transferred, net of cash received, was USD 14.0 million.

Rhebo's technology ensures real-time reporting of cybersecurity threats and other anomalies in network control systems, enabling utilities and other customers to react immediately to cyber threats. The aim of the acquisition is to complement the Landis+Gyr portfolio and to leverage smart meter and smart grid data.

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	**14,340**	
Cash	358	
Other current assets	291	
Property, plant and equipment, net	38	
Current liabilities	(877)	
Fair value of tangible assets acquired and liabilities assumed, net	**(191)**	
Identified intangible assets – definite life:		
Brand	1,443	2 years
Technology	6,930	10 years
Goodwill	8,670	
Recognition of deferred tax liabilities	(2,512)	
Total net assets acquired	**14,340**	

The value assigned to the 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.

While the Company uses its best estimates and assumptions as part of the purchase price allocation process to value assets acquired and liabilities assumed at the acquisition date, the purchase price allocation for acquisitions is preliminary for up to 12 months after the acquisition date and is subject to refinement as more detailed analyses are completed and additional information about the fair values of the acquired assets and liabilities becomes available.

The results of Rhebo are included in the Company's consolidated financial statements from the date of acquisition. The impact to the Company's consolidated financial statements is not material.

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.

Gain on sale of investments

On May 31, 2018, the Company entered into an agreement with Pacific Equity Partners ("PEP"), an Australian private equity firm, to establish Spark Investment Holdco Pty Ltd (the "Joint Venture"). Under the agreement, the Company contributed all the 100 outstanding shares of its wholly owned subsidiary IntelliHUB Operations Pty Ltd ("IntelliHUB").

As part of the IntelliHUB contribution, the Company may be entitled to receive additional contingent consideration from the Joint Venture 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, 2021, the Company received additional cash consideration from the Joint Venture in the amount of USD 2.3 million, which is included within Gain on sale of investments in the Consolidated Statement of Operations.

Note 11: Intangible Assets, net

The gross carrying amount, accumulated amortization, and impairments of the Company's intangible assets, other than goodwill, are as follows:

March 31, 2021 (USD in thousands)	Gross asset	Accumulated amortization	Accumulated impairment	Carrying amount	Weighted average useful life (in years)
Finite Lived Intangibles:					
Trade name and trademarks	115,413	(66,309)	–	49,104	7
Order backlog	40,879	(40,879)	–	–	–
Customer contracts & relationships	419,027	(253,231)	–	165,796	7
Developed technologies	193,257	(145,649)	(11,166)	36,442	4
Total finite lived intangibles	**768,576**	**(506,068)**	**(11,166)**	**251,342**	

March 31, 2020 (USD in thousands)	Gross asset	Accumulated amortization	Accumulated impairment	Carrying amount	Weighted average useful life (in years)
Finite Lived Intangibles:					
Trade name and trademarks	113,960	(59,432)	–	54,528	9
Order backlog	40,264	(40,264)	–	–	–
Customer contracts & relationships	418,315	(227,580)	–	190,735	9
Developed technologies	183,985	(129,803)	(11,166)	43,016	3
Total finite lived intangibles	**756,524**	**(457,079)**	**(11,166)**	**288,279**	

The following table presents the line items within the Consolidated Statement of Operations that include amortization of intangible assets:

	FINANCIAL YEAR ENDED MARCH 31,	
USD in thousands	2021	2020
Cost of revenue	13,547	12,609
Operating expenses	34,247	34,503
Total	**47,794**	**47,112**

Estimated future annual amortization expense related to identified intangible assets for each of the five years, to March 31, 2026 and thereafter is as follows:

Financial year ending March 31, (USD in thousands)	Estimated annual amortization
2022	47,055
2023	46,274
2024	32,938
2025	32,787
2026	32,774
Thereafter	59,514
Total identifiable intangibles, net	**251,342**

Note 12: 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, 2021 and 2020, are as follows:

USD in thousands	Americas	EMEA	Asia Pacific	Total
Balance as of March 31, 2019	**1,133,350**	**197,241**	**23,503**	**1,354,094**
Changes in prior year	–	–	–	–
Balance as of March 31, 2020	**1,133,350**	**197,241**	**23,503**	**1,354,094**
Business acquisitions[1]	–	8,670	–	8,670
Impairment of goodwill[2]	(396,000)	–	–	(396,000)
Effect of change in exchange rates	–	59	–	59
Balance as of March 31, 2021[3]	**737,350**	**205,970**	**23,503**	**966,823**

1) See Note 10: Acquisitions and Divestments.
2) See Note 13: Impairment of intangible assets for further details
3) As of March 31, 2021 and March 31, 2020, the gross goodwill amounted to USD 1,422.8 million and USD 1,414.1 million, respectively. The accumulated impairment charges as of March 31, 2021 amounted to USD 456 million, thereof USD 396 million, USD 30 million and USD 30 million related to the Americas, EMEA and Asia Pacific segments, respectively. The accumulated impairment charges as of March 31, 2020 amounted to USD 60 million, thereof USD 30 million and USD 30 million related to the EMEA and Asia Pacific reporting units, respectively.

In the financial year ended March 31, 2021, the Company recorded a goodwill impairment charge of USD 396.0 million related to the Americas reporting unit (see Note 13: Impairment of intangible assets).

Note 13: Impairment of intangible assets

For the financial year ended March 31, 2021, the quantitative impairment test on the Americas reporting unit indicated that the estimated fair value of this reporting unit was lower than its carrying value. The contraction of the global economy in 2020 and considerable uncertainty around the macroeconomic recovery, coupled with lower forecasted growth, primarily due to regulatory delays, as well as the significant increase of the weighted average cost of capital, led to a reduction in the fair value of the reporting unit. A goodwill impairment charge of USD 396.0 million was recorded to reduce the carrying value of this reporting unit to its implied fair value. The remaining goodwill for the Americas reporting unit was USD 737.4 million as of March 31, 2021. The outcome of the quantitative test for the EMEA reporting unit was that the goodwill is not impaired as of March 31, 2021.

The Company tested the Asia Pacific reporting unit using a qualitative assessment method and determined it was more likely than not that the reporting unit's carrying value is less than its fair value as of March 31, 2021.

No impairment charges were recorded in the financial year ended March 31, 2020.

The impairment charges are classified in the Impairment of intangible assets line item in the Consolidated Statement of Operations.

The Company's assessments considered the current and expected future economic and market conditions surrounding COVID-19 pandemic and its impact on each of the reporting units and intangible assets. The assumptions used within the impairment assessments represent the Company's best estimate. The Company's assessment that an additional impairment is not required for its reporting units assumes the trading conditions develop as forecasted. The ability to achieve its forecasts could be materially impacted by the duration, severity, and geographic spread, as well as government actions to address or mitigate the impact, of the COVID-19 pandemic.

Note 14: Other long-term assets

The components of other long-term assets are as follows:

USD in thousands	MARCH 31, 2021	2020
Investments in affiliated companies	27,448	26,344
Other investments	2,000	2,000
Operating lease right-of-use assets[1]	104,893	70,210
Washington State Court Deposit[2]	20,000	–
Others	51,487	46,505
Total other long-term assets	**205,828**	**145,059**

1) See Note 23: Leases.
2) See Note 24: Commitments and Contingencies – Legal proceedings

Investments in affiliated companies

The Company owns a 19.92% equity interest in Spark Investment Holdco Pty Ltd ("Spark"). Spark, together with its subsidiaries, provides energy data management services in Australia. As of March 31, 2021 and 2020, the carrying amount of the Company's share in Spark was USD 27.4 million and USD 26.3 million, respectively. During the financial year ended March 31, 2021, the Company's ownership in Spark decreased from 20.31% to 19.92%, as a result of the issuance of additional shares by the investee. The Company did not subscribe any of the investee's newly issued shares. In spite of the Company's ownership declining below 20%, the Company continues to exercise significant influence, by way of participating in the policy-making process of the investee.

