Financial Report 2024

Landis+Gyr

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Financial Review of Landis+Gyr Group

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Overview

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

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

Landis+Gyr is a leading global provider of integrated energy management solutions. The Company measures and analyzes energy utilization to generate empowering analytics for smart grid and infrastructure management, enabling utilities and consumers to reduce energy consumption. Its innovative and proven portfolio of software, services and intelligent sensor technology is a key driver to decarbonize the grid. Building on over 125 years of industry experience, Landis+Gyr employs around 6,300 people in over 30 countries across five continents with the mission to manage energy better.

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

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

- Americas comprises the United States, Canada, Central America, South America, Japan and certain other markets which adopt US standards. This segment reported 56% of the total net revenue for the financial year 2024 (FY 2024; April 1, 2024 to March 31, 2025), compared to 58% in the financial year 2023 (FY 2023; April 1, 2023 to March 31, 2024). The Company is a leading supplier of Advanced Metering Infrastructure (“AMI”) communications networks and the leading supplier of smart electricity meters in North America. In addition, Landis+Gyr is one of the leading suppliers of modern standalone and smart electric meters in South America.
- EMEA, which comprises Europe, the Middle East, South Africa and certain other markets adopting European standards, reported 35% and 34% of Landis+Gyr’s total net revenue for the financial years 2024 and 2023, respectively. In EMEA, the Company is one of the leading providers of smart electricity meters and the leading supplier of smart ultrasonic gas meters.
- Asia Pacific comprises Australia, New Zealand, China, Hong Kong and Singapore, while the balance is generated in other markets in Asia. It reported 9% and 8% of Landis+Gyr’s total revenue for the financial years 2024 and 2023, respectively. In Asia Pacific (excluding China), the Company is one of the leading smart electricity meter providers.

In March 2025, Landis+Gyr completed the divestment of the EV charging business in EMEA. As this business is being treated as Discontinued Operations, the financial information included in this Financial Review has been restated accordingly. See Note 3: Discontinued Operations in the Consolidated Financial Statements.

Summary of Financial Information

RESULTS OF OPERATIONS

USD in millions, except per share data	FINANCIAL YEAR ENDED MARCH 31, 2025	2024	2023	2022	2021
Order Intake	2,613.8	1,961.0	1,908.2	2,648.9	1,298.7
Committed Backlog as of March 31,	4,630.4	3,768.4	3,745.8	3,386.3	2,165.9
Net revenue	**1,729.3**	**1,944.2**	**1,664.2**	**1,447.3**	**1,357.4**
Cost of revenue	1,217.2	1,348.9	1,191.0	968.2	966.8
Gross profit	**512.1**	**595.3**	**473.2**	**479.1**	**390.7**
Operating expenses					
Research and development	172.7	174.4	172.9	158.9	148.7
Sales and marketing	74.5	78.1	77.1	71.1	69.6
General and administrative	153.1	155.1	129.5	126.0	107.2
Amortization of intangible assets	35.6	34.9	38.1	34.3	34.2
Impairment of intangible assets	111.0	–	–	–	396.0
Operating income (loss)	**(34.7)**	**152.8**	**55.6**	**88.8**	**(365.1)**
Other income (expense), net	(39.3)	(21.8)	7.3	3.3	(3.5)
Income (loss) from continuing operations before income taxes and equity method investments	**(74.0)**	**131.0**	**62.9**	**92.1**	**(368.6)**
Income tax benefit (expense)	(10.7)	(18.7)	(82.0)	7.0	(19.4)
Net income (loss) from equity investments	–	3.2	229.7	(19.6)	(4.6)
Income (loss) from continuing operations, net of tax	**(84.7)**	**115.5**	**210.6**	**79.5**	**(392.7)**
Net loss on discontinued operations	**(64.7)**	**(6.8)**	**(3.5)**	**(0.0)**	**–**
Net income (loss) before noncontrolling interests	**(149.4)**	**108.7**	**207.1**	**79.4**	**(392.7)**
Net income (loss) attributable to noncontrolling interests, net of tax	1.1	(1.3)	(0.8)	0.0	–
Net income (loss) attributable to Landis+Gyr Group AG shareholders	**(150.5)**	**110.0**	**207.9**	**79.4**	**(392.7)**
Earnings per share (basic)	(5.21)	3.79	7.35	2.59	(13.61)
Earnings per share (diluted)	(5.21)	3.78	7.32	2.59	(13.61)
Adjusted gross profit	540.2	622.7	511.3	490.2	449.3
Adjusted operating expenses	369.4	392.8	369.3	345.0	309.5
Adjusted EBITDA	**170.9**	**229.9**	**141.9**	**145.2**	**139.6**
Free Cash Flow (excluding M&A)	**53.7**	**91.1**	**(22.0)**	**89.0**	**97.6**

SUMMARY CONSOLIDATED BALANCE SHEETS

USD in millions	March 31, 2025	March 31, 2024	March 31, 2023	March 31, 2022	March 31, 2021
ASSETS					
Current assets					
Cash and cash equivalents	171.6	127.8	117.4	84.9	140.5
Accounts receivable, net	417.2	334.0	349.3	319.4	282.1
Inventories, net	230.4	227.6	233.4	139.1	110.6
Prepaid expenses and other current assets	105.1	108.4	108.0	59.3	65.6
Current assets held for sale – discontinued	–	13.7	12.0	8.6	–
Total current assets	**924.3**	**811.6**	**820.1**	**611.2**	**598.9**
Property, plant and equipment, net	124.3	118.0	116.4	115.7	118.5
Goodwill and other intangible assets, net	1,063.1	1,210.6	1,242.8	1,294.1	1,218.2
Deferred tax assets	88.6	64.9	43.8	43.6	18.0
Other long-term assets	205.1	216.1	177.7	197.6	205.8
Noncurrent assets held for sale – discontinued operations	–	23.2	23.4	25.7	–
TOTAL ASSETS	**2,405.4**	**2,444.4**	**2,424.2**	**2,288.0**	**2,159.4**
LIABILITIES AND EQUITY					
Current liabilities					
Trade accounts payable	201.8	153.9	213.1	159.4	127.8
Accrued liabilities	51.2	41.6	47.6	34.9	45.1
Warranty provision – current	28.7	29.9	30.6	33.2	37.3
Payroll and benefits payable	61.4	79.9	65.0	60.9	51.6
Short-term debt	94.6	4.4	180.1	228.6	147.7
Operating lease liabilities – current	15.4	14.7	13.5	12.9	15.2
Other current liabilities	131.3	96.0	101.8	90.2	93.9
Current liabilities held for sale – discontinued operations	–	4.0	3.9	6.3	–
Total current liabilities	**584.2**	**424.3**	**655.6**	**626.5**	**518.6**
Long-term debt	249.5	248.2	–	–	–
Warranty provision – non current	12.0	13.0	15.4	14.9	20.3
Pension and other employee liabilities	27.1	26.8	24.7	29.2	32.3
Deferred tax liabilities	13.7	31.9	33.9	32.0	14.5
Tax provision	20.8	20.1	23.7	26.5	32.1
Operating lease liabilities – non current	69.4	67.9	81.6	90.5	95.3
Other long-term liabilities	111.0	58.9	55.6	65.8	70.6
Noncurrent liabilities held for sale – discontinued operations	–	1.9	4.4	5.3	–
Total liabilities	**1,087.8**	**892.9**	**895.0**	**890.5**	**783.7**
Redeemable noncontrolling interests	**–**	**5.0**	**6.4**	**12.0**	**–**
Total shareholders’ equity	**1,317.7**	**1,546.5**	**1,522.8**	**1,385.6**	**1,375.8**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**2,405.4**	**2,444.4**	**2,424.2**	**2,288.0**	**2,159.4**

Order Intake
Order intake increased by USD 652.8 million, or 33.3%, from USD 1,961.0 million in the year ended March 31, 2024, to USD 2,613.8 million in the year ended March 31, 2025, on a reported currency basis (33.6% on a constant currency basis). The continued strong order intake, equivalent to a book-to-bill ratio of 1.51 was driven by major contract wins in the regions Americas (recorded an order intake of USD 1,745.6 million (book-to-bill of 1.81)) and EMEA (orders of USD 620.7 million (book-to-bill of 1.02)).

Committed Backlog
Committed backlog increased by USD 862.0 million, or 22.9%, from USD 3,768.4 million in the year ended March 31, 2024, to USD 4,630.4 million in the year ended March 31, 2025, on a reported currency basis (increase of 22.7% on a constant currency basis).

As of March 31, 2025, in the Americas, committed backlog related to products, services and solutions was USD 3,761.9 million compared to USD 2,981.1 million as of March 31, 2024. The majority of the committed backlog in the Americas relates to the USA. In EMEA, as of March 31, 2025, the committed backlog was USD 696.8 million compared to USD 697.9 million as of March 31, 2024. Most of the EMEA committed backlog refers to contracts in the UK (28.4%), Finland (18.7%), Switzerland (17.7%) and France (12.1%). In Asia Pacific, as of March 31, 2025, committed backlog was USD 171.8 million compared to USD 89.5 million as of March 31, 2024. Most of the current backlog is recorded in Australia.

Net Revenue
Net revenue decreased by USD 214.9 million, or 11.1%, from USD 1,944.2 million in the year ended March 31, 2024, to USD 1,729.3 million in the year ended March 31, 2025, on a reported currency basis (decrease of 10.5% on a constant currency basis). The decrease in net revenue was predominantly driven by the Americas, amounting to USD (166.7) million. In the Americas segment, the decrease in net revenue of 13.9%, on a constant currency basis, was the result of a wind-down of approximately USD 120 million in pent-up demand recognized in FY 2023 and a revenue push-out of approximately USD 30 million due to tariff-related temporary delays of shipments in March 2025, offset by higher revenue in Japan. The EMEA segment recorded a decrease in net revenue of 6.5%, on a constant currency basis driven by the softening of the domestic market in Turkey and in the UK, the end of a roll-out in Austria, and project timing in Switzerland and France partially offset by a solid performance in Belgium and Germany (Thermal solutions). The Asia Pacific segment net revenue decreased by 2.9% on a constant currency basis driven by Singapore phase-out and FX headwinds in Australia, partially offset by a revenue increase in New Zealand and topline momentum of Esyasoft (India JV).

Cost of Revenue and Gross Profit
Cost of revenue decreased by USD 131.8 million, or 9.8%, from USD 1,348.9 million in the year ended March 31, 2024, to USD 1,217.2 million in the year ended March 31, 2025. This decrease results directly from the lower volume and the operating leverage. As a result, gross profit decreased by USD 83.1 million, or 14.0%, from USD 595.3 million (or 30.6% as a percentage of revenue) in the financial year 2023 to USD 512.1 million (or 29.6% as a percentage of revenue) in the financial year 2024.

OPERATING EXPENSES

	FINANCIAL YEAR ENDED MARCH 31,	
USD in millions	**2025**	2024
Research and development	172.7	174.4
Sales and marketing	74.5	78.1
General and administrative	153.1	155.1
Amortization of intangible assets	35.6	34.9
Impairment of intangible assets	111.0	–
Total operating expenses	**546.8**	**442.4**

Research and Development
Research and development expenses decreased by USD 1.7 million, or 1.0%, from USD 174.4 million in the year ended March 31, 2024, to USD 172.7 million in the year ended March 31, 2025. Despite a slight decrease in absolute value, the R&D expenses represent 10.0% of sales, compared to 9.0% in the year ended March 31, 2024. The steady research and development expenses in absolute numbers were mainly attributable to ongoing efforts to support both current and future backlog conversion in Americas, and the development of smart ultrasonic gas and water technology.

Sales and Marketing
Sales and marketing expenses decreased by USD 3.6 million, or 4.6%, from USD 78.1 million in the year ended March 31, 2024, to USD 74.5 million in the year ended March 31, 2025, mainly attributable to a decrease in personnel expenses.

General and Administrative
General and administrative expenses decreased by USD 2.0 million, or 1.3%, from USD 155.1 million in the year ended March 31, 2024, to USD 153.1 million in the year ended March 31, 2025. The decrease in general and administrative expenses was mainly driven by lower variable personnel expenses offset partially by higher consulting expenses to support the strategic initiatives including the strategic review of the EMEA business and the focus on the Americas business (including a potential US listing) that were announced in October 2024.

Amortization of Intangible Assets
Cost of revenue includes amortization charges in the amount of USD 5.6 million and USD 4.8 million for the years ended March 31, 2025, and March 31, 2024, respectively; amortization of intangible assets included under operating expenses increased by USD 0.7 million, or 2.0%, from USD 34.9 million in FY 2023 to USD 35.6 million in FY 2024.