The Company has elected to record its share of earnings from Spark on a three-month lag. For the financial year ended March 31, 2021, the Company's share of loss from Spark was USD 4.6 million, representing the investee's operations through December 31, 2020, as well as a gain from the revaluation of the Company's share of Sparks' equity, following the aforementioned share capital increase by the investee. For the financial year ended March 31, 2020, the Company's share of loss from Spark was USD 5.8 million, representing the investee's operations through December 31, 2019. The Company included these amounts within Net loss from equity investments in the Consolidated Statements of Operations.

Other investments

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, 2021 and 2020, the carrying amount of the Company's share in Sense was USD 2.0 million. 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, 2021 and 2020.

Note 15: Other current liabilities

The components of other current liabilities are as follows:

USD in thousands	MARCH 31, 2021	2020
Contract liabilities	37,691	30,769
Tax payable	9,730	13,744
Others	46,512	40,056
Total other current liabilities	**93,933**	**84,569**

Note 16: Loans payable

The components of the loans payable are as follows:

USD in thousands	March 31, 2021		March 31, 2020	
	Balance	Weighted average interest rate	Balance	Weighted average interest rate
Multicurrency Credit Facility	110,000	0.7%	240,000	1.6%
CHF Credit Facility	31,846	0.6%	103,528	0.6%
Other borrowings from banks	5,826	6.8%	8,643	7.5%
Loans payable	**147,672**		**352,171**	

At March 31, 2021, 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 maturing in May 2023 with the remaining balance 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 Swiss Franc, U.S. Dollar or British Pound, or on the Euro Interbank Offered Rate (EURIBOR) in case of borrowings in Euro, 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. For the period until and including March 30, 2022, the Net Total Debt/ EBITDA ratio shall be not greater than 3.50x. From March 31, 2022 until and including March 30, 2023 the Net Total Debt/ EBITDA ratio shall be not greater than 3.00x. From March 31, 2023 and thereafter 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, Euro, Swiss Franc and British Pound, 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, 2021, and March 31, 2020, the Company has drawn loans for a total amount of USD 110 million and USD 240 million, respectively.

As of March 31, 2021, and 2020, the Multicurrency Credit Facility's unused portion was USD 130 million and nil, 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. In addition, in the financial year ended March 31, 2018, the Company paid USD 840 thousand as an arrangement fee which was capitalized and recognized within Other long-term assets in the Company's Consolidated Balance Sheet. The Company is amortizing the arrangement fee over the facility's term.

CHF Credit Facility

Under the CHF Credit Facility, the Company may borrow loans in Swiss Franc, with consecutive interest periods of one, two, three, six or twelve months, or other interest periods subject to the receipt of required approvals.

During the financial year ended March 31, 2021, the Company requested and obtained an amendment of the CHF Credit Facility, whereas the maximum available amount was increased by CHF 200 million (the "Facility B") from CHF 100 million (the "Facility A") to CHF 300 million.

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, 2021, and March 31, 2020, the Company has drawn loans for a total amount of CHF 30 million, or USD 31.8 million at the exchange rate prevailing at the balance sheet date, and CHF 100 million, or USD 103.5 million at the exchange rate prevailing at the balance sheet date, respectively.

As of March 31, 2021, and 2020, the CHF Credit Facility's unused portion was CHF 270 million and nil, 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 CHF 45 thousand. The Company also incurs a quarterly utilization fee up to 0.3% of all outstanding Facility B loans.

During the financial year ended March 31, 2021, in connection with the aforementioned amendment, the Company incurred debt issuance cost in the amount of USD 2.5 million which was capitalized and recognized within Other long-term assets in the Company's Consolidated Balance Sheet. The Company is amortizing the debt issuance cost over the facility's term.

In addition, in the financial year ended March 31, 2019, the Company paid USD 614 thousand as an arrangement fee which was capitalized and recognized within Other long-term assets in the Company's Consolidated Balance Sheet. The Company is amortizing the arrangement fee over the facility's term.

Note 17: Other long-term liabilities

The components of other long-term liabilities are as follows:

	MARCH 31,	
USD in thousands	**2021**	2020
Contract liabilities	27,248	34,017
Others	43,325	29,752
Total other long-term liabilities	**70,573**	**63,769**

Note 18: 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, 2021 and March 31, 2020 were USD 335.3 million and USD 383.9 million, respectively.

For the financial year ended March 31, 2021 and 2020, the Company recognized gains (losses) from changes in the fair value of forward foreign exchange contracts of USD (29.4) million and USD 14.0 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, 2021 and March 31, 2020, were as follows:

DERIVATIVE FINANCIAL INSTRUMENTS

		Derivative assets		Derivative liabilities	
March 31, 2021 (USD in thousands)	**Notional amount**	**Prepaid expenses and other – current**	**Other long-term assets**	**Other current liabilities**	**Other long-term liabilities**
Foreign exchange contracts:					
Foreign currency forward contracts in GBP	290,430	1,893	–	11,147	5,052
Foreign currency forward contracts in SEK	18,554	33	–	487	170
Foreign currency forward contracts in AUD	14,716	103	–	257	–
Foreign currency forward contracts in CHF	9,713	–	–	185	–
Foreign currency forward contracts in ZAR	1,897	9	–	17	–
Total derivative financial instruments		**2,038**	**–**	**12,093**	**5,222**

DERIVATIVE FINANCIAL INSTRUMENTS

		Derivative assets		Derivative liabilities	
March 31, 2020 (USD in thousands)	**Notional amount**	**Prepaid expenses and other – current**	**Other long-term assets**	**Other current liabilities**	**Other long-term liabilities**
Foreign exchange contracts:					
Foreign currency forward contracts in GBP	333,180	10,902	4,935	1,685	1,631
Foreign currency forward contracts in SEK	11,459	454	282	–	–
Foreign currency forward contracts in AUD	8,237	856	–	–	–
Foreign currency forward contracts in CHF	31,058	–	–	20	–
Total derivative financial instruments		**12,212**	**5,217**	**1,705**	**1,631**

Note 19: 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, 2021, 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, 2021 (USD in thousands)	Total	Level 1	Level 2	Level 3
Assets				
Foreign currency forward contracts	2,038	–	2,038	–
Total	**2,038**	**–**	**2,038**	**–**
Liabilities				
Foreign currency forward contracts	17,315	–	17,315	–
Total	**17,315**	**–**	**17,315**	**–**

At March 31, 2020 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, 2020 (USD in thousands)	Total	Level 1	Level 2	Level 3
Assets				
Foreign currency forward contracts	17,429	–	17,429	–
Total	**17,429**	**–**	**17,429**	**–**
Liabilities				
Foreign currency forward contracts	3,336	–	3,336	–
Total	**3,336**	**–**	**3,336**	**–**

The fair value of the foreign currency forward exchange contracts has been determined by assuming 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.

As of March 31, 2021 and 2020, the Company had no asset or liability measured at fair value on a recurring basis using significant unobservable inputs (Level 3).

Fair Value of Financial Instruments
The fair value of the Company's financial instruments approximates carrying value due to their short maturities.

Note 20: 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, 2021 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:

	FINANCIAL YEAR ENDED MARCH 31,	
USD in thousands	**2021**	2020
Change in benefit obligation:		
Benefit obligation at April 1,	280,225	280,492
Service cost	4,578	4,925
Interest cost	2,633	2,488
Employee contributions	3,383	3,173
Benefits paid	(920)	(480)
Assets distributed on settlements	(10,594)	(16,211)
Actuarial (gains) / losses	3,193	(419)
Curtailments	(1,226)	(3)
Termination benefits[1]	840	259
Liabilities extinguished on settlements	(131)	(17)
Effect of changes in exchange rates	7,321	6,018
Benefit obligation at March 31,	**289,302**	**280,225**

1) Termination benefits include costs in connection with the restructuring initiatives in Switzerland and Greece.

	FINANCIAL YEAR ENDED MARCH 31,	
USD in thousands	**2021**	2020
Change in plan assets:		
Fair value of plan assets at April 1,	240,665	243,128
Actual return on plan assets	26,772	262
Employer contributions	5,072	4,185
Employee contributions	3,383	3,173
Benefits paid	(10,651)	(16,211)
Effect of changes in exchange rates	4,887	6,128
Fair value of plan assets at March 31,	**270,128**	**240,665**
Funded status at March 31,	**(19,174)**	**(39,560)**
Accumulated benefit obligation	**285,017**	**275,396**

As of March 31, 2021, the net benefit obligation for the Company's underfunded plans was equal to USD 28.0 million. The net plan assets for the overfunded plans for the same period was equal to USD 8.9 million. As of March 31, 2020, the net benefit obligation for the Company's underfunded plans was equal to USD 39.6 million. There were no net plan assets for overfunded plans to be reported.

Net periodic pension benefit costs for the Company's defined benefit plans include the following components:

	FINANCIAL YEAR ENDED MARCH 31,	
USD in thousands	**2021**	2020
Service cost	4,578	4,925
Operational pension cost	**4,578**	**4,925**
Interest cost	2,642	2,510
Termination benefits	840	259
Expected return on plan assets	(6,184)	(6,063)
Amortization of prior service costs	(1,081)	(1,010)
Amortization of actuarial loss (gain)	1,086	694
Settlements and curtailments	(84)	(14)
Non-operational credit	**(2,781)**	**(3,624)**
Net periodic benefit cost	**1,797**	**1,301**

Changes in plan assets and benefit obligations recognized in other comprehensive loss (pre-tax) are as follows:

	FINANCIAL YEAR ENDED MARCH 31,	
USD in thousands	**2021**	2020
Net actuarial loss (gain)	(18,787)	5,629
Amortization of actuarial (loss) gain	(1,086)	(694)
Prior service cost	34	–
Amortization of prior service cost	1,081	1,010
Total change recognized in AOCL	**(18,758)**	**5,945**

The following represents the amounts included in accumulated other comprehensive loss related to the Company's defined benefit pension plans:

	MARCH 31,	
USD in thousands	**2021**	2020
Actuarial loss	11,673	31,546
Prior service cost	(5,486)	(6,601)
Deferred tax liability (assets)	(1,630)	(3,784)
Effect of changes in exchange rates	229	229
Total	**4,786**	**21,390**

The weighted average assumptions used in accounting for the defined benefit pension plans are as follows:

	March 31, 2021	March 31, 2020
Weighted average assumptions to determine benefit obligations:		
Discount rate[1]	0.67%	0.93%
Expected rate of increase in future compensation[2]	1.05%	1.18%
Expected rate of increase in future pension benefits[3]	0.12%	0.10%
Weighted average assumptions to determine net periodic pension costs:		
Discount rate[1]	0.93%	0.92%
Expected long-term rate of return on plan assets[4]	2.48%	2.65%

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 projected benefit obligation ("PBO") related to the defined benefit pension plans by USD 20.1 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 18.0 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, 2021 by USD 1.4 million or increased the interest cost by USD 1.2 million, respectively.

The actual asset allocation for the defined benefit pension plan assets is as follows:

	March 31, 2021	March 31, 2020
Equity Instruments	22%	19%
Debt Instruments	49%	52%
Property	20%	21%
Other	9%	8%

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, 2022 targeted allocations are equities (21 percent), debt securities (50 percent), real estate (24 percent) and others (5 percent).

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:

Financial year ending March 31, (USD in thousands)	
2022	16,343
2023	14,287
2024	15,436
2025	14,426
2026	15,282
2027–2032	68,287

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, 2021 and at March 31, 2020:

Fair Value Measurements March 31, 2021 (USD in thousands)	Total	Level 1	Level 2	Level 3
Cash and cash equivalents	–	–	–	–
Equity instruments	58,663	51,125	7,538	–
Debt instruments	133,281	106,214	27,067	–
Real estate	53,827	–	6,770	47,057
Other	24,357	2,715	21,642	–
Total	**270,128**	**160,054**	**63,017**	**47,057**

Fair Value Measurements March 31, 2020 (USD in thousands)	Total	Level 1	Level 2	Level 3
Cash and cash equivalents	–	–	–	–
Equity instruments	46,416	40,388	6,028	–
Debt instruments	124,364	97,829	26,535	–
Real estate	50,354	–	6,558	43,796
Other	19,531	2,957	16,574	–
Total	**240,665**	**141,174**	**55,695**	**43,796**

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:

	FINANCIAL YEAR ENDED MARCH 31,	
USD in thousands	2021	2020
Balance at April 1,	43,796	41,161
Actual return on plan assets	2,196	1,962
Purchases	–	–
Sales	–	(615)
Effect of changes in exchange rates	1,065	1,288
Balance at March 31,	**47,057**	**43,796**

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, 2021, and March 31, 2020, the post-retirement benefit plans had an obligation of USD 0.2 million and USD 0.3 million, respectively.

For the post-retirement plan, the expected premium for financial year ending March 31, 2022 is assumed to be USD 2,859 for retired employees and spouse. The medical trend rate is assumed to increase to 5.2% for the financial year ending March 31, 2022 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, 2021 and March 31, 2020 were USD 4.0 million and USD 8.8 million, respectively.

Note 21: Share-based compensation

Long-term incentive plan
In April 2018, the Company introduced a new 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 performance targets are achieved during the three-year performance period. In case the performance does not reach certain pre-determined thresholds after three years, no shares of the Company will vest under the LTIP. 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 the Swiss Performance Index ("SPI"), for the award cycle started on April 1, 2018, or the SPI Industrials Index ("SPI Industrials"), for the award cycles started on April 1, 2019 and April 1, 2020 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 following table summarizes the number of outstanding nonvested share equivalents allocated to each component of the LTIP as of March 31, 2021 and March 31, 2020:

Maximum outstanding nonvested share equivalents under the LTIP	March 31, 2021	March 31, 2020
Maximum share equivalents under the PSP-TSR	145,376	99,508
Maximum share equivalents under the PSP-EPS	145,376	99,508
Total maximum outstanding nonvested share equivalents under the LTIP	**290,752**	**199,016**
Exercisable	–	–

The number of share equivalents represents the maximum number of shares that can potentially vest and be distributed to employees if the Company will 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, 2021 and 2020 were less than USD 0.1 million and USD 1.1 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 or the SPI Industrials. 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 performance period. None of the PSP-TSR awards will vest if Landis+Gyr's absolute TSR attributable to the relevant three-year performance period is negative, regardless of the Company's performance relative to the SPI or the SPI Industrials.