Impairment of Intangible Assets
In the year ended March 31, 2025, the goodwill allocated to the EMEA reporting unit was impaired by USD 111.0 million. The strategic decision to withdraw from the EV segment was one of the main contributing factors that led to a reduction in the fair value of the reporting unit. No impairments were recognized in the financial year ended March 31, 2024.

Operating Income and Reported and Adjusted EBITDA
Operating income decreased by USD 187.5 million to USD (34.7) million for the year ended March 31, 2025, from USD 152.8 million for the year ended March 31, 2024, as a result of an impairment of goodwill in the reporting unit EMEA for USD 111.0 million coupled with lower gross profit following lower revenues. Operating income included depreciation, amortization and impairment of USD 183.5 million for the year ended March 31, 2025, and USD 70.0 million for the year ended March 31, 2024, which are included in various line items in the Consolidated Statements of Operations.

Operating income before depreciation, amortization and impairment, which corresponds to EBITDA, decreased by USD 74.0 million, or 33.2%, from USD 222.8 million for the year ended March 31, 2024, to USD 148.8 million for the year ended March 31, 2025. EBITDA included non-recurring and other items in the financial year ended March 31, 2025, that management assessed to be non-indicative of operational performance. These items are excluded from Adjusted EBITDA.

Adjusted EBITDA was USD 170.9 million in FY 2024, compared to USD 229.9 million in FY 2023. The non-recurring and other items which amounted to USD 22.0 million included (i) restructuring expenses in the amount of USD 8.1 million, which was related predominantly to operational efficiency initiatives in the Americas and EMEA regions, (ii) warranty normalization adjustments of USD (4.3) million to adjust warranty expenses to the three-year average of actual warranty costs incurred (in cash or the value of other compensation paid out to customers) in respect of warranty claims, (iii) change in unrealized gains and losses on derivatives where the underlying hedged transactions have not yet been realized amounting to USD (0.1) million and (iv) transformation expenses of USD 18.3 million primarily related to the strategic review of the EMEA region, the preparation of a US listing and the focus on the Americas region.

In the financial year ended March 31, 2024, these non-recurring and other items which amounted to USD 7.1 million included (i) restructuring expenses in the amount of USD 12.6 million related mostly to a global restructuring initiative launched in August 2023 (Project Horizon), (ii) warranty normalization adjustments of USD (4.6) million to adjust warranty expenses to the three-year average of actual warranty costs incurred (in cash or the value of other compensation paid out to customers) in respect of warranty claims and (iii) change in unrealized gains and losses on derivatives where the underlying hedged transactions have not yet been realized amounting to USD (0.9) million.

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

INTEREST, OTHER INCOME (EXPENSE) AND INCOME TAX EXPENSE

	FINANCIAL YEAR ENDED MARCH 31,	
USD in millions	**2025**	2024
Interest income	1.9	1.9
Interest expense	(23.7)	(19.2)
Interest expense, net	**(21.7)**	**(17.3)**
Income (loss) on foreign exchange, net	0.5	(8.3)
Non-operational pension credit	4.7	2.3
Gain from change in fair value of earn-out liabilities	0.6	1.9
Loss from change in fair value and impairments of investments in equity securities	(23.3)	(0.5)
Other income (expense), net	**(17.6)**	**(4.5)**
Income before income tax expense	**(74.0)**	**131.0**
Income tax expense	(10.7)	(18.7)

Interest Income
Interest income was stable year-over-year with USD 1.9 million in the year ended March 31, 2025, and in the year ended March 31, 2024.

Interest Expense
Interest expense increased by USD 4.5 million from USD 19.2 million in the year ended March 31, 2024, to USD 23.7 million in the year ended March 31, 2025, primarily attributable to higher utilization of the credit facility during FY 2024.

Income (Loss) on Foreign Exchange, Net

The net result on foreign exchange shifted from a loss of USD (8.3) million in the year ended March 31, 2024, to an income of USD 0.5 million in the year ended March 31, 2025. The deviation is primarily attributable to the US Dollar's performance against the other major currencies

For a discussion of the Company's other income (expense), refer to Note 6: Other Income (Expense), net in its Consolidated Financial Statements.

Income Tax Expense

Income tax expense decreased by USD 8.0. million, from USD (18.7) million in the year ended March 31, 2024, to USD (10.7) million in the year ended March 31, 2025. The tax expense decrease was mainly driven by the lower taxable income as a result of the decline in operating income.

Loss on Discontinued Operations

In March 2025, the Company completed the divestment of Landis+Gyr EV Solutions d.o.o. ("Landis+Gyr EV"). In the financial year ended March 31, 2025, the loss of USD 64.7 million includes both the operational losses incurred through April 1, 2024, until the disposal, and the loss recognized from the sale of the business. In the financial year ended March 31, 2024, the loss of USD 6.8 million reflected the Landis+Gyr EV's net loss.

Segment Information

The following tables set forth net revenues and Adjusted EBITDA for Landis+Gyr's segments: Americas, EMEA and Asia Pacific for FY 2024 and FY 2023:

KEY FIGURES

	FINANCIAL YEAR ENDED MARCH 31,		CHANGE	
USD in millions, unless otherwise indicated	2025	2024	USD	Constant Currency
Committed Backlog				
Americas	3,761.9	2,981.1	26.2%	26.2%
EMEA	696.8	697.9	(0.2%)	(1.2%)
Asia Pacific	171.8	89.5	92.0%	94.2%
Total	**4,630.4**	**3,768.4**	**22.9%**	**22.7%**
Net revenue to external customers				
Americas	964.6	1,131.3	(14.7%)	(13.9%)
EMEA	606.6	649.3	(6.6%)	(6.5%)
Asia Pacific	158.1	163.6	(3.4%)	(2.9%)
Total	**1,729.3**	**1,944.2**	**(11.1%)**	**(10.5%)**
Adjusted Gross Profit				
Americas	315.9	401.9	(21.4%)	
EMEA	164.9	176.5	(6.6%)	
Asia Pacific	63.5	44.0	44.6%	
Inter-segment eliminations	(4.1)	0.4		
Total	**540.2**	**622.7**	**(13.2%)**	
Adjusted EBITDA				
Americas	127.1	185.4	(31.5%)	
EMEA	16.1	23.5	(31.5%)	
Asia Pacific	37.6	18.0	108.9%	
Corporate unallocated	(9.9)	3.0		
Total	**170.9**	**229.9**	**(25.7%)**	
Adjusted EBITDA % of net revenue to external customers				
Americas	13.2%	16.4%		
EMEA	2.7%	3.6%		
Asia Pacific	23.8%	11.0%		
Group	**9.9%**	**11.8%**		

Americas

Segment Revenue
Net revenue to external customers in the Americas segment decreased by USD 166.7 million, or 14.7%, from USD 1,131.3 million in the year ended March 31, 2024, to USD 964.6 million in the year ended March 31, 2025, on a reported currency basis (13.9% on a constant currency basis). The main drivers of the decrease were the wind-down of approximately USD 120 million in pent-up demand recognized in FY 2023 and a revenue push-out of approximately USD 30 million due to tariff-related temporary delays of shipments in March.

Segment Adjusted EBITDA
Adjusted EBITDA in the Americas segment decreased by USD 58.3 million, or 31.5%, from USD 185.4 million in the year ended March 31, 2024, to USD 127.1 million in the year ended March 31, 2025. Adjusted EBITDA margin decreased primarily due to reduced operating leverage and a one-time Excess & Obsolescence (E&O) inventory adjustment of USD 20 million due to the streamlining of the Americas product portfolio driven by the fast adoption of the next generation offering. 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 42.7 million, or 6.6%, from USD 649.3 million in the year ended March 31, 2024, to USD 606.6 million in the year ended March 31, 2025, on a reported currency basis (6.5% on a constant currency basis) driven by project timing and continued softening in the UK and Türkiye.

Segment Adjusted EBITDA
Adjusted EBITDA in the EMEA segment decreased by USD 7.4 million, from USD 23.5 million in the year ended March 31, 2024, to USD 16.1 million in the year ended March 31, 2025. The Adjusted EBITDA decline is primarily driven by lower sales, partly offset by a favorable product mix and operating expenses restructuring benefits. For a reconciliation of Adjusted EBITDA on a segment basis to Adjusted EBITDA on a Group basis, see the section Supplemental Reconciliations and Definitions

Asia Pacific

Segment Revenue
Net revenue to external customers in the Asia Pacific segment decreased by USD 5.5 million, or 3.4%, from USD 163.6 million in the year ended March 31, 2024, to USD 158.1 million in the year ended March 31, 2025, on a reported currency basis (2.9% on a constant currency basis). Revenues were impacted by Singapore phase-out and FX headwinds (AUD-USD), partially offset by topline momentum of India and New Zealand.

Segment Adjusted EBITDA
Adjusted EBITDA in the Asia Pacific segment increased by USD 19.6 million, from USD 18.0 million in the year ended March 31, 2024, to USD 37.6 million in the year ended March 31, 2025. The Adjusted EBITDA expansion was supported by a gain from a real estate transaction in India (USD 11.0 million) and a favorable sales mix in Australia and New Zealand, Hong Kong and India. 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, 2025	Total costs incurred in the financial year ended March 31, 2025
Americas	9.6	3.4
EMEA	10.3	3.7
Asia Pacific	10.2	–
Corporate	2.3	1.0
Restructuring charges	**32.5**	**8.1**

The restructuring activities during FY 2024 were aimed at streamlining the organization in the Americas and in EMEA.

The cumulative costs incurred up to March 31, 2025, represent the Company's ongoing restructuring efforts under various programs over the last three financial years.

Liquidity and Capital Resources

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

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

CASH FLOW

	FINANCIAL YEAR ENDED MARCH 31,	
USD in millions	**2025**	2024
Cash flow provided by operating activities	78.9	121.2
Cash flow used in investing activities	(36.2)	(102.9)
Business acquisitions, net of cash received	–	3.3
Purchase of investments	–	72.7
Proceeds from the sale of investments, net of divested cash	11.1	(3.2)
Free Cash Flow (excluding M&A)	**53.7**	**91.1**
Cash flow provided by (used in) financing activities	2.2	(5.4)

Operating Activities

Cash flow provided by operating activities decreased by USD 42.3 million from USD 121.2 million in the financial year 2023 to USD 78.9 million in the financial year 2024. The decrease is primarily attributable to lower sales.

Investing Activities

Cash flow used in investing activities decreased by USD 66.7 million from USD (102.9) million in the financial year 2023 to USD (36.2) million in the financial year 2024, primarily related to the purchase of investments in the prior year.

Proceeds from the sale of investments, net of divested cash of USD (11.1) million in FY 2024 represent the sale of Landis+Gyr E.V. solutions d.o.o.

Financing Activities

Cash flow used in financing activities increased by USD 7.6 million, from USD (5.4) million in the financial year 2023 to USD 2.2 million in the financial year 2024. Cash flow used in financing activities increased by USD 7.6 million, from USD (5.4) million in the financial year 2023 to USD 2.2 million in the financial year 2024.

In the year ended March 31, 2025, the inflow for financing activities was driven mainly by the proceeds from the corporate credit facility agreements of USD 90 million, net of the dividend payment of USD (72.5) million and the purchase of treasury shares of USD (8.2) million.

In the year ended March 31, 2024, the outflow for financing activities was driven mainly by the dividend payment of USD (70.8) million and the purchase of treasury shares of USD (3.5) million, net of the proceeds from the corporate credit facility agreements of USD 67.8 million.

Net Operating Working Capital

One key factor affecting cash flow from operating activities is the change in working capital. Operating working capital ("OWC") reflects trade account receivables from third and related parties (net of allowance for credit losses) including notes receivables and unbilled receivables, plus net inventories less trade accounts payable from third and related parties including prepayments. The table below outlines Landis+Gyr's operating working capital for the Company as of March 31, 2025, and March 31, 2024.

NET OPERATING WORKING CAPITAL

USD in millions, except percentages	**March 31, 2025**	March 31, 2024
Accounts receivable, net[1]	420.9	334.2
Inventories, net	230.4	227.6
Trade accounts payable	(201.8)	(153.9)
Operating working capital	**449.5**	**407.9**
Operating working capital as a percentage of net Revenue	26.0%	21.0%

1) Including the long-term portion of accounts receivable, net, which is included in Other long-term assets in the Consolidated Balance Sheets.

During the period under review, the main changes to the Group's OWC arose from the timing of receipts from customers and payments to suppliers.