The following tables summarize the activities under the PSP-TSR component for the financial year ended March 31, 2021 and 2020:

TSR COMPONENT	FISCAL YEAR ENDED MARCH 31, 2021		
	Number of awards	Maximum number of shares conditionally granted	Weighted-average grant-date fair value per share (Swiss francs)
Nonvested at April 1, 2020	49,753	99,508	53.24
Granted	32,316	64,632	43.90
Vested	–	–	–
Forfeited	(9,382)	(18,764)	48.52
Nonvested at March 31, 2021	**72,687**	**145,376**	**49.70**
Exercisable at March 31, 2021	–	–	–

TSR COMPONENT	FINANCIAL YEAR ENDED MARCH 31, 2020		
	Number of awards	Maximum number of shares conditionally granted	Weighted-average grant-date fair value per share (Swiss francs)
Nonvested at April 1, 2019	22,702	45,405	56.35
Granted	34,470	68,940	51.14
Vested	–	–	–
Forfeited	(7,419)	(14,837)	52.99
Nonvested at March 31, 2020	**49,753**	**99,508**	**53.24**
Exercisable at March 31, 2020	–	–	–

The Company recorded share-based compensation expense for the PSP-TSR Plan of USD 1.0 million and USD 0.8 million, respectively, for the financial years ended March 31, 2021 and 2020, which is included within General and administrative expense in the Consolidated Statements of Operations. As of March 31, 2021, total unrecognized compensation costs related to nonvested PSP-TSR awards amount to USD 1.2 million. These costs are expected to be recognized over a weighted-average period of 1.8 years.

Equity-settled awards are recorded in the "Additional paid-in capital" component of Shareholders' equity, with compensation cost recorded in General and administrative expenses over the vesting period, which is from the grant date to the end of the vesting period, including adjustments for actual forfeitures. The PSP-TSR awards are subject to a market condition, which based on the guidance in ASC 718 is reflected in the grant-date fair value. 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. 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:

	FINANCIAL YEAR ENDED MARCH 31,	
	2021	**2020**
Expected term	3 years	3 years
Risk free rate	(0.697%)	(0.683%)
Expected volatility	31.34%	24.24%
Expected dividend yield	4%	4%

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.

The following tables summarize the activities under the PSP-EPS Plan for the financial years ended March 31, 2021 and 2020:

EPS COMPONENT	FINANCIAL YEAR ENDED MARCH 31, 2021		
	Number of awards	**Maximum number of shares conditionally granted**	**Weighted-average grant-date fair value per share (Swiss francs)**
Nonvested at April 1, 2020	49,753	99,508	60.86
Granted	32,316	64,632	53.97
Vested	–	–	–
Forfeited	(9,382)	(18,764)	56.93
Nonvested at March 31, 2021	**72,687**	**145,376**	**58.30**
Exercisable at March 31, 2021	–	–	–

EPS COMPONENT	FINANCIAL YEAR ENDED MARCH 31, 2020		
	Number of awards	**Maximum number of shares conditionally granted**	**Weighted-average grant-date fair value per share (Swiss francs)**
Nonvested at April 1, 2019	22,702	45,405	73.95
Granted	34,470	68,940	56.32
Vested	–	–	–
Forfeited	(7,419)	(14,837)	60.36
Nonvested at March 31, 2020	**49,753**	**99,508**	**60.86**
Exercisable at March 31, 2020	–	–	–

The Company recorded stock-based compensation expense (benefit) for the PSP-EPS Plan of USD (0.9) million and USD 0.3 million, respectively, for the financial years ended March 31, 2021 and 2020, which is included within General and administrative expense in the Consolidated Statements of Operations. As of March 31, 2021, total unrecognized compensation costs related to nonvested PSP-EPS awards are nil.

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 Company's shares, which are blocked for sale for a period of three years. In the financial years ended March 31, 2021 and 2020, the Company allotted 7,123 and 5,926 shares, respectively, out of the treasury stock, and recorded USD 0.4 million and USD 0.5 million, respectively, of expense which is included within General and administrative expense in the Consolidated Statements of Operations.

Note 22: Income Taxes

The components of profit (loss) before income tax expense, are as follows:

	FINANCIAL YEAR ENDED MARCH 31,	
USD in thousands	**2021**	2020
Domestic[1]	(24,443)	8,950
Foreign	(344,158)	129,472
L+G Group	**(368,601)**	**138,422**

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:

	FINANCIAL YEAR ENDED MARCH 31,	
USD in thousands	**2021**	2020
Current income taxes:		
Domestic[1]	(990)	(939)
Foreign	(33,708)	(31,691)
Total current taxes	(34,698)	(32,630)
Deferred taxes:		
Domestic[1]	1,059	(2,203)
Foreign	14,217	15,364
Total deferred taxes	15,276	13,161
Total income taxes	**(19,422)**	**(19,469)**

1) Domestic jurisdiction represents Switzerland, the country where the Company is incorporated.

The reconciliation of tax expense at the statutory federal tax rate of 7.83% to the provision for income taxes is shown in the table below:

	FINANCIAL YEAR ENDED MARCH 31,	
USD in thousands	**2021**	2020
Regular statutory rate expense	28,861	(10,838)
Items taxed at rates other than the Company's statutory rate	(7,032)	(21,767)
Non-deductible goodwill impairment	(31,007)	–
Other permanent adjustments	4,166	4,408
Provision for uncertain tax positions	(12,696)	8,261
Tax credits	1,758	1,805
Withholding taxes	(941)	(1,008)
Change in valuation allowance	(5,714)	818
Adjustments to prior year	3,680	(2,121)
Effects of changes in tax rate, net	105	965
Other, net	(602)	8
Tax expense	**(19,422)**	**(19,469)**

Deferred Taxes

The significant components of the deferred tax assets and liabilities are as follows:

	MARCH 31,	
USD in thousands	**2021**	2020
Deferred tax assets:		
Net operating loss carryforwards	80,280	76,185
Inventories	6,686	3,558
Prepaid expenses and other	81	–
Accrued liabilities	11,296	13,084
Intangible assets	10,074	9,589
Operating leases	18,966	14,499
Pension and other employee related liabilities	18,031	18,533
Other	32,595	25,794
Total gross deferred tax assets	**178,009**	**161,242**
Deferred tax liabilities:		
Accrued liabilities	(117)	(50)
Property, plant, and equipment	(3,522)	(4,920)
Intangible assets	(46,016)	(54,210)
Operating leases	(18,020)	(13,979)
Other	(21,640)	(18,738)
Total gross deferred tax liabilities	**(89,315)**	**(91,897)**
Net deferred tax assets before valuation allowance	**88,694**	**69,345**
Valuation allowance	(85,198)	(77,362)
Net deferred tax assets (liabilities)	**3,496**	**(8,017)**
Included in:		
Deferred tax assets – non-current	18,039	17,017
Deferred tax liabilities – non-current	(14,543)	(25,034)
Net deferred tax assets (liabilities)	**3,496**	**(8,017)**

As of March 31, 2021, and March 31, 2020, the Company had total tax losses carried forward in the amount of USD 250.7 million and USD 232.5 million, respectively.

The expiration of the tax losses carried forward as of March 31, 2021 is as follows:

Financial year ending March 31, (USD in thousands)	
2022	367
2023	28,682
2024	18,149
2025	2,993
2026	7,548
Thereafter	17,811
Never expire	175,186
Total	**250,736**

Due to "change in ownership" provisions in certain jurisdictions, the use of a portion of our 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 Australia, France, United States and United Kingdom. In the event that all of the deferred tax assets become realizable, the reversal of the valuation allowance would result in a reduction in income tax expense.

Deferred taxes on undistributed earnings of foreign subsidiaries as of March 31, 2021 and March 31, 2020 are USD 1.8 million and USD 0.3 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:

	FINANCIAL YEAR ENDED MARCH 31,	
USD in thousands	2021	2020
Balance as of April 1,	19,431	24,584
Gross increases to positions in prior years	7,662	1,210
Gross increases to current period tax positions	5,510	4,551
Expiry of statute of limitations	(1,985)	(7,599)
Gross decreases to prior year positions	(206)	(2,887)
Effect on change in exchange rates	80	(428)
Balance as of March 31,	**30,492**	**19,431**

As of March 31, 2021, and March 31, 2020, accrued interest and penalties were USD 7.7 million and USD 4.9 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, 2021, the Company could be subject to income tax examination by the tax authorities in the following major tax jurisdictions:

Tax Jurisdiction	Open tax years
Australia	April 1, 2014 – March 31, 2021
Switzerland	April 1, 2019 – March 31, 2021
U.S. Federal	April 1, 2017 – March 31, 2021
Germany	April 1, 2014 – March 31, 2021
Greece	April 1, 2015 – March 31, 2021
United Kingdom	April 1, 2019 – March 31, 2021
Brazil	January 1, 2016 – March 31, 2021

Note 23: Leases

The Company is party to several noncancelable operating leases, primarily for office space and company vehicles, that expire over the next 14 years. These leases might include renewal options and do not contain material residual value guarantees.

The components of lease expense are as follows:

	FINANCIAL YEAR ENDED MARCH 31,	
USD in thousands	**2021**	**2020**
Finance lease cost – Right of use assets amortization	689	535
Finance lease cost – Interest on lease liabilities	160	93
Operating lease cost	20,930	17,811
Variable lease cost	267	67
Short-term lease cost	7,846	9,069
Total lease cost	**29,892**	**27,575**

Supplemental cash flow information related to leases are as follows:

	FINANCIAL YEAR ENDED MARCH 31,	
USD in thousands	**2021**	**2020**
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows from operating leases	18,400	16,851
Operating cash flows from finance leases	268	482
Right-of-use assets obtained in exchange for lease liabilities:		
Operating leases	49,626	40,313
Finance leases	3,647	210

Supplemental balance sheet information related to leases are as follows:

	MARCH 31,	
USD in thousands, unless otherwise stated	**2021**	**2020**
Operating Leases		
Right-of-use assets, net	104,893	70,210
Lease liabilities	110,476	72,694
Finance Leases		
Property, plant and equipment, net	3,827	687
Lease liabilities	2,937	2,751
Weighted-average remaining lease term (Years)		
Operating leases	10.2	9.2
Finance leases	2.0	2.5
Weighted-average discount rate (percentage)		
Operating leases	2.3%	2.9%
Finance leases	4.2%	4.5%

Remaining maturities of lease liabilities as of March 31, 2021 are as follows:

Financial year ending March 31, (USD in thousands)	**Finance Leases**	**Operating Leases**
March 31, 2022	1,569	17,296
March 31, 2023	1,377	13,348
March 31, 2024	205	11,889
March 31, 2025	75	10,976
March 31, 2026	–	9,938
Thereafter	–	59,607
Total lease payments	**3,226**	**123,054**
Less: Imputed interest	(289)	(12,578)
Total lease liabilities	**2,937**	**110,476**

Note 24: 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.

Maximum potential payments (USD in million)	March 31, 2021
Performance guarantees obtained from third parties	137.0
Financial guarantees issued in connection with financing activities	329.2
Financial guarantees issued in connection with lease agreements	5.8
Total	**472.0**

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, 2021, the Company had total outstanding performance bonds and bank and insurance guarantees of USD 137.0 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 335.0 million as of March 31, 2021.

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 fulfill 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 Washington Department of Revenue ("Department") has conducted an audit of business & occupation tax, sales tax and other taxes in one of our US subsidiaries for the period between January 1, 2010 through March 31, 2016. The Company received a non-income tax assessment from the Department for USD 20 million, including penalties and interest. The Company strongly disagrees with this assessment and believes it to be contradictory to applicable statutes and court rulings in similar cases. The Company has 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 balance sheet at March 31, 2021. Although the Company cannot predict the ultimate outcome of this case, it believes that it is probable that the tax authority's assessment will be overturned on appeal, and therefore, the Company has not established an accrual. An unfavorable ruling will result in a charge of approximately USD 20 million. In addition, the Company has estimated that the exposure for the period from April 1, 2016 to March 31, 2021 would increase the charge by USD 9 million to USD 29 million, should there be an unfavorable ruling.

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 Landis+Gyr 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. The case is in the pre-trial stage.

One of our US subsidiaries has filed a lawsuit against meter installer Grid One Solutions alleging breach of contract in Pennsylvania state court, seeking damages of approximately USD 14 million. The claims relate to the (i) Company's additional costs to install meters that Grid One could or would not install, (ii) failure of Grid One to perform audits, and (iii) the Company's additional storage costs for removed meters. The case is in the pre-trial stage and trial is expected in April 2022.

On October 5, 2015, the Romanian Competition Council ("RCC") launched an ex officio investigation against Landis+Gyr 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, Landis+Gyr provided the Council evidence demonstrating that it had not engaged in any of the alleged anti-competitive conduct. Landis+Gyr 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 Competition Council issued its preliminary decision against Landis+Gyr and five other companies and imposed a fine of RON 27.4 million (or USD 6.5 million, converted at the exchange rate as of March 31, 2021). The full written decision was received on April 30, 2018. In May 2018, Landis+Gyr filed an appeal of the decision on the basis that it is significantly flawed and incorrect under the law. The appeal remains under consideration.

In July 2020, Landis+Gyr S.p.A, a Company's subsidiary incorporated in Italy, 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 Landis+Gyr S.p.A as a consequence of a component failure that could, under very particular circumstances, lead to a potential safety concern. The sum claimed by Areti, comprising third-party product purchase costs, reputational damages etc., sums EUR 4.1 million (or USD 4.8 million, converted at the exchange rate as of March 31, 2021). The Company has joined the component manufacturer to the litigation, which is now tripartite.

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 and its subsidiaries are parties to various legal claims, actions, and complaints. It is not possible to predict with certainty whether or not the Company and its subsidiaries 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 non-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 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 us 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:

	FINANCIAL YEAR ENDED MARCH 31,	
USD in thousands	**2021**	**2020**
Beginning balance, April 1	61,980	45,177
New product warranties	17,034	46,704
Other changes / adjustments to warranties	(6,843)	(3,574)
Claims activity	(17,282)	(25,032)
Effect of changes in exchange rates	2,681	(1,295)
Ending balance, March 31,	**57,570**	**61,980**
Less: current portion of warranty	(37,255)	(31,628)
Long-term warranty	20,315	30,352

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, 2021, primarily consist of additions in line with the ordinary course of business, including an amount of USD 3.8 million, net of related insurance proceeds, related to a legacy component issue in Americas, aligning the provision to the latest projected failures and cost assumptions at year-end.

During the financial year ended March 31, 2020, the Company determined that the provision for product warranties for a legacy component issue in the Americas was no longer sufficient to cover expected warranty costs in the remaining warranty period. Accordingly, the previously estimated product warranty provision was increased by a total of USD 28.2 million, net of related insurance proceeds. The corresponding increase was included in Cost of revenue.

Note 25: 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, 2021, 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 financial year ended March 31, 2021 initiatives represent approximately USD 15.3 million in severance related costs. Some of the severance payments were completed during the financial year ended March 31, 2021 and the remaining payments are expected to be completed during the financial year ending March 31, 2022.

A summary of the Company's restructuring activity, including costs incurred during the financial years ended March 31, 2021 and March 31, 2020 is as follows:

	FINANCIAL YEAR ENDED MARCH 31,	
USD in thousands	**2021**	2020
Beginning balance, April 1,	5,717	5,052
Restructuring charges	15,298	6,727
Cash payments	(15,577)	(5,895)
Effect of changes in exchanges rates	129	(167)
Balance as of March 31,	**5,567**	**5,717**

The outstanding balance at March 31, 2021 and at March 31, 2020, respectively, is included under Accrued 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:

	FINANCIAL YEAR ENDED MARCH 31,	
USD in thousands	**2021**	2020
Cost of revenue	7,652	1,744
Research and development	2,977	1,647
Sales and marketing	858	1,702
General and administrative	3,811	1,634
Total	**15,298**	**6,727**

The following table outlines the cumulative and current costs incurred to date per operating segment:

USD in thousands	Cumulative costs incurred up to March 31, 2021	Total costs incurred in the financial year ended March 31, 2021
Americas	12,676	6,191
EMEA	8,693	6,396
Asia Pacific	2,521	1,646
Corporate	2,895	1,065
Restructuring Charges	**26,785**	**15,298**

The cumulative costs incurred up to March 31, 2021 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 8.5 million spread over the next five years and are primarily related to EMEA.