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 intangible assets. Landis+Gyr's Capex is composed of three elements: (i) Replacement Capex; (ii) Expansion Capex (i.e., directly linked to expected volume growth); and (iii) Service Contract Capex (i.e., for the Company's Managed Services business unit in the Americas to fund on-balance sheet metering devices).

CAPITAL EXPENDITURES

	FINANCIAL YEAR ENDED MARCH 31,	
USD in millions, except percentages	**2025**	2024
Service contracts	1.0	2.4
Expansion	16.8	17.3
Replacement	14.1	11.9
Capex	**31.9**	**31.6**
Capex as a percentage of net revenue	1.8%	1.6%

Capital expenditures marginally increased by USD 0.3 million, or 1.0%, from USD 31.6 million in FY 2023 to USD 31.9 million in FY 2024, focused on investments for new product introductions and upgrades to manufacturing facilities. Capex represented 1.8% and 1.6% of net revenue for FY 2024 and FY 2023, respectively.

Net Debt

The table below presents the components of net debt as of March 31, 2025 and March 31, 2024.

NET DEBT

USD in millions	March 31, 2025	March 31, 2024
Cash and cash equivalents	(171.6)	(127.8)
Credit facilities	339.5	248.2
Other borrowings	4.6	4.4
Other financial liabilities (assets), net	10.4	6.6
Net Debt	**182.9**	**131.3**

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, 2025	March 31, 2024
Credit facilities	339.5	248.2
Other borrowings	4.6	4.4
Debt	**344.1**	**252.6**

For the description of the Company's indebtedness, refer to Note 18: Debt in its Consolidated Financial Statements.

Critical Accounting Policies and Estimates

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

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

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

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

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

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

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

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

Supplemental Reconciliations and Definitions

Adjusted EBITDA

The reconciliation of Operating income (loss) to Adjusted EBITDA is as follows for the financial years ended March 31, 2025, and March 31, 2024:

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	**2025**	2024	**2025**	2024	**2025**	2024	**2025**	2024	**2025**	2024
Operating income (loss)	**(34.7)**	**152.8**	**86.0**	**142.1**	**(118.6)**	**2.9**	**35.1**	**14.4**	**(37.2)**	**(6.6)**
Amortization of intangible assets	41.2	39.6	25.7	25.8	7.5	6.7	0.5	0.3	7.4	6.8
Depreciation	31.3	30.4	17.4	16.6	10.9	10.1	2.0	2.2	1.0	1.5
Impairment of intangible assets	111.0	–	–	–	111.0	–	–	–	–	–
Restructuring charges	8.1	12.6	3.4	5.9	3.7	5.2	–	0.2	1.0	1.3
Warranty normalization adjustments[1]	(4.3)	(4.6)	(5.5)	(4.9)	1.1	(0.6)	0.1	0.9	–	–
Timing difference on FX derivatives[2]	(0.1)	(0.9)	–	–	–	(1.0)	(0.1)	0.1	–	–
Transformation expenses[3]	18.3	–	–	–	0.5	–	–	–	17.8	–
Adjusted EBITDA	**170.9**	**229.9**	**127.1**	**185.4**	**16.1**	**23.5**	**37.6**	**18.0**	**(9.9)**	**3.0**
Adjusted EBITDA margin (%)	9.9%	11.8%	13.2%	16.4%	2.7%	3.6%	23.8%	11.0%		

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

Adjusted Gross Profit

The reconciliation of Gross profit to Adjusted Gross Profit is as follows for the financial years ended March 31, 2025, and March 31, 2024:

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	**2025**	2024	**2025**	2024	**2025**	2024	**2025**	2024	**2025**	2024
Gross profit	**512.1**	**595.3**	**304.7**	**387.0**	**148.7**	**165.8**	**62.8**	**42.1**	**(4.1)**	**0.4**
Amortization of intangible assets	5.6	4.8	1.0	1.1	4.4	3.5	0.2	0.1	–	–
Depreciation	24.8	23.7	15.6	15.0	8.5	7.9	0.6	0.8	–	–
Restructuring charges	2.1	4.5	–	3.7	2.0	0.7	–	0.1	–	–
Warranty normalization adjustments	(4.3)	(4.6)	(5.5)	(4.9)	1.1	(0.6)	0.1	0.9	–	–
Timing difference on FX derivatives	(0.1)	(0.9)	–	–	–	(1.0)	(0.1)	0.1	–	–
Adjusted gross profit	**540.2**	**622.7**	**315.9**	**401.9**	**164.9**	**176.5**	**63.5**	**44.0**	**(4.1)**	**0.4**
Adjusted gross profit margin (%)	31.2%	32.0%	32.7%	35.5%	27.2%	27.2%	40.2%	26.9%		

Adjusted Operating Expenses

The reconciliation of Operating expenses to Adjusted Operating Expenses is as follows for the financial years ended March 31, 2025, and March 31, 2024:

ADJUSTED OPERATING EXPENSES

	FINANCIAL YEAR ENDED MARCH 31,	
USD in millions	**2025**	2024
Research and development	**172.7**	**174.4**
Depreciation	(2.9)	(2.8)
Restructuring charges	(2.0)	(2.7)
Adjusted research and development	**167.8**	**168.9**
Sales and marketing	74.5	78.1
General and administrative	153.1	155.1
Depreciation	(3.6)	(3.9)
Restructuring charges	(4.1)	(5.4)
Transformation expenses	(18.3)	–
Adjusted sales, general and administrative	**201.6**	**223.9**
Adjusted operating expenses	**369.4**	**392.8**

Warranty Provisions

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

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

New product warranties recorded during the financial years ended March 31, 2025, and March 31, 2024, primarily consist of additions in line with the ordinary course of business.

In assessing the underlying operational performance of the business over time, management believes that it is useful to consider the average actual warranty costs incurred (in cash or the value of other compensation paid out to customers) in respect of warranty claims as an alternative to warranty accruals, which are estimates and subject to change and significant period-to-period volatility. The main part of the outflow (in cash or the value of other compensation paid out to customers) in respect of warranty in the years ended March 31, 2025, and March 31, 2024, was related to a legacy component issue in the Americas.

Management presents Adjusted EBITDA in this Financial Report 2024 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 9.9 million and USD 12.5 million for the years ended March 31, 2025, and March 31, 2024. For FY 2024 and FY 2023, the warranty normalization adjustments made in calculating Adjusted EBITDA amounted to USD (4.3) million and USD (4.6) million, respectively.

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

WARRANTY PROVISION

USD in millions, unless otherwise indicated	FINANCIAL YEAR ENDED MARCH 31, 2025	2024	2023	Average
Beginning of the year	**42.9**	**46.0**	**48.1**	
Additions[1]	13.4	11.2	11.2	
Other changes/adjustments to warranties[2]	(7.8)	(3.3)	(1.8)	
Outflow	(8.0)	(11.3)	(10.3)	(9.9)
Effect of changes in exchange rates	0.1	0.3	(1.2)	
Ending balance	**40.6**	**42.9**	**46.0**	

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

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

WARRANTY NORMALIZATION ADJUSTMENTS

USD in millions, unless otherwise indicated	FINANCIAL YEAR ENDED MARCH 31, 2025	2024
Additions	13.4	11.2
Releases	(7.8)	(3.3)
Net changes to warranty accruals	**5.6**	**7.9**
Three-year average actual warranty costs incurred (in cash or the value of other compensation paid out to customers) in respect of warranty claims	(9.9)	(12.5)
Warranty normalization adjustments	**(4.3)**	**(4.6)**

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 2025	2024	EXCHANGE RATE ON BALANCE-SHEET DATE March 31, 2025	March 31, 2024
Euro countries – EUR	1.0737	1.0846	1.0812	1.0789
United Kingdom – GBP	1.2760	1.2568	1.2907	1.2620
Switzerland – CHF	1.1281	1.1287	1.1307	1.1085
Brazil – BRL	0.1783	0.2028	0.1747	0.1995
Australia – AUD	0.6521	0.6577	0.6241	0.6521

Glossary

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

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

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

Consolidated Financial Statements of Landis+Gyr Group AG

Report of the statutory auditor

to the General Meeting of Landis+Gyr Group AG, Cham

Report on the audit of the consolidated financial statements

Opinion

We have audited the consolidated financial statements of Landis+Gyr Group AG and its subsidiaries (the "Company"), which comprise the consolidated balance sheets as of March 31, 2025 and 2024, and the related consolidated statements of operations, consolidated statements of comprehensive income, consolidated statements of changes in shareholders' equity and consolidated statements of cash flows for the years then ended, and the related notes, including a summary of significant accounting policies (collectively referred to as the "consolidated financial statements").

In our opinion, the consolidated financial statements (pages 22 to 68) present fairly, in all material respects, the financial position of the Company as of March 31, 2025 and 2024, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America (US GAAP) and comply with Swiss law.

Basis for opinion

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

Key audit matters

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

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

Key audit matter	How our audit addressed the key audit matter
During the year ending 31 March 2025, Management took a $111.0M impairment to the EMEA reporting unit, resulting in a carrying value of goodwill of USD176.4M. The decision to exit the EV charging solutions business was one of the main contributing factors that led to a reduction in the fair value of the reporting unit. The Company tests goodwill for impairment annually, or more frequently if events or changes in circumstances indicate a potential impairment. When evaluating goodwill for impairment, the Company uses either a qualitative or quantitative assessment method for each reporting unit. If, based on the qualitative assessment, it is determined to be more likely than not that a reporting unit's fair value is less than its carrying value or if the Company elects not to perform the qualitative assessment for a reporting unit, the Company proceeds to perform a quantitative impairment assessment. The quantitative impairment test involves comparing the fair value of the reporting unit to its carrying value. If the carrying value exceeds its fair value, the Company records an impairment charge equal to the difference. The determination of the fair value of the reporting units involves significant estimation and judgements, including determining key assumptions used in estimating the future cash flows to support the fair value of the reporting units, such as the projections of future business performance and profitability, terminal growth rates and discount rates. Due to the estimation uncertainty and judgement pertaining to the estimate of the EMEA reporting unit, we view the matter as a key audit matter. Refer to Note 2.15 'Goodwill', Note 14 'Goodwill', and Note 15 'Impairment of intangible assets' in the notes to the consolidated financial statements.	We assessed management's identification of the Company's EMEA reporting unit and the related assets, liabilities and goodwill assigned. We obtained management's fair value calculation for the reporting unit and assessed the appropriateness of the model and the consistency of the methodology applied compared with prior years. We tested the mathematical accuracy of the model and agreed inputs to the supporting documentation. We reconciled the FY2025-FY2029 projections with the Board of Directors' approved mid-term plan and discussed with management the key drivers, as well as their intentions and the planned actions to achieve the expected results. We also compared the current year actual results with prior year projections to assess any inaccuracies or bias in assumptions. With the support of PwC internal valuation specialists, we assessed the reasonableness of management's discount and terminal growth rate used in the calculation. We noted that the rates used were on the more conservative end of the range, resulting in a higher impairment calculation. We concluded that the rates used were reasonable. We obtained the Company's sensitivity analysis regarding key assumptions to ascertain the effect of changes to those assumptions on the fair value estimate. In addition, we performed our own independent sensitivity analysis by changing various key assumptions to assess whether these would significantly alter management's conclusions. Based on the procedures performed, we determined that the approach taken and the conclusions reached by management with regard to the recoverability of the EMEA reporting unit's goodwill were reasonable. Further, we agreed that management's assumptions and inputs into the calculation of the $111.0M impairment were reasonable.

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Responsibilities of the Board of Directors for the consolidated financial statements

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

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

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

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

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

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

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

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

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

Other information

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the consolidated financial statements or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report. We have nothing to report in this regard.