Note 26: 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:

	FINANCIAL YEAR ENDED MARCH 31,	
USD in thousands	2021	2020
Beginning balance, April 1	3,396	2,236
Additional obligations incurred	2,075	58
Obligations settled in current period	(788)	–
Changes in estimates, including timing	1,525	1,155
Accretion expense	(64)	10
Effect of changes in exchange rates	418	(63)
Obligation balances, March 31,	**6,562**	**3,396**

Note 27: Related Party Transactions

Transactions with affiliated Companies
The Company has a 19.92% equity interest in Spark Holdco Pty Ltd ("Spark").

In the financial years ended March 31, 2021 and 2020, revenues from Spark were USD 21.4 million and USD 24.4 million, respectively. Sales of goods were made at the Company's usual prices.

As of March 31, 2021, and 2020, receivables due from Spark were USD 3.3 million and USD 1.8 million, respectively. The amounts outstanding are unsecured and will be settled in cash. No guarantees have been given or received. No expense has been recognized in the current or prior years for bad or doubtful debts in respect of the amounts owed by related parties.

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 year ended March 31, 2021, sales to LM Ericsson and its group companies were USD 3.0 million. No products were purchased from LM Ericsson in this period. In the financial year ended March 31, 2020, sales to and purchases from LM Ericsson and its group companies were USD 2.4 million and USD 1.1 million, respectively.

Note 28: 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, 2021 and 2020. The majority of the revenue is derived from the sale of energy meters.

Approximately 45% of the Company's workforce is subject to collective bargaining agreements expiring between 2021 and 2040. Approximately 15% of the Company's workforce is subject to collective bargaining agreements expiring within one year.

Note 29: Segment Information

As noted in Note 12: 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 the Company's Gridstream and advanced meter solutions, digital electricity meters, commercial/industrial and grid meters, system deployment services, managed network services, and other Advanced Metering Infrastructure offerings including software, 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 the Company's Gridstream and advanced meter solutions, digital electricity meters, prepayment electricity meters, commercial / industrial and grid meters, gas meters and prepayment solutions, heat and water meters and solutions, load control devices, system deployment services, and advanced metering infrastructure offerings including software, installation, implementation, consulting, maintenance support, and related services.

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 other markets in Asia. The Asia Pacific reportable segment designs, manufactures, markets, and sells the Company's Gridstream and advanced meter solutions, digital electricity meters, prepayment electricity meters, commercial / industrial and grid meters, gas meters and prepayment solutions, heat and water meters and solutions, load control devices, system deployment services, and advanced metering infrastructure offerings including software, 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) exceptional warranty related expenses, (v) warranty normalization adjustments and (vi) 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.

USD in thousands	FINANCIAL YEAR ENDED MARCH 31, 2021	2020
Net revenues		
Americas	704,876	914,025
thereof to external customers	700,040	906,256
thereof to other segments	4,835	7,769
EMEA	543,923	712,065
thereof to external customers	494,415	633,493
thereof to other segments	49,509	78,572
Asia Pacific	167,613	162,463
thereof to external customers	162,993	159,250
thereof to other segments	4,620	3,213
Elimination	(58,964)	(89,554)
Total Company	**1,357,448**	**1,698,999**
Adjusted EBITDA		
Americas	105,745	163,139
EMEA	2,172	40,102
Asia Pacific	11,345	9,882
Corporate unallocated	20,340	24,042
Total Company	**139,602**	**237,165**
Restructuring charges(1)	(15,298)	(6,727)
Warranty normalization adjustments(2)	13,198	(12,995)
Timing difference on FX derivatives(3)	(23,770)	7,905
Depreciation	(35,067)	(39,245)
Amortization of intangible assets	(47,794)	(47,112)
Impairment of intangible assets	(396,000)	–
Interest income	504	5,217
Interest expense	(7,515)	(6,784)
Non-operational pension (cost) credit	2,781	3,624
Gain on divestments	2,260	–
Income (loss) on foreign exchange, net	(1,502)	(2,626)
Income before income tax expense	**(368,601)**	**138,422**

1) Restructuring charges are summarized in Note 25 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, 2021 and 2020:

	DEPRECIATION AND AMORTIZATION		CAPITAL EXPENDITURE	
	FINANCIAL YEAR ENDED MARCH 31,		FINANCIAL YEAR ENDED MARCH 31,	
USD in thousands	2021	2020	2021	2020
Americas	47,680	53,839	8,654	8,334
EMEA	23,443	20,996	11,585	11,739
Asia Pacific	4,196	4,276	1,630	4,172
Corporate	7,542	7,246	4,747	4,358
Total	**82,861**	**86,357**	**26,616**	**28,603**

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, 2021 and 2020:

Financial year ended March 31, 2021 (USD in thousands)	Total	Americas	EMEA	Asia Pacific
Total revenue	**1,357,448**	**700,040**	**494,415**	**162,993**
thereof United States	632,483	628,773	3,710	–
thereof United Kingdom	142,268	–	142,268	–
thereof Switzerland	42,532	–	42,532	–
thereof Australia	63,571	–	660	62,911

Financial year ended March 31, 2020 (USD in thousands)	Total	Americas	EMEA	Asia Pacific
Total revenue	**1,698,999**	**906,256**	**633,493**	**159,250**
thereof United States	803,730	795,116	8,614	–
thereof United Kingdom	258,614	–	258,614	–
thereof Switzerland	42,169	–	42,169	–
thereof Australia	69,740	–	856	68,884

The following tables represent the property, plant and equipment, net as of March 31, 2021 and 2020:

March 31, 2021 (USD in thousands)	Total	Americas	EMEA	Asia Pacific
Property, plant and equipment	**118,514**	**45,897**	**62,815**	**9,802**
thereof United States	35,485	35,485	–	–
thereof United Kingdom	13,328	–	13,328	–
thereof Switzerland	11,012	–	11,012	–
thereof Australia	1,941	–	–	1,941

March 31, 2020 (USD in thousands)	Total	Americas	EMEA	Asia Pacific
Property, plant and equipment	**117,532**	**50,900**	**56,304**	**10,328**
thereof United States	46,739	46,739	–	–
thereof United Kingdom	19,481	–	19,481	–
thereof Switzerland	5,226	–	5,226	–
thereof Australia	1,863	–	–	1,863

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 30: Subsequent Events

The Company evaluated subsequent events and transactions that occurred after the balance sheet date through May 27, 2021, which is the date that the consolidated financial statements were available to be issued.

On April 21, 2021, the Company announced that it acquired 100% of the shares of True Energy A/S ("True Energy") for a single-digit million purchase price. True Energy is a software provider offering intelligent automatic power consumption software and services for electric vehicles charging infrastructure, home appliances and solar solutions with headquarters in Denmark. The transaction closed on April 16, 2021.

On April 30, 2021, the Company announced that it acquired 75% of the shares of Etrel d.o.o. ("Etrel") for a mid-double-digit million purchase price. The transaction is expected to close in June 2021 with closing being subject to receiving the required customary governmental approvals and other customary closing conditions. Etrel provides interactive smart residential charging stations for home and public applications, complemented by an advanced software suite that enables utilities manage load and demand response for optimized grid stability. Pursuant to the respective agreement, the Company will acquire the remaining 25% of the shares in Etrel on or before May 2024.