Report on other legal and regulatory requirements

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

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

PricewaterhouseCoopers AG

P. Balkanyi Keleigh Ramos

Patrick Balkanyi
Licensed audit expert
Auditor in charge

Keleigh Ramos

Zug, May 27, 2025

Consolidated Statements of Operations

USD in thousands, except per share data	FINANCIAL YEAR ENDED MARCH 31, 2025	2024
Net revenue	**1,729,319**	**1,944,180**
Cost of revenue	1,217,170	1,348,928
Gross profit	**512,149**	**595,252**
Operating expenses		
Research and development	172,695	174,375
Sales and marketing	74,467	78,077
General and administrative	153,109	155,103
Amortization of intangible assets	35,567	34,873
Impairment of intangible assets	111,000	–
Operating income (loss)	**(34,689)**	**152,824**
Interest income	1,928	1,857
Interest expense	(23,654)	(19,155)
Other income (expense), net	(17,595)	(4,540)
Income (loss) from continuing operations before income taxes and equity method investments	**(74,010)**	**130,986**
Income tax expense	(10,707)	(18,740)
Net income (loss) before noncontrolling interests and equity method investments	**(84,717)**	**112,246**
Net income from equity investments	–	3,232
Income (loss) from continuing operations, net of tax	**(84,717)**	**115,478**
Discontinued operations		
Loss on discontinued operations before income taxes	(66,312)	(8,685)
Income tax benefit	1,635	1,858
Loss on discontinued operations, net of tax	**(64,677)**	**(6,827)**
Net income (loss)	**(149,394)**	**108,651**
Income (loss) attributable to noncontrolling interests	1,070	(1,326)
Net income (loss) attributable to Landis+Gyr Group AG shareholders	**(150,464)**	**109,977**
Amount attributable to Landis+Gyr Group AG shareholders		
Income (loss) from continuing operations, net of tax	(85,787)	115,097
Loss from discontinued operations, net of tax	(64,677)	(5,120)
Net income (loss)	(150,464)	109,977

USD in thousands, except per share data	FINANCIAL YEAR ENDED MARCH 31, 2025	2024
Basic earnings per share attributable to Landis+Gyr Group AG shareholders		
Income (loss) from continuing operations, net of tax	(2.97)	3.99
Loss from discontinued operations, net of tax	(2.24)	(0.20)
Net income (loss)	(5.21)	3.79
Diluted earnings per share attributable to Landis+Gyr Group AG shareholders		
Income (loss) from continuing operations, net of tax	(2.97)	3.98
Loss from discontinued operations, net of tax	(2.24)	(0.20)
Net income (loss)	(5.21)	3.78
Weighted-average number of shares used in computing earnings per share		
Basic	28,875,638	28,870,260
Diluted	28,875,638	28,945,232

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	**2025**	2024
Net income (loss)	**(149,394)**	**108,651**
Other comprehensive income (loss)		
Foreign currency translation adjustments, net of tax	826	(523)
Pension plan benefits liability adjustments, net of tax	(3,178)	(16,659)
Comprehensive income	**(151,746)**	**91,469**
Net income (loss) attributable to noncontrolling interests, net of tax	(1,070)	1,326
Foreign currency translation adjustments attributable to the noncontrolling interests, net of tax	(43)	82
Comprehensive income (loss) attributable to Landis+Gyr Group AG Shareholders	**(152,859)**	**92,877**

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

Consolidated Balance Sheets

USD in thousands, except share data	March 31, 2025	March 31, 2024
ASSETS		
Current assets		
Cash and cash equivalents	171,564	127,837
Accounts receivable, net of allowance for credit losses of USD 5.2 million and USD 6.0 million	417,181	334,008
Inventories, net	230,418	227,559
Prepaid expenses and other current assets	105,101	108,435
Current assets held for sale – discontinued operations	–	13,742
Total current assets	**924,264**	**811,581**
Property, plant and equipment, net	124,349	118,042
Intangible assets, net	122,577	158,918
Goodwill	940,519	1,051,670
Deferred tax assets	88,637	64,888
Other long-term assets	205,068	216,071
Noncurrent assets held for sale – discontinued operations	–	23,222
TOTAL ASSETS	**2,405,414**	**2,444,392**
LIABILITIES AND EQUITY		
Current liabilities		
Trade accounts payable	201,754	153,870
Accrued liabilities	51,201	41,605
Warranty provision – current	28,662	29,927
Payroll and benefits payable	61,372	79,906
Short-term debt	94,568	4,404
Operating lease liabilities – current	15,368	14,654
Other current liabilities	131,312	95,985
Current liabilities held for sale – discontinued operations	–	3,953
Total current liabilities	**584,237**	**424,304**
Long-term debt	249,522	248,151
Warranty provision – non current	11,970	12,964
Pension and other employee liabilities	27,119	26,751
Deferred tax liabilities	13,711	31,919
Tax provision	20,841	20,128
Operating lease liabilities – non current	69,351	67,917
Other long-term liabilities	111,010	58,864
Noncurrent liabilities held for sale – discontinued operations	–	1,878

USD in thousands, except share data	March 31, 2025	March 31, 2024
Total liabilities	**1,087,761**	**892,876**
Redeemable noncontrolling interests	**–**	**5,035**
Commitments and contingencies – Note 27		
Shareholders' equity		
Landis+Gyr Group AG Shareholders' equity Registered ordinary shares (28,908,944 and 28,908,944 issued shares at March 31, 2025, and March 31, 2024, respectively)	302,756	302,756
Additional paid-in capital	953,920	1,029,603
Retained earnings	135,394	285,858
Accumulated other comprehensive loss	(71,913)	(69,518)
Treasury shares, at cost (89,337 and 54,456 shares at March 31, 2025, and March 31, 2024, respectively)	(5,413)	(4,014)
Total Landis+Gyr Group AG shareholders' equity	**1,314,744**	**1,544,685**
Noncontrolling interests	2,909	1,796
Total shareholders' equity	**1,317,653**	**1,546,481**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**2,405,414**	**2,444,392**

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

Consolidated Statements of Changes in Shareholders' Equity

	Registered ordinary shares								
USD in thousands except for shares	Shares	Amounts	Additional paid-in capital	Retained earnings (Accumulated deficit)	Accumulated other comprehensive loss	Treasury shares	Total Landis+Gyr Group AG equity	Noncontrolling interests	Total shareholders' equity
Balance at March 31, 2023	**28,908,944**	**302,756**	**1,100,179**	**176,105**	**(52,418)**	**(5,069)**	**1,521,553**	**1,283**	**1,522,836**
Net income (loss)	–	–	–	109,977	–	–	109,977	(1,326)	108,651
Foreign currency translation adjustments, net of income tax expense	–	–	–	–	(441)	–	(441)	(82)	(523)
Pension plan benefits liability adjustment, net of income tax expense	–	–	–	–	(16,659)	–	(16,659)	–	(16,659)
Adoption of ASU 2016-13	–	–	–	(224)	–	–	(224)	–	(224)
Net loss allocated to redeemable noncontrolling interests	–	–	–	–	–	–	–	1,921	1,921
Current period mark to redemption value of redeemable noncontrolling interest	–	–	(638)	–	–	–	(638)	–	(638)
Dividends paid (CHF 2.20 per share)	–	–	(70,780)	–	–	–	(70,780)	–	(70,780)
Purchase of treasury shares	–	–	–	–	–	(3,509)	(3,509)	–	(3,509)
Delivery of shares			(3,230)			3,230	–	–	–
Share-based compensation	–	–	4,509	–	–	–	4,509	–	4,509
Employee stock purchase plan			(437)			1,334	897	–	897
Balance at March 31, 2024	**28,908,944**	**302,756**	**1,029,603**	**285,858**	**(69,518)**	**(4,014)**	**1,544,685**	**1,796**	**1,546,481**
Net income (loss)	–	–	–	(150,464)	–	–	(150,464)	1,070	(149,394)
Foreign currency translation adjustments, net of income tax expense	–	–	–	–	783	–	783	43	826
Pension plan benefits liability adjustment, net of income tax expense	–	–	–	–	(3,178)	–	(3,178)	–	(3,178)
Dividends paid (CHF 2.25 per share)	–	–	(72,473)	–	–	–	(72,473)	–	(72,473)
Purchase of treasury shares	–	–	–	–	–	(8,167)	(8,167)	–	(8,167)
Delivery of shares	–	–	(5,654)	–	–	5,654	–	–	–
Share-based compensation	–	–	2,761	–	–	–	2,761	–	2,761
Employee stock purchase plan	–	–	(317)	–	–	1,114	797	–	797
Balance at March 31, 2025	**28,908,944**	**302,756**	**953,920**	**135,394**	**(71,913)**	**(5,413)**	**1,314,744**	**2,909**	**1,317,653**

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, 2025	2024
Cash flow from operating activities		
Net income (loss)	(149,394)	108,651
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	72,473	72,679
Impairment of intangible assets	111,000	–
Net income from equity investments	–	(3,232)
Non-cash effects from discontinued operations	53,981	–
Share-based compensation	2,761	4,509
Gain on disposal of property, plant and equipment	(10,599)	(460)
Loss (gain) on foreign exchange, net	(508)	8,297
Change in allowance for credit losses	(891)	(1,321)
Deferred income tax	(40,698)	(21,829)
Change in operating assets and liabilities, net of effect of businesses acquired and effect of changes in exchange rates:		
Accounts receivable	(86,454)	13,238
Inventories, including advance payments	(3,387)	895
Trade accounts payable	50,275	(55,805)
Other assets and liabilities	80,332	(4,424)
Net cash provided by operating activities	**78,891**	**121,198**
Cash flow from investing activities		
Payments for property, plant and equipment	(28,121)	(30,600)
Payments for intangible assets	(3,825)	(1,030)
Proceeds from the sale of property, plant and equipment	6,782	1,570
Business acquisitions, net of cash acquired	–	(3,297)
Purchase of investments	–	(72,733)
Proceeds from the sale of investments, net of divested cash	(11,075)	3,232
Net cash used in investing activities	**(36,239)**	**(102,858)**

USD in thousands	FINANCIAL YEAR ENDED MARCH 31, 2025	2024
Cash flow from financing activities		
Proceeds from third party facility	236,502	496,111
Repayment of borrowings to third party facility	(149,396)	(428,309)
Purchase of treasury shares	(8,167)	(3,509)
Debt issuance cost	–	(1,972)
Purchase of redeemable noncontrolling interests	(5,063)	–
Dividends paid	(72,473)	(70,780)
Net cash from settlement of foreign currency derivatives to hedge financing activities	–	2,211
Issuance of shares	797	897
Net cash provided by (used in) financing activities	**2,200**	**(5,351)**
Net increase in cash and cash equivalents	**44,852**	**12,989**
Cash and cash equivalents at beginning of period, including restricted cash	128,508	117,986
Effects of foreign exchange rate changes on cash and cash equivalents	(1,796)	(2,467)
Cash and cash equivalents at end of period, including restricted cash	**171,564**	**128,508**
Reconciliation of cash, cash equivalents and restricted cash reported in the Consolidated Balance Sheets		
Cash and cash equivalents	171,564	127,837
Restricted cash included in other long-term assets	–	671
Total cash, cash equivalents and restricted cash shown in the Consolidated Statements of Cash Flows	**171,564**	**128,508**
Supplemental cash flow information		
Cash paid for income tax	44,791	40,049
Cash paid for interest	22,045	16,545

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

Notes to the Consolidated Financial Statements

Note 1: Description of Business and Organization

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

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

Note 2: Summary of Significant Accounting Principles

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

2.2 Discontinued Operations
Businesses to be divested are classified in the Consolidated Financial Statements as either discontinued operations or held for sale. For businesses classified as discontinued operations, the balance sheet amounts and results of operations are reclassified from their historical presentation to assets and liabilities of discontinued operations on the Consolidated Balance Sheets and to discontinued operations on the Consolidated Statements of Operations and Comprehensive (loss) income, respectively, for all periods presented. The gains or losses associated with these divested businesses are also recorded in discontinued operations in the Consolidated Statements of Operations and Comprehensive (loss) income. Additionally, the accompanying notes do not include the operating results of businesses classified as discontinued operations for all periods presented with the exception of Note 3: Discontinued Operations. As of March 31, 2025, the Company completed the divestiture of the business classified as discontinued operations. The Company does not expect to have any significant continuing involvement with this business following its divestiture. See Note 3: Discontinued Operations for more information.

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

The Company presents noncontrolling interests in less-than-wholly owned subsidiaries within the equity section of its Consolidated Financial Statements. On March 31, 2025, and on March 31, 2024, the Company had one less-than-wholly owned subsidiary, Landis+Gyr (Pty) Ltd in South Africa, with an ownership interest of 76.7% in both periods. On March 31, 2024, the Company had an additional less-than-wholly owned subsidiary, Landis+Gyr EV Solutions d.o.o. ("Landis+Gyr EV Solutions") in Slovenia, with an ownership interest of 75.0%. The Company acquired the remaining 25.0% noncontrolling interest in Landis+Gyr EV Solutions in April 2024. See Note 26: Redeemable Noncontrolling Interests for more information.

All intercompany balances and transactions have been eliminated.

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

2.4 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 credit losses, valuation of inventories, valuation allowances for deferred tax assets, valuation of goodwill and other intangible assets, valuation of defined benefit pension obligations, income tax uncertainties and other contingencies and items recorded at fair value, including assets and liabilities obtained in a business combination. Actual results may differ materially from these estimates.

Global economic impacts beyond the Company's control, such as pandemics, global shortage of energy or supplied components as well as increased freight rates, duties, taxes or tariffs, business risks associated with the volatile global economic environment and changing political conditions, including wars or military actions, may create disruption in customer demand and global supply chains, resulting in market volatility, which the Company continues to monitor and, where reasonably possible, to manage and mitigate. A major disruption in the global economy and supply chain could have a material adverse effect on the Company's business, prospects, financial condition, results of operations and cash flows.

2.5 Revenue Recognition

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

2.6 Accounting for Business and Asset Acquisitions

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

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

2.7 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.

2.8 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.

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

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

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

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

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

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

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

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

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

2.12 Accounts Receivable and Allowance for Expected Credit Losses

Trade accounts receivable are initially recorded at the invoiced amount and do not bear interest. The Company maintains an allowance for credit losses 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 credit losses, which is charged to earnings. Credit losses are charged and recoveries are credited to the allowance. Account balances are written off against the allowance after all means of collection have been exhausted and the potential for recovery is considered remote.

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

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

2.13 Inventories

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

2.14 Property, Plant & Equipment

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

ESTIMATED USEFUL LIVES

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

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

2.15 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 quantitative impairment test compares the fair value of a reporting unit with its carrying value. The fair value of a reporting unit is determined using the income approach. The income approach uses Level 3 inputs and management estimates related to revenue growth rates, profitability margins, estimated future cash flows and discount rates. If the carrying value of the reporting unit exceeds its fair value, the Company records an impairment charge equal to the difference.

2.16 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.

2.17 Investments

Investments in Affiliated Companies

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

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

Other Investments

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

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

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

2.19 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 is subsequently 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, 2026 to 2031, and an effective interest rate, which for the Company is based on the credit-adjusted risk-free rate. The corresponding AROs are capitalized as part of the carrying amount of the related long-lived asset and depreciated over the shorter of the asset's remaining useful life or the lease term. The Company classifies such liabilities in Other long-term liabilities in the Consolidated Balance Sheets.

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

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

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

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

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

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

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

2.21 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 determining this, the Company considers all available positive and negative evidence, including scheduled reversals of deferred tax liabilities, projected future taxable income, tax planning strategies and recent financial operations. Valuation allowances are established where it is considered more likely than not that the Company will not realize the benefit of such assets.

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

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

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

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

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

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

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

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

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

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

Operating leases are included in Other long-term assets, Operating lease liabilities – current, and Operating lease liabilities – non current in the Consolidated Balance Sheets. 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 Sheets. 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.

2.24 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.

2.25 Advertising
Advertising costs are expensed as incurred. Advertising expenses included in Sales and marketing expenses were USD 4.0 million and USD 3.9 million, respectively, for the financial years ended March 31, 2025, and March 31, 2024.

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

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

As of March 31, 2025, and March 31, 2024, the Company had nil and 74,972 dilutive shares outstanding, respectively.

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

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

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

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

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

The total compensation cost for the PSP-EPS is expensed on a straight-line basis over the requisite service period for each separately vesting portion of the award. The total compensation cost for the PSP-TSR is recognized on a straight-line basis over the requisite service period for the entire award (see Note 23: Share-based Compensation).

2.28 Recent Accounting Pronouncements

Applicable for Future Periods

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

In December 2023, the FASB issued ASU 2023-09 – Improvements to Income Tax Disclosures, which amends Income Taxes (Topic 740). The FASB issued this update to improve annual basis income tax disclosures related to (1) rate reconciliation, (2) income taxes paid and (3) other disclosures related to pretax income (or loss) and income tax expense (or benefit) from continuing operations. This amendment is effective for the Company on April 1, 2025, with early adoption permitted. These amendments are to be applied on a prospective basis. Retrospective application is permitted. The Company is currently evaluating the impact this standard will have on its Consolidated Financial Statements disclosures.

Recently Adopted Accounting Pronouncements

In November 2023, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2023-07 – Segment Reporting (Topic 280) – Improvements to Reportable Segment Disclosures, which amends the reportable segment disclosure requirements, primarily through enhanced disclosures about significant segment expenses. These amendments are to be applied retrospectively to all prior periods presented in the consolidated financial statements. The disclosure requirements in ASU 2023-07 have been reflected in the segment disclosures within these Consolidated Financial Statements. See Note 32: Segment Information.

Note 3: Discontinued Operations

Divestment of Landis+Gyr EV Solutions d.o.o.
In March 2025, the Company completed the divestment of all of the issued and outstanding shares and voting interests of Landis+Gyr EV Solutions d.o.o. ("Landis+Gyr EV") which was part of the EMEA reporting unit. As a result of the sale, substantially all Landis+Gyr EV related assets and liabilities have been sold. Landis+Gyr's vision that utility customers would have a significant position in the rollout and adoption of EV charging solutions has not materialized to the extent previously expected. Therefore, and after an extensive evaluation of strategic options and market conditions, the Board of Directors has decided to exit from the EV charging business in EMEA.

The Company determined that the exit from the EV business represented a strategic shift that would have a major effect on the Company's operations and financial results, the results of operations for this business were presented as discontinued operations.

The following table discloses the major components of the pretax loss of the discontinued operation and a reconciliation to the amounts reported in the Consolidated Statements of Operations for the financial years ended March 31, 2025, and March 31, 2024:

DISCONTINUED OPERATIONS – INCOME STATEMENT

	FINANCIAL YEAR ENDED MARCH 31,	
USD in thousands	**2025**	2024
Major components of pretax loss of discontinued operations:		
Net revenue	10,743	18,825
Cost of revenue	19,015	15,265
Research and development	5,796	5,432
Sales and marketing	2,696	2,682
General and administrative	3,940	2,939
Amortization of intangible assets	1,066	1,192
Pretax loss of discontinued operations	**(21,770)**	**(8,685)**
Loss from the sale of discontinued operations	(40,713)	–
Reclassification of foreign currency translation reserve	(3,829)	–
Income tax benefit	1,635	1,858
Loss on discontinued operations, net of tax	**(64,677)**	**(6,827)**

Net cash flows attributable to discontinued operations for the financial years ended March 31, 2025, and March 31, 2024, were as follows:

DISCONTINUED OPERATIONS – CASH FLOW

	FINANCIAL YEAR ENDED MARCH 31,	
USD in thousands	**2025**	2024
Net cash used in operating activities	(10,696)	(7,739)
Net cash used in investing activities	(388)	(217)

As of March 31, 2025, there were no assets (liabilities) held for sale of discontinued operations. The following table discloses the major classes of assets and liabilities of discontinued operations that are presented separately in the Consolidated Balance Sheets as of March 31, 2024:

DISCONTINUED OPERATIONS – BALANCE SHEET

USD in thousands	**March 31, 2024**
Accounts receivable, net	3,570
Inventories, net	9,965
Prepaid expenses and other current assets	207
Current assets held for sale – discontinued operations	**13,742**
Intangible assets, net	22,074
Other long-term assets	1,148
Noncurrent assets held for sale – discontinued operations	**23,222**
Trade accounts payable	1,322
Payroll and benefits payable	1,865
Other current liabilities	766
Current liabilities held for sale – discontinued operations	**3,953**
Deferred tax liabilities	1,643
Other long-term liabilities	235
Noncurrent liabilities held for sale – discontinued operations	**1,878**

Note 4: Shareholders' Equity

On March 31, 2025, and March 31, 2024, the capital structure reflected 28,908,944 authorized, registered and issued ordinary shares with restricted transferability. The restricted transferability is related to the fact that the Company can reject a shareholder not disclosing the beneficial owner; see art. 5 of Landis+Gyr's articles of association for further information.

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

Conditional Share Capital

The share capital of the Company may be increased by up to CHF 4,500,000 by issuing up to 450,000 fully paid-in registered shares with a nominal value of CHF 10 each, upon the exercise of option rights or in connection with similar rights regarding shares granted to officers and employees at all levels of the Company and its Group companies according to respective regulations and resolutions of the Board of Directors. This conditional share capital has been approved and is available for use. As of March 31, 2025, no shares were issued from this conditional share capital.

Furthermore, the share capital of the Company may be increased by up to CHF 28,908,940 by issuing up to 2,890,894 paid-in registered shares with a nominal value of CHF 10 each, through the exercise or mandatory exercise of conversion, exchange, option, warrant or similar rights for the subscription of shares granted to shareholders or third parties alone or in connection with bonds, notes, loans, options, warrants or other securities or contractual obligations of the Company or any of its subsidiaries. As of March 31, 2025, no shares were issued from this conditional share capital.

Capital Band

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

Until June 22, 2026, or an earlier expiry of the capital band, the total number of newly issued shares which may be issued with the restriction or withdrawal of advance subscription rights or pre-emptive rights (1) from the conditional capital and (2) from the capital band must not exceed 2,890,894 new shares.

Treasury Shares

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

The changes in Treasury shares during the financial years ended March 31, 2025 and 2024, were as follows:

TREASURY SHARES

	FINANCIAL YEAR ENDED MARCH 31,			
	2025	**2025**	2024	2024
	Number of shares	**Average acquisition price per share (in CHF)**	Number of shares	Average acquisition price per share (in CHF)
Treasury shares – opening balance as of April 1,	54,456	69.93	54,764	91.98
Purchases	120,000	60.39	45,000	69.03
Delivery of shares	(85,119)	71.94	(45,308)	95.68
Treasury shares – closing balance as of March 31,	**89,337**	**55.20**	**54,456**	**69.93**

In the financial year ended March 31, 2025, the Company delivered 85,119 shares out of the treasury stock, of which 64,695 were allotted to employees eligible under the long-term incentive plan ("LTIP"), 13,207 shares were issued under the employee share purchase plan ("ESPP") and 7,217 shares related to the share-based remuneration of the Company's Board of Directors.

In the financial year ended March 31, 2024, the Company delivered 45,308 shares out of the treasury stock, of which 26,121 were allotted to employees eligible under the LTIP, 12,686 shares were issued under the ESPP and 6,501 shares related to the share-based remuneration of the Company's Board of Directors.

Dividend

At the Annual General Meeting of Shareholders on June 25, 2024, shareholders approved the proposal of the Board of Directors to distribute CHF 2.25 per share to shareholders. The declared dividend amounted to CHF 64.9 million (USD 72.5 million at the exchange rate prevailing on June 25, 2024) and was paid in July 2024.

At the Annual General Meeting of Shareholders on June 22, 2023, shareholders approved the proposal of the Board of Directors to distribute CHF 2.20 per share to shareholders. The declared dividend amounted to CHF 63.5 million (USD 70.8 million at the exchange rate prevailing on June 22, 2023) and was paid in June 2023.

Accumulated Other Comprehensive Loss

The components of accumulated other comprehensive loss ("AOCL") of the Company consist of:

ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS)

	MARCH 31,	
USD in thousands	**2025**	2024
Foreign currency translation adjustments, net of taxes of USD 1,875 and USD 449 as of March 31, 2025, and March 31, 2024, respectively	(63,595)	(64,378)
Pension plan benefits liability adjustments, net of taxes of USD 1,338 and USD 1,040 as of March 31, 2025, and March 31, 2024, respectively	(8,318)	(5,140)
Accumulated other comprehensive loss	**(71,913)**	**(69,518)**

The following tables present the reclassification adjustments in AOCL by component:

ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS) – FY 2024

USD in thousands	Defined benefit pension items	Foreign currency items	Total
Beginning balance, April 1, 2024	**(5,140)**	**(64,378)**	**(69,518)**
Other comprehensive loss before reclassifications	(2,601)	(3,046)	(5,647)
Amounts reclassified from accumulated other comprehensive loss	(577)	3,829	3,252
Net current-period other comprehensive income (loss)	(3,178)	783	(2,395)
Ending balance, March 31, 2025	**(8,318)**	**(63,595)**	**(71,913)**

ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS) – FY 2023

USD in thousands	Defined benefit pension items	Foreign currency items	Total
Beginning balance, April 1, 2023	**11,519**	**(63,937)**	**(52,418)**
Other comprehensive loss before reclassifications	(16,352)	(441)	(16,793)
Amounts reclassified from accumulated other comprehensive loss	(307)	–	(307)
Net current-period other comprehensive loss	(16,659)	(441)	(17,100)
Ending balance, March 31, 2024	**(5,140)**	**(64,378)**	**(69,518)**

The pension plan benefits liability adjustment, net of taxes, in the AOCL changed by USD (3.2) million and USD (16.7) million in the financial years ended March 31, 2025, and March 31, 2024, respectively. These changes represent the movement of the current year activity including the reclassified amounts from accumulated other comprehensive loss to net income:

AOCL – PENSION PLAN BENEFIT LIABILITY ADJUSTMENT

	FINANCIAL YEAR ENDED MARCH 31,	
USD in thousands	**2025**	2024
Amortization of actuarial loss	514	785
Amortization of prior service credit	(1,091)	(1,092)
Amounts reclassified from accumulated other comprehensive loss to net income (1)	(577)	(307)
Net actuarial gain (loss)	(2,899)	(19,447)
Prior service credit (cost)	(1)	35
Total before tax	**(3,477)**	**(19,719)**
Tax benefit	299	3,060
Total other comprehensive loss from defined benefit pension plans (net of tax) for the financial year ended March 31,	**(3,178)**	**(16,659)**

1) These accumulated other comprehensive income components are included in the computation of net periodic pension costs (see Note 22: Pension and Post-retirement Benefit Plans for additional details).

Note 5: 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 23: Share-based Compensation).

Treasury shares are not considered outstanding for share count purposes and they were excluded from the average number of ordinary shares outstanding for the purpose of calculating the basic and diluted earnings per share.

The following table sets forth the computation of basic and diluted earnings per share (EPS):

EARNINGS PER SHARE

USD in thousands, except per share data	FINANCIAL YEAR ENDED MARCH 31, 2025	2024
Basic EPS attributable to Landis+Gyr Group AG shareholders:		
Income (loss) from continuing operations, net of tax	(85,787)	115,097
Loss from discontinued operations, net of tax	(64,677)	(5,120)
Accretion of redeemable noncontrolling interest, net of tax	–	(638)
Loss from discontinued operations, net of tax after accretion of redeemable noncontrolling interest, net of tax	(64,677)	(5,758)
Net income (loss) after accretion of redeemable noncontrolling interest	**(150,464)**	**109,339**
Weighted-average number of shares used in computing EPS	**28,875,638**	**28,870,260**
Basic EPS attributable to Landis+Gyr Group AG shareholders:		
Income from continuing operations, net of tax	(2.97)	3.99
Loss from discontinued operations, net of tax	(2.24)	(0.20)
Net income (loss)	**(5.21)**	**3.79**
Diluted EPS attributable to Landis+Gyr Group AG shareholders:		
Income (loss) from continuing operations, net of tax	(85,787)	115,097
Loss from discontinued operations, net of tax	(64,677)	(5,120)
Accretion of redeemable noncontrolling interest, net of tax	–	(638)
Loss from discontinued operations, net of tax after accretion of redeemable noncontrolling interest, net of tax	(64,677)	(5,758)
Net income (loss) after accretion of redeemable noncontrolling interest	**(150,464)**	**109,339**
Weighted-average number of shares used in computing EPS	28,875,638	28,870,260
Effect of dilutive securities	–	74,972
Adjusted weighted-average number of shares outstanding	**28,875,638**	**28,945,232**
Diluted EPS attributable to Landis+Gyr Group AG shareholders:		
Income from continuing operations, net of tax	(2.97)	3.98
Loss from discontinued operations, net of tax	(2.24)	(0.20)
Net income (loss)	**(5.21)**	**3.78**

There were 269,538 potentially dilutive securities from the Company's share-based long-term incentive plans for the financial year ended March 31, 2025, none of which 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 332,400 potentially dilutive securities from the Company's share-based long-term incentive plans for the financial year ended March 31, 2024, of which 74,972 were included in the computation of the adjusted weighted-average number of shares outstanding.

Note 6: Other Income (Expense), Net

The components of Other income (expense), net were as follows:

OTHER INCOME (EXPENSE), NET

USD in thousands	FINANCIAL YEAR ENDED MARCH 31, 2025	2024
Income (loss) on foreign exchange, net	508	(8,297)
Non-operational pension credit	4,664	2,322
Gain from change in fair value of earn-out liabilities	566	1,915
Impairment of investments in equity securities	(22,733)	–
Loss from change in fair value of investments in equity securities	(600)	(480)
Other income (expense), net	**(17,595)**	**(4,540)**

Gain from Change in Fair Value of Earn-out Liabilities

In connection with certain business combinations, the Company recorded contingent consideration liabilities, which are payable subject to the achievement of certain financial targets. During the financial years ended March 31, 2025, and March 31, 2024, the Company recorded gains from the change in value of the earn-out liabilities of USD 0.6 million and USD 1.9 million, respectively, which are included within Other income (expense), net in the Consolidated Statements of Operations.

Impairment of Investments in Equity Securities

For the financial year ended March 31, 2025, the impairment analysis on the equity investment in Brusa (see note 16: Other Long-term Assets) indicated that the estimated fair value of this security was lower than its carrying value. Significant adverse changes in the general market condition of the industry in which the investee operates led to a reduction in the fair value of the equity investment. An impairment charge of USD 22.7 million was recorded within Other income (expense), net in the Consolidated Statements of Operations to reduce the carrying value of this investment to its fair value. No impairment charges were recorded in the financial year March 31, 2024.

Gains (Loss) from Change in Fair Value of Investments in Equity Securities
For the financial years ended March 31, 2025, and March 31, 2024, the Company recorded a loss from the change in value of its equity interest in Allego (see note 16: Other Long-term Assets) of USD (0.6) million and USD (0.5) million, respectively, which is included within Other income (expense), net in the Consolidated Statements of Operations.

Note 7: Revenue

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

CONTRACT LIABILITIES

	MARCH 31,	
USD in thousands	**2025**	2024
Contract assets	**3,470**	**2,414**
Advances from customers	3,706	6,476
Deferred revenue	121,823	60,764
Contract liabilities	**125,529**	**67,240**

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, 2024, the Company recognized revenue of USD 42.5 million during the financial year ended March 31, 2025.

Contract liabilities are included within Other current liabilities and Other non-current liabilities in the Consolidated Balance Sheets.

Transaction Price Allocated to Remaining Performance Obligations
Total transaction price allocated to remaining performance obligations represents committed but undelivered products and services for contracts and purchase orders at period end. Twelve-month remaining performance obligations represent the portion of total transaction price allocated to remaining performance obligations that the Company estimates will be recognized as revenue over the next 12 months. Total transaction price allocated to remaining performance obligations is not a complete measure of future revenues as the Company also receives orders where the customer may have legal termination rights but is not likely to exercise such rights.

Total transaction price allocated to remaining performance obligations related to contracts is approximately USD 1,617.0 million for the next 12 months and approximately USD 3,013.4 million for periods longer than 12 months. The total remaining performance obligations are comprised of product and service components. The service component relates primarily to maintenance agreements for which customers pay a full year's maintenance in advance, and revenue is generally recognized over the service period. Total transaction price allocated to remaining performance obligations also includes the Company's extended warranty contracts, for which revenue is recognized over the warranty period, and hardware, which is recognized as units are delivered. The estimate of when remaining performance obligations will be recognized requires significant judgment.

Costs to Obtain a Contract and Costs to Fulfill a Contract with a Customer
Costs to obtain a contract and costs to fulfill a contract are capitalized and amortized using a systematic rational approach to align with the transfer of control of underlying contracts with customers.

As of March 31, 2025, and March 31, 2024, the carrying balances of assets recognized from the costs incurred to obtain a contract were USD 4.4 million and USD 3.6 million, respectively. These amounts are included in Other long-term assets in the Consolidated Balance Sheets.

For the financial years ended March 31, 2025 and 2024, the Company recognized USD 1.2 million and USD 1.3 million, respectively, amortization of capitalized costs incurred to obtain a contract. These amounts are included within Sales and marketing expenses in the Consolidated Statements of Operations.

Disaggregation of Revenue
The disaggregation of revenue into categories, which depicts how revenue is affected by economic factors, is disclosed in Note 32: Segment Information.

Note 8: Accounts Receivable, Net

A summary of accounts receivable, net is as follows:

TRADE ACCOUNTS RECEIVABLE

USD in thousands	MARCH 31, 2025	2024
Trade accounts receivable	288,063	261,293
Contract receivable	138,001	78,896
Allowance for credit losses	(5,206)	(5,991)
Total accounts receivable, net	**420,858**	**334,198**
Less: current portion of accounts receivable, net	417,181	334,008
Long-term accounts receivable, net	**3,677**	**190**

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 credit losses accounts activity is as follows:

PROVISION FOR CREDIT LOSSES

USD in thousands	FINANCIAL YEAR ENDED MARCH 31, 2025	2024
Beginning balance	(5,991)	(7,418)
Provisions for credit losses	(867)	(2,227)
Write-offs charged against the allowance	313	3,419
Recoveries	1,339	235
Balance at March 31,	**(5,206)**	**(5,991)**

Note 9: Inventories, Net

Inventories, net consist of the following:

INVENTORIES

USD in thousands	MARCH 31, 2025	2024
Raw material and supplies	189,692	168,950
Work in progress	8,161	7,530
Finished goods	71,090	72,572
Total inventories gross	**268,943**	**249,052**
Inventory reserve	(38,525)	(21,493)
Total inventories, net	**230,418**	**227,559**

Note 10: Prepaid Expenses and Other Current Assets

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

PREPAID EXPENSES AND OTHER CURRENT ASSETS

USD in thousands	MARCH 31, 2025	2024
Prepaid expenses and advance payments	32,618	48,768
Sales and other non-income tax receivables	27,225	25,823
Income tax receivables/advances	21,887	10,372
Derivative financial instruments	1,294	3,447
Others	22,077	20,025
Total prepaid expenses and other current assets	**105,101**	**108,435**

Note 11: Property, Plant & Equipment, Net

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

PROPERTY, PLANT AND EQUIPMENT

	MARCH 31,	
USD in thousands	**2025**	2024
Land	2,453	3,000
Buildings	28,100	26,471
Network equipment (1)	136,724	131,344
Machinery and equipment	169,061	157,455
Vehicles and other equipment	127,701	119,225
Construction in progress	20,479	15,908
Total cost	**484,518**	**453,403**
Less accumulated depreciation	(360,169)	(335,361)
Property, plant and equipment, net	**124,349**	**118,042**

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, 2025, and March 31, 2024, was USD 31.3 million and USD 30.3 million, respectively. The difference between the total change in accumulated depreciation and the depreciation expense of property, plant & equipment represents the effect from the disposal of assets and the change in exchange rates.

During the financial year ended March 31, 2025, the Company completed the sale of a manufacturing plant in India. In connection with this transaction, the Company recognized a gain on disposal of fixed assets of USD 11.0 million, which is included within Cost of revenue in the Consolidated Statements of Operations. The cash proceeds from the sale were USD 12.5 million, half of which was received in the financial year ended March 31, 2024, with the remaining amount collected in the current year.

Note 12: Acquisitions and Divestments

Acquisition of Thundergrid Limited

On October 4, 2023, the Company acquired all of the issued and outstanding shares and voting interests of Thundergrid Limited ("Thundergrid"). The total consideration transferred, net of cash acquired, was USD 5.8 million, of which USD 3.4 million represents goodwill. Of the total consideration transferred, USD 3.3 million was paid in cash. The remaining USD 2.5 million relates to the fair value of additional contingent consideration to be paid by the Company if specified future events occur or conditions are met, such as the achievement of certain financial targets by October 4, 2026. The fair value of this additional contingent consideration was estimated using the Monte Carlo simulation methodology.

Thundergrid is a Wellington-based EV infrastructure company offering end-to-end charging solutions across New Zealand. Their solutions are deployed to government, corporates, property owners, homeowners and developers to create a smarter, more connected grid. The acquisition of Thundergrid strengthens the Company's position in the EV markets. Consequently, the goodwill acquired represents expected operating synergies and cost savings as well as intangible assets that are not separable such as employee know-how and expertise.

The results of Thundergrid are included in the Company's Consolidated Financial Statements from the date of acquisition, but their impact is not material.

Note 13: Intangible Assets, Net

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

INTANGIBLE ASSETS

March 31, 2025 (USD in thousands)	Gross asset	Accumulated amortization	Accumulated impairment	Carrying amount	Weighted average useful life (in years)
Finite lived intangibles:					
Trade name and trademarks	120,520	(97,092)	–	23,428	3
Order backlog	44,325	(44,325)	–	–	–
Customer contracts & relationships	436,216	(357,707)	–	78,509	4
Developed technologies & others	226,124	(194,318)	(11,166)	20,640	4
Total finite lived intangibles	**827,185**	**(693,442)**	**(11,166)**	**122,577**	

INTANGIBLE ASSETS

March 31, 2024 (USD in thousands)	Gross asset	Accumulated amortization	Accumulated impairment	Carrying amount	Weighted average useful life (in years)
Finite lived intangibles:					
Trade name and trademarks	120,597	(89,628)	–	30,969	4
Order backlog	44,322	(44,322)	–	–	–
Customer contracts & relationships	436,430	(331,695)	–	104,735	5
Developed technologies	217,886	(183,506)	(11,166)	23,214	6
Total finite lived intangibles	**819,235**	**(649,151)**	**(11,166)**	**158,918**	

In the financial year ended March 31, 2025, additions to intangible assets primarily related to capitalized software for sale.

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

AMORTIZATION EXPENSE

	FINANCIAL YEAR ENDED MARCH 31,	
USD in thousands	**2025**	2024
Cost of revenue	5,605	4,758
Operating expenses	35,567	34,873
Total	**41,172**	**39,631**

Estimated future annual amortization expense related to finite lived intangible assets for each of the five years to March 31, 2030, and thereafter is as follows:

FUTURE AMORTIZATION EXPENSE

Financial year ending March 31, (USD in thousands)	Estimated annual amortization
2026	39,612
2027	38,349
2028	29,362
2029	5,891
2030	5,866
Thereafter	3,497
Total identifiable intangibles, net	**122,577**

Note 14: 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 financial years ended March 31, 2025, and March 31, 2024, are as follows:

GOODWILL

USD in thousands	Americas	EMEA	Asia Pacific	Total
Balance as of March 31, 2023	**737,350**	**287,655**	**23,503**	**1,048,508**
Business acquisitions (1)	–	–	3,416	3,416
Effect of change in exchange rates	–	(281)	27	(254)
Balance as of March 31, 2024 (2)	**737,350**	**287,374**	**26,946**	**1,051,670**
Impairment of goodwill	–	(111,000)	–	(111,000)
Effect of change in exchange rates		28	(179)	(151)
Balance as of March 31, 2025 (2)	**737,350**	**176,402**	**26,767**	**940,519**

1) See Note 12: Acquisitions and Divestments.
2) As of March 31, 2025, and March 31, 2024, the gross goodwill amounted to USD 1,507.5 million and USD 1,507.7 million, respectively. The accumulated impairment charges as of March 31, 2025, amounted to USD 567.0 million, of which USD 396.0 million, USD 141.0 million and USD 30.0 million related to the Americas, EMEA and Asia Pacific segments, respectively. The accumulated impairment charges as of March 31, 2024, amounted to USD 456.0 million, of which USD 396.0 million, USD 30.0 million and USD 30.0 million related to the Americas, EMEA and Asia Pacific segments, respectively.

Note 15: Impairment of Intangible Assets

Finite Lived Intangibles
No impairment charges for finite lived intangibles were recorded in the financial years ended March 31, 2025, and March 31, 2024.

Goodwill
In the last quarter of the financial years ended March 31, 2025, and March 31, 2024, the Company performed a quantitative goodwill impairment analysis for all its reporting units that included an assessment of certain qualitative factors, the overall financial performance, macroeconomic and industry conditions, as well as determining the fair value of the reporting units and comparing that fair value to the carrying values.

For the financial year ended March 31, 2025, the quantitative impairment test on the EMEA reporting unit indicated that the estimated fair value of this reporting unit (based on the income approach whereby the fair value is calculated based on the present value of future cash flows) was lower than its carrying value. The decision to exit the EV charging solutions business was one of the main contributing factors that led to a reduction in the fair value of the reporting unit. A goodwill impairment charge of USD 111.0 million was recorded to reduce the carrying value of this reporting unit to its implied fair value. The remaining goodwill for the EMEA reporting unit was USD 176.4 million as of March 31, 2025. The outcome of the quantitative test for the Americas and Asia Pacific reporting units was that the goodwill was not impaired as of March 31, 2025.

No goodwill impairment charges were recorded in the financial year ended March 31, 2024.

The Company's assessments considered the current and expected future economic and market conditions and their 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 external factors such as pandemics, global shortage of energy or supplied components as well as increased freight rates, duties, taxes or tariffs, and the Company's ability to respond to them.

Note 16: Other Long-term Assets

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

OTHER LONG-TERM ASSETS

USD in thousands	MARCH 31, 2025	2024
Other investments	52,135	75,468
Overfunded pension plans (1)	26,358	23,121
Operating lease right-of-use assets (2)	75,005	73,734
Others	51,570	43,748
Total other long-term assets	**205,068**	**216,071**

1) See Note 22: Pension and Post-retirement Benefit Plans.
2) See Note 25: Leases.

Other Investments

On February 26, 2024, the Company entered into a Simple Agreement for Future Equity (“SAFE”) with Span.IO, Inc. (“Span”), a company incorporated in San Francisco (California – USA). Per the terms of the SAFE, the Company made a cash contribution of USD 50.0 million to Span, in exchange for the right to obtain a variable number of preferred shares to be issued by Span in connection with its next round of financing. Span develops and commercializes innovative smart panels that manage and control loads. As of March 31, 2025, the Company did not hold any shares of Span. The carrying amount of the SAFE investment in Span as of March 31, 2025, and March 31 2024, was USD 50.0 million and USD 50.0 million, respectively, which is included within Other long-term assets in the Consolidated Balance Sheets. The Company performed an impairment analysis that included an assessment of certain qualitative indicators. As a result of the assessment performed, no impairment charges were recorded in the financial years ended March 31, 2025, and March 31, 2024.

The Company owns a 4.73% equity interest in Brusa Elektronik AG (“Brusa”) that was acquired on February 27, 2024. Brusa is a development service provider for electronic and mechanical components of the e-powertrain. As of March 31, 2025, and March 31, 2024, the carrying amount of the Company’s share in Brusa was nil and USD 22.7 million, respectively. In the fourth quarter of the financial year ended March 31, 2025, the Company performed an impairment analysis that included an assessment of certain qualitative indicators. Significant adverse changes in the general market condition of the industry in which the investee operates led to a reduction in the fair value of the equity investment. An impairment charge of USD 22.7 million was recorded within Other income (expense), net in the Consolidated Statements of Operations to reduce the carrying value of this investment to its fair value which represents management’s best estimate based on Level 3 inputs from available information, including the investee’s financial statements and market research reports for the industry where the investee operates. No impairment charges were recorded in the financial year ended March 31, 2024.

The Company owns a 1.3% equity interest in Sense Labs, Inc. (“Sense”) that was acquired on January 16, 2019. Sense develops and provides electronic devices for analyzing electricity usage in households in the USA, as well as related application software. As of March 31, 2025, and March 31, 2024, the carrying amount of the Company’s share in Sense was USD 2.0 million and USD 2.0 million, respectively, which is included within Other long-term assets in the Consolidated Balance Sheets. The Company performed an impairment analysis that included an assessment of certain qualitative indicators. As a result of the assessment performed, no impairment charges were recorded in the financial years ended March 31, 2025, and March 31, 2024.

The Company has an equity interest in Allego N.V. (“Allego”), whose shares are listed over the counter on the New York Stock Exchange. The market price of Allego’s stock as of March 31, 2025 and 2024, was USD 0.25/share and USD 1.45/share, respectively. As of March 31, 2025, and March 31, 2024, the carrying amount of the Company’s equity interest in Allego was USD 0.1 million and USD 0.7 million, respectively, which is included within Other long-term assets in the Consolidated Balance Sheets.

Note 17: Other Current Liabilities

The components of Other current liabilities are as follows:

OTHER CURRENT LIABILITIES

USD in thousands	MARCH 31, 2025	2024
Contract liabilities	61,384	42,298
Income tax provision	26,796	11,577
Sales tax payable	26,459	20,420
Others	16,673	21,690
Total other current liabilities	**131,312**	**95,985**

Note 18: Debt

The Company's bank debt is as follows:

BANK DEBT

USD in thousands	March 31, 2025		March 31, 2024	
	Balance	**Weighted average interest rate**	Balance	Weighted average interest rate
Multicurrency revolving credit facility B	90,000	5.4%	–	n/a
Other borrowings	4,568	8.6%	4,404	9.1%
Short-term debt	**94,568**		**4,404**	
Multicurrency term loan facility A	250,033	5.7%	249,101	5.9%
Less: unamortized prepaid debt fees – term loan	511		950	
Long-term debt	**249,522**		**248,151**	

On February 29, 2024, Landis+Gyr AG entered into an agreement (the "Credit Facilities Agreement") for a USD 250 million multicurrency term loan (the "Facility A") and a USD 250 million multicurrency revolving credit facility (the "Facility B") provided by a bank syndicate led by UBS Switzerland AG. Both facilities mature in February 2029. The purpose of the new facilities is to replace the previous revolving credit facilities (see below) and for general corporate purposes.

The Credit Facilities Agreement has a maturity of five years and provides two extensions of the facilities for an additional period of one year each.

The Credit Facilities Agreement contains affirmative and negative covenants customarily found in loan agreements for similar transactions, subject to certain agreed exceptions, for the borrower and the Group, including with respect to, among other actions, maintaining the Group's business operations and assets, carrying out transactions with third parties at market conditions, ranking all obligations at least pari passu with present or future payment obligations, complying with laws and reporting obligations, and preparing financial statements in accordance with US GAAP. The Credit Facilities Agreement restricts, among other actions, the following, subject to certain exceptions: carrying out material changes to the Group's activities or structure, changing its accounting standards, incurring further indebtedness, granting security for indebtedness, granting credit to third parties, and carrying out certain disposals of assets. The Credit Facilities Agreement also contains a financial covenant requiring that the Group's Net Senior Debt (as defined therein) divided by EBITDA is not greater than 3.00x, whereby EBITDA shall always be positive.

The Credit Facilities Agreement contains events of default, which include, among others, payment defaults, breach of other obligations under the agreement, cross-default, insolvency, material adverse change, or a material reservation of the auditors. Indebtedness under the Credit Facilities Agreement may be voluntarily prepaid in whole or in part, subject to notice, minimum amounts, and break costs.

Multicurrency Term Loan Facility – Facility A

Under the multicurrency term loan, the Company may borrow loans in Swiss Francs with consecutive interest periods of one, two, three or six months, or in US Dollars and in Euros, with consecutive interest periods of one, three, six or twelve months.

Borrowings under the Facility A bear interest at a rate based on the term Secured Overnight Financing Rate ("SOFR") in case of borrowings in US Dollars, the Euro Interbank Offered Rate ("EURIBOR") in case of borrowings in Euros, or the Swiss Average Rate Overnight ("SARON") in case of borrowings in Swiss Francs, plus a margin ranging from 1.05% to 2.15% depending on the Net Senior Debt/EBITDA ratio calculated every half year at March 31 and September 30.

As of March 31, 2025, the Company has drawn loans for a total amount of USD 250.0 million which will mature during the following financial year, but the Company has the intention and the ability to refinance them over the Credit Facilities Agreement until February 2029. The unused portion was nil.

During the financial year ended March 31, 2024, in connection with obtaining the Facility A the Company incurred debt issuance costs of USD 1.0 million which were recognized as a reduction of Long-term debt in the Consolidated Balance Sheets. The Company is amortizing the Facility A's debt issuance costs over the facility's term.

Multicurrency Revolving Credit Facility – Facility B

Under the multicurrency revolving credit facility, the Company may borrow loans in Swiss Francs with consecutive interest periods of one, two, three or six months, or in US Dollars and in Euros with consecutive interest periods of one, three, six or twelve months.

Borrowings under the Facility B bear interest at a rate based on the term Secured Overnight Financing Rate ("SOFR") in case of borrowings in US Dollars, the Euro Interbank Offered Rate ("EURIBOR") in case of borrowings in Euros, or the Swiss Average Rate Overnight ("SARON") in case of borrowings in Swiss Francs, plus a margin ranging from 0.75% to 1.85% depending on the Net Senior Debt/EBITDA ratio calculated every half year at March 31 and September 30.

As of March 31, 2025, the Company has drawn loans for a total amount of USD 90.0 million which will mature during the following financial year. The Facility B's unused portion was USD 160.0 million.

During the financial year ended March 31, 2024, in connection with obtaining the Facility B the Company incurred debt issuance costs of USD 1.0 million which were capitalized and recognized within Other long-term assets in the Company's Consolidated Balance Sheets. The Company is amortizing the Facility B's debt issuance costs over the facility's term.

The Company incurs a quarterly commitment fee equal to 35% per annum of the applicable margin of the unused portion of the multicurrency revolving credit facility, as well as a quarterly utilization fee up to 0.3% per annum of all outstanding Facility B loans.

Note 19: Other Long-term Liabilities

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

OTHER LONG-TERM LIABILITIES

	MARCH 31,	
USD in thousands	**2025**	2024
Contract liabilities	64,145	24,942
Finance lease liabilities – non current	6,404	4,339
Asset retirement obligations (1)	6,249	2,736
Others	34,212	26,847
Total other long-term liabilities	**111,010**	**58,864**

1) See Note 29: Asset Retirement Obligations.

Note 20: 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, 2025, and March 31, 2024, were USD 253.8 million and USD 150.4 million, respectively.

For the financial year ended March 31, 2025, and March 31, 2024, the Company recognized gains (losses) from changes in the fair value of forward foreign exchange contracts of USD (2.0) million and USD 0.1 million, respectively. These amounts are included within Cost of revenue in the Consolidated Statements of Operations.

The fair values of the outstanding derivatives, included in the Consolidated Balance Sheets as of March 31, 2025, and March 31, 2024, were as follows:

DERIVATIVE FINANCIAL INSTRUMENTS

		Derivative assets		Derivative liabilities	
March 31, 2025 (USD in thousands)	**Notional amount**	**Prepaid expenses and other current assets**	**Other long-term assets**	**Other current liabilities**	**Other long-term liabilities**
Foreign exchange contracts:					
Foreign currency forward contracts in JPY	147,883	1,025	–	1,518	–
Foreign currency forward contracts in GBP	41,415	91	–	200	–
Foreign currency forward contracts in CHF	17,759	–	–	56	–
Foreign currency forward contracts in EUR	15,448	11	–	3	–
Foreign currency forward contracts in MXN	12,716	–	–	214	–
Foreign currency forward contracts in PLN	5,432	12	–	–	–
Foreign currency forward contracts in AUD	5,248	141	–	7	–
Foreign currency forward contracts in SEK	2,553	6	–	1	–
Foreign currency forward contracts in CAD	2,519	–	–	25	–
Foreign currency forward contracts in CZK	2,518	–	–	7	–
Foreign currency forward contracts in ZAR	303	8	–	–	–
Total derivative financial instruments		**1,294**	**–**	**2,031**	**–**

DERIVATIVE FINANCIAL INSTRUMENTS

March 31, 2024 (USD in thousands)	Notional amount	Derivative assets: Prepaid expenses and other current assets	Derivative assets: Other long-term assets	Derivative liabilities: Other current liabilities	Derivative liabilities: Other long-term liabilities
Foreign exchange contracts:					
Foreign currency forward contracts in GBP	51,291	237	–	453	–
Foreign currency forward contracts in EUR	40,499	10	–	680	–
Foreign currency forward contracts in JPY	28,216	2,505	–	648	–
Foreign currency forward contracts in CHF	12,528	43	–	332	–
Foreign currency forward contracts in MXN	8,202	520	–	–	–
Foreign currency forward contracts in AUD	6,982	68	–	80	–
Foreign currency forward contracts in SEK	2,721	63	–	29	–
Total derivative financial instruments		**3,447**	**–**	**2,222**	**–**

A summary of the effect of netting arrangements on the Company's financial position related to the offsetting of its recognized derivative assets and liabilities under master netting arrangements or similar agreements is as follows:

DERIVATIVE FINANCIAL INSTRUMENTS

Offsetting of derivative assets	Gross amounts of recognized assets	Gross amounts not offset in the Consolidated Balance Sheets: Derivative financial instruments	Gross amounts not offset in the Consolidated Balance Sheets: Cash collateral received	Net amount
March 31, 2025	1,294	(1,027)	–	267
March 31, 2024	3,447	(1,036)	–	2,411

Offsetting of derivative liabilities	Gross amounts of recognized liabilities	Gross amounts not offset in the Consolidated Balance Sheets: Derivative financial instruments	Gross amounts not offset in the Consolidated Balance Sheets: Cash collateral pledged	Net amount
March 31, 2025	2,031	(1,027)	–	1,004
March 31, 2024	2,222	(1,036)	–	1,186

The Company's derivative assets and liabilities subject to netting arrangements include foreign exchange forward contracts with nine counterparties on March 31, 2025, and six counterparties on March 31, 2024. No derivative asset or liability balance with any of Landis+Gyr's counterparties was individually significant on March 31, 2025, and March 31, 2024. The Company's derivative contracts with each of these counterparties exist under agreements that provide for the net settlement of all contracts through a single payment in a single currency in the event of default. The Company has no pledges of cash collateral against its obligations, and it has not received pledges of cash collateral from its counterparties under the associated derivative contracts.

Note 21: 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, 2025, 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 – FY24

March 31, 2025 (USD in thousands)	Total	Level 1	Level 2	Level 3
Assets				
Foreign currency forward contracts	1,294	–	1,294	–
Other long-term assets – Investments in equity securities	125	125	–	–
Total	**1,419**	**125**	**1,294**	**–**
Liabilities				
Foreign currency forward contracts	2,031	–	2,031	–
Other long-term liabilities – Contingent consideration	295	–	–	295
Total	**2,326**	**–**	**2,031**	**295**

At March 31, 2024, for each of the fair value hierarchy levels, the following assets and liabilities were measured at fair value on a recurring basis:

FAIR VALUE MEASUREMENTS – FY23

March 31, 2024 (USD in thousands)	Total	Level 1	Level 2	Level 3
Assets				
Foreign currency forward contracts	3,447	–	3,447	–
Other long-term assets – Investments in equity securities	725	725	–	–
Total	**4,172**	**725**	**3,447**	**–**
Liabilities				
Foreign currency forward contracts	2,222	–	2,222	–
Other long-term liabilities – Contingent consideration	1,615	–	–	1,615
Total	**3,837**	**–**	**2,222**	**1,615**

Investments in Equity Securities
The Company's equity interest in Allego is traded on a public stock exchange for which quoted prices are readily and regularly available and is therefore categorized as Level 1.

Foreign Currency Forward Contracts
The fair value of the foreign currency forward exchange contracts has been determined using price quotes for similar instruments, appropriately adjusted, or present value techniques, based on available market data or option pricing, under the assumption that the unit of account is an individual derivative transaction, and that derivative could be sold or transferred on a standalone basis. The foreign currency forward exchange contracts are classified as Level 2. The key inputs used in valuing derivatives include foreign exchange spot and forward rates, all of which are available in an observable market. The fair value does not reflect subsequent changes in the economy, interest and tax rates and other variables that may affect the determination of fair value.

Contingent Consideration Liabilities
In connection with certain business combinations, the Company recorded contingent consideration liabilities, which are payable subject to the achievement of certain financial targets. The fair value of these contingent consideration liabilities was estimated with Monte Carlo simulation models using Level 3 inputs, including EBITDA volatility and other market variables to assess the probability of achieving the targets, and any subsequent changes in fair value are recorded in the Consolidated Statements of Operations until settlement.

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

Refer to Note 26: Redeemable Noncontrolling Interests for a discussion of certain temporary equity instruments issued by the Company.

Note 22: Pension and Post-retirement Benefit Plans

A large portion of the Company's employees are covered by defined benefit plans which are funded by the Company, the employees, and in certain countries, by state authorities. The Company has pension plans in various countries with the majority of the Company's pension liabilities deriving from Germany, the US and Switzerland. Such plans can be set up as state or company-controlled institutions, as contracts with private insurance companies, as independent trusts or pension funds. The benefits provided by such entities vary by country based on the legal and economic environment and are primarily based on employees' years of service and average compensation, covering the risks of old age, death and disability in accordance with legal requirements and the pension legislation in the respective countries.

Net periodic pension cost and the pension obligation of the Company's defined benefit plans are calculated based on actuarial valuations. Such valuations consider, inter alia, the years of service rendered by employees and assumptions about future salary increases. The latest actuarial valuations were performed for the defined benefit plans as of March 31, 2025, and using that as the measurement date.

The underlying actuarial assumptions are based on the actual local economic circumstances of the countries where the defined benefit plans are situated. The Company contributes to the employee benefit plans in accordance with applicable laws and requirements and the pension plan assets are invested in accordance with applicable regulations.

The following tables summarize the movement of the benefit obligation, plan assets, funded status and amounts recognized in the Consolidated Balance Sheets for the defined benefit pension plans for the periods indicated in the tables below:

BENEFIT OBLIGATION

USD in thousands	FINANCIAL YEAR ENDED MARCH 31, 2025	2024
Change in benefit obligation:		
Benefit obligation at April 1,	247,372	236,345
Service cost	3,354	3,465
Interest cost	5,018	6,185
Employee contributions	2,644	2,859
Benefits paid by employer	(990)	(1,043)
Benefits paid through pension assets	(14,016)	(14,192)
Actuarial losses (gains)	13,185	18,227
Curtailments	4	(1,260)
Termination benefits	–	505
Liabilities extinguished on settlements	149	(5,500)
Plan amendments	–	(54)
Effect of changes in exchange rates	3,945	1,835
Benefit obligation at March 31,	**260,665**	**247,372**

PLAN ASSETS

USD in thousands	FINANCIAL YEAR ENDED MARCH 31, 2025	2024
Change in plan assets:		
Fair value of plan assets at April 1,	247,949	249,854
Actual return on plan assets	19,379	8,625
Employer contributions	5,158	5,677
Employee contributions	2,644	2,859
Benefits paid through pension assets	(14,016)	(14,192)
Assets distributed on settlement	–	(7,835)
Effect of changes in exchange rates	4,434	2,961
Fair value of plan assets at March 31,	**265,548**	**247,949**
Funded status at March 31,	**4,883**	**577**
Accumulated benefit obligation	**256,105**	**242,553**

As of March 31, 2025, and March 31, 2024, the net plan assets for the overfunded plans were equal to USD 26.4 million and USD 23.1 million, respectively. These amounts are included within Other long-term assets in the Consolidated Balance Sheets.

As of March 31, 2025, and March 31, 2024, the net benefit obligations for the Company's underfunded plans were equal to USD 21.5 million and USD 22.5 million, respectively. These amounts are included within Pension and other employee liabilities in the Consolidated Balance Sheets.

The projected benefit obligation ("PBO"), accumulated benefit obligation ("ABO") and fair value of plan assets, for pension plans with a PBO in excess of fair value of plan assets or ABO in excess of fair value of plan assets, were as follows:

	PBO exceeds fair value of plan assets		ABO exceeds fair value of plan assets	
March 31, (USD in thousands)	2025	2024	2025	2024
PBO	36,302	39,521	36,302	39,521
ABO	34,641	37,300	34,641	37,300
Fair value of plan assets	15,449	16,973	15,449	16,973

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

NET PERIODIC PENSION BENEFIT COST

USD in thousands	FINANCIAL YEAR ENDED MARCH 31, 2025	2024
Service cost	3,354	3,465
Operational pension cost	**3,354**	**3,465**
Interest cost	5,041	6,223
Termination benefits	–	505
Expected return on plan assets	(9,287)	(10,035)
Amortization of prior service costs	(1,091)	(1,092)
Amortization of actuarial loss (gain)	514	823
Settlements and curtailments	159	1,254
Non-operational credit (1)	**(4,664)**	**(2,322)**
Net periodic benefit cost (credit)	**(1,310)**	**1,143**

1) Non-operational credit is included within Other income (expense), net in the Consolidated Statements of Operations.

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

CHANGES IN PLAN ASSETS AND BENEFIT OBLIGATIONS RECOGNIZED IN AOCL

	FINANCIAL YEAR ENDED MARCH 31,	
USD in thousands	**2025**	2024
Net actuarial loss	2,899	19,447
Amortization of actuarial loss	(514)	(785)
Prior service cost	1	(35)
Amortization of prior service credit	1,091	1,092
Total change recognized in AOCL	**3,477**	**19,719**

The following represents the amounts included in AOCL related to the Company's defined benefit pension plans:

AMOUNTS RECOGNIZED IN AOCL FROM DEFINED BENEFIT PENSION PLANS

	MARCH 31,	
USD in thousands	**2025**	2024
Actuarial loss	10,281	7,822
Prior service cost	(780)	(1,872)
Deferred tax assets	(1,338)	(1,040)
Effect of changes in exchange rates	155	230
Total	**8,318**	**5,140**

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

WEIGHTED AVERAGE ASSUMPTIONS

	March 31, 2025	March 31, 2024
Weighted average assumptions to determine benefit obligations:		