Besides the aforementioned subsequent acquisitions, no significant events occurred subsequent to the balance sheet date but prior to May 27, 2021 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 of the statutory auditor on the financial statements

As statutory auditor, we have audited the accompanying financial statements of Landis+Gyr Group AG (the 'Company'), which comprise the balance sheet, income statement and notes (pages 66 to 71), for the year ended March 31, 2021.

Board of Directors' responsibility

The Board of Directors is responsible for the preparation of the financial statements in accordance with the requirements of Swiss law and the Company's articles of incorporation. This responsibility includes designing, implementing and maintaining an internal control system relevant to the preparation of financial statements that are free from material misstatement, whether due to fraud or error. The Board of Directors is further responsible for selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Swiss law and Swiss Auditing Standards. Those standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal control system relevant to the Company's preparation of the financial statements 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 system. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements for the year ended March 31, 2021 comply with Swiss law and the Company's articles of incorporation.

Report on key audit matters based on the circular 1/2015 of the Federal Audit Oversight Authority

Key audit matters are those matters that, 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.

Valuation of investment in and long-term loan receivable from subsidiary

Key audit matter	How our audit addressed the key audit matter
At March 31, 2021, the carrying value, after an impairment charge of CHF 170 million, of the Company's investment in and long-term loan receivable from subsidiary amounts to CHF 0.9 billion and CHF 0.3 billion, respectively. We consider the valuation of investment in and the 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, 2021 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 capitalization of the Company at March 31, 2021 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.

Report on other legal requirements

We confirm that we meet the legal requirements on licensing according to the Auditor Oversight Act (AOA) and independence (article 728 CO and article 11 AOA) and that there are no circumstances incompatible with our independence.

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

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We further confirm that the proposed appropriation of the accumulated deficit and statutory capital reserves complies 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	Claudia Muhlinghaus
Audit expert Auditor in charge	Audit expert

Zug, May 27, 2021

Balance Sheet

CHF	Notes	March 31, 2021	March 31, 2020
ASSETS			
Current assets			
Cash and cash equivalents		99,981	1,017
Total current assets		**99,981**	**1,017**
NON-CURRENT ASSETS			
Long-term loan receivable from subsidiary		286,064,388	286,669,865
Investment	5	897,205,088	1,067,205,088
Total non-current assets		**1,183,269,476**	**1,353,874,953**
TOTAL ASSETS		**1,183,369,457**	**1,353,875,970**
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities			
Trade accounts payable to subsidiary		9,300,216	12,554,551
Accrued liabilities		76,169	40,045
Total current liabilities		**9,376,385**	**12,594,596**
Non-current liabilities			
Long-term loan payable to subsidiary		207,927,845	133,912,336
Provision for unrealized FX gain		42,650,565	47,913,645
Total non current liabilities		**250,578,410**	**181,825,981**
Total liabilities		**259,954,795**	**194,420,577**

CHF	Notes	March 31, 2021	March 31, 2020
SHAREHOLDERS' EQUITY			
Share capital	6	289,089,440	292,512,490
Statutory capital reserves	7	803,322,563	883,728,858
Reserve for treasury shares held by subsidiary			
– against statutory capital reserves	8	6,743,556	7,174,729
Statutory retained earnings		2,952,483	2,952,483
Accumulated deficit		(178,693,380)	(303,462)
Accumulated profit/(deficit) brought forward		(303,462)	6,959,532
Loss for the year		(178,389,918)	(7,262,994)
Treasury shares			
– against statutory capital reserves	8	–	(26,609,706)
Total shareholders’ equity		**923,414,662**	**1,159,455,393**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**1,183,369,457**	**1,353,875,970**

See notes to the statutory financial statements.

Income Statement

		FINANCIAL YEAR ENDED MARCH 31,	
CHF	Notes	2021	2020
Operating expenses		(9,078,743)	(12,796,958)
Impairment of investment	5	(170,000,000)	–
OPERATING LOSS		**(179,078,743)**	**(12,796,958)**
Financial income		6,335,917	8,849,425
Financial expense		(5,610,230)	(3,274,303)
LOSS BEFORE TAXES		**(178,353,056)**	**(7,221,836)**
Direct taxes		(36,862)	(41,158)
LOSS FOR THE YEAR		**(178,389,918)**	**(7,262,994)**

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 42.7 million (Prior Year: CHF 47.9 million) has been deferred on the balance sheet.

The current year foreign exchange rate realized loss is CHF 1.1 million. In the prior year a foreign exchange rate gain of CHF 0.45 million was realized, mainly on the reduction in the USD loan to a subsidiary company. These realized exchange rate gains are not taxable as the taxable currency is equivalent to the functional currency which is 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.

The Company's assessment considered the current and expected future economic and market conditions surrounding the COVID-19 pandemic and its impact on the investment. The assumptions used within the impairment assessment represent the Company's best estimate. The Company's impairment assessment for its investment assumes the trading conditions develop as forecasted. The ability to achieve its forecasts could be materially impacted by the duration, severity, and geographic spread, as well as government actions to address or mitigate the impact, of the COVID-19 pandemic.

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, 2021 and 2020.

Note 5: Investments

As at the balance sheet date, the Company holds the following direct investment:

COMPANY	NOMINAL CAPITAL	OWNERSHIP & VOTING RIGHTS MARCH 31,	
		2021	2020
Landis+Gyr AG, Steinhauserstrasse 18, Cham	CHF 29,700,000	100%	100%

At March 31, 2021 and 2021, the Company performed an impairment analysis. The contraction of the global economy in 2020 and considerable uncertainty around the macroeconomic recovery, coupled with lower forecasted growth, primarily due to regulatory delays, as well as significant increases in the weighted average cost of capital, led to a reduction of the investment's recoverable amount. As a result, an impairment charge of CHF 170.0 million was recorded at March 31, 2021 to reduce the carrying value of the investment to its recoverable amount. No impairment charge was recorded in the financial year ended March 31, 2020.

As at the balance sheet date, the Company holds the following substantial indirect investments:

COMPANY	NOMINAL CAPITAL	OWNERSHIP & VOTING RIGHTS MARCH 31,	
		2021	2020
Landis+Gyr Investments LLC, Lafayette USA	USD 20	100%	100%
Bayard Metering (UK) Unlimited, Peterborough, United Kingdom	GBP 6,986,361	100%	100%

Note 6: Share capital

At March 31, 2021 the share capital represents 28,908,944 (Prior Year: 29,251,249) 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, 2021, and March 31, 2020 no shares were issued from this conditional share capital.

Furthermore, the share capital of the Company may be increased by up to CHF 28,908,940 by the issuance of up to 2,890,894 fully paid up registered shares with a nominal value of CHF 10 each, upon the exercise or mandatory exercise of conversion, exchange, option, warrant or similar rights for the subscription of shares granted to shareholders or third parties alone or in connection with bonds, notes, loans, options, warrants or other securities or contractual obligations of the Company or any of its subsidiaries. This conditional share capital has been approved by the Annual General Meeting of Shareholders on June 30, 2020 and is available for use. As of September 30, 2020, 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 until June 30, 2022 by a maximum amount of CHF 28,908,940 by issuing a maximum of 2,890,894 fully paid-in registered shares with a nominal value of CHF 10 each. Increases in partial amounts are permissible. As of March 31, 2021, no shares were issued from this authorized share capital.

Share capital reduction
At the Annual General Meeting of Shareholders on June 30, 2020, shareholders approved the proposal of the Board of Directors to reduce the share capital of the Company by canceling 342,305 treasury shares which were acquired under the Buyback program outlined in Note 8. This cancellation was completed in October 2020, resulting in a decrease in Treasury shares of CHF 23.2 million and a corresponding combined decrease in Registered ordinary shares and Additional paid-in capital.
At the Annual General Meeting of Shareholders on June 25, 2019, shareholders approved the proposal of the Board of Directors to reduce the share capital of the Company by canceling 258,751 treasury shares which were acquired under the Buyback program outlined in Note 8. This cancellation was completed in September 2019, resulting in a decrease in Treasury shares of CHF 14.0 million and a corresponding decrease in Registered ordinary shares and Additional paid-in capital.

Note 7: Statutory capital reserves

MOVEMENT IN STATUTORY CAPITAL RESERVES

	FINANCIAL YEAR ENDED MARCH 31,	
CHF	2021	2020
Statutory capital reserves as at April 1,	883,728,858	994,146,251
Dividend payment of CHF 2.00 (PY: CHF 3.15) per share	(57,650,814)	(91,712,477)
Retirement of shares	(23,186,655)	(14,011,806)
Transfer to reserve for treasury shares held by subsidiary – against statutory capital reserves	431,174	(4,693,110)
Statutory capital reserves carried forward	**803,322,563**	**883,728,858**

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, 2020 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

On January 29, 2019, the Company announced its intention to execute a share Buyback program amounting to a maximum value of CHF 100,000,000 during a period of up to 36 months for the purpose of a capital reduction (the “Buyback program”). The implementation of the Buyback program depends on the market conditions. The Buyback program lasts from January 30, 2019 to January 28, 2022 at the latest. The Company reserves the right to terminate the Buyback program at any time and has no obligation to acquire its own registered shares as part of the Buyback program. The Board of Directors of Landis+Gyr Group AG intends to request one or more capital reductions to future general meetings by canceling the registered shares repurchased under the Buyback program, if any.

As a precautionary measure to reflect current uncertainties related to the financial impact from the COVID-19 pandemic, the Company has decided to temporarily suspend the Buyback program, effective March 27, 2020. As of March 31, 2021, the Buyback program remains suspended.

As of March 31, 2021, the Company held directly no shares (Prior Year: 342,305), which were repurchased for the purpose of a capital reduction, which is subject to approval by the Annual General Shareholders' Meeting. Additional treasury shares 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,			
	2021	**2021**	2020	2020
	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,	342,305	77.74	157,842	62.39
Purchases for share Buyback program	–	–	443,214	75.27
Other purchases	7,123	60.53	5,926	62.28
Delivery of shares	(7,123)	(60.53)	(5,926)	62.28
Retirement of shares	(342,305)	77.74	(258,751)	64.15
Treasury shares – closing balance as of March 31,	**–**		**342,305**	**77.74**

In addition, a subsidiary company, Landis+Gyr AG, also purchased shares in the Company, and as at March 31, 2021 held 81,777 shares (Prior Year: 88,900 shares) at an average acquisition price of CHF 82.46 per share (Prior Year: CHF 80.71) which are reserved for the employee and board compensation plans.

During the year the subsidiary did not buy any additional shares and the number of shares transferred to the Company for distribution to Board members was 7,123 (average purchase price of CHF 60.53).

The value of the movement during the year of shares held by Landis+Gyr AG, amounting to CHF 0.43 million (Prior Year: CHF 4.7 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 and Landis+Gyr Group 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 258 million and CHF 488 million as of March 31, 2021 and 2020, respectively. The exchange rates used to convert the maximum liability amounts into CHF are USD 0.94 (Prior Year: 0.96) and EUR 1.11 (Prior Year: 1.06).

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 fulfill 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, 2021 and 2020, the members of the Board held the following number of shares in the Company:

NAME	FUNCTION	NUMBER OF SHARES HELD AT MARCH 31, 2021	2020
Andreas Umbach	Chairman	71,545	69,589
Eric Elzvik	Lead Independent Director	6,282	4,779
Dave Geary	Independent Member	1,879	1,150
Pierre-Alain Graf	Independent Member	2,663	1,534
Andreas Spreiter	Independent Member	8,499	7,689
Christina Stercken	Independent Member	2,529	1,800
Peter Mainz	Independent Member	1,689	1,022
Søren Thorup Sørensen[(a)]	Not independent; representative of largest shareholder	0	0

(a) 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, 2021 and 2020, 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"):

NAME	FUNCTION	FINANCIAL YEAR ENDED MARCH 31, 2021: NUMBER OF SHARES HELD	NONVESTED SHARE EQUIVALENTS UNDER THE LTIP
Werner Lieberherr[(a)]	Chief Executive Officer	3,300	9,291
Prasanna Venkatesan	Head of Americas	22,072	8,072
Susanne Seitz	Head of EMEA	0	6,313
Elodie Cingari[(b)]	Chief Financial Officer	500	0
Richard Mora[(c)]	Chief Executive Officer	0	5,573
Jonathan Elmer[(d)]	Chief Financial Officer	9,030	7,856

(a) Member of the GEM as of April 1, 2020.
(b) Member of the GEM as of November 16, 2020.
(c) Active member of the GEM until March 31, 2020; employment ended on March 31, 2021.
(d) Active member of the GEM until November 16, 2020; employment ended on March 31, 2021.

NAME	FUNCTION	FINANCIAL YEAR ENDED MARCH 31, 2020: NUMBER OF SHARES HELD	NONVESTED SHARE EQUIVALENTS UNDER THE LTIP
Richard Mora[(a)]	Chief Executive Officer	41,641	5,573
Jonathan Elmer[(b)]	Chief Financial Officer	9,030	9,598
Prasanna Venkatesan	Head of Americas	22,072	5,143
Susanne Seitz	Head of EMEA	0	3,216

(a) Active member of the GEM until March 31, 2020; employment ended on March 31, 2021.
(b) Active member of the GEM until November 16, 2020; employment ended on March 31, 2021.

Note 12: Significant Shareholders

At March 31, 2021 and 2020, respectively, the significant shareholders in the Company, holding more than 3% of the total shares, were:

Name (Beneficial owner / legal shareholder)	MARCH 31, 2021: Number of Shares	Holding %
K.K. Kristiansen, T. K. Kristiansen, S. K. Kristiansen, A. K. Thinggaard / KIRKBI Invest A/S	4,445,265	15.38%
Rudolf Maag	3,000,000	10.38%
Franklin Resources, Inc. / Franklin Templeton Investments Corp., Franklin Templeton Investment Management Limited, Templeton Investment Counsel, LLC	931,580	3.22%
BlackRock, Inc., New York, NY, U.S.A.	920,642	3.18%
PGGM Vermögensbeheer B.V.	890,700	3.08%

Name	MARCH 31, 2020: Number of Shares	Holding %
KIRKBI Invest A/S	4,445,265	15.20%
Rudolf Maag	3,000,000	10.26%

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, 2021 and March 31, 2020.

Proposed Appropriation of the Accumulated Deficit and Statutory Capital Reserves

PROPOSED APPROPRIATION OF THE ACCUMULATED DEFICIT

	FINANCIAL YEAR ENDED MARCH 31,	
CHF	**2021**	2020
Balance carried forward from previous year	(303,462)	6,959,532
Loss for the year	(178,389,918)	(7,262,994)
Accumulated deficit	**(178,693,380)**	**(303,462)**

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	**2021**	2020
Statutory capital reserves as at March 31[(a)]	803,322,563	883,728,858
Proposed dividend payment of CHF 2.10 per share on 28,908,944 shares out of statutory capital reserves[(b)]	(60,708,782)	–
Statutory capital reserves carried forward[(c)]	**742,613,780**	**883,728,858**

(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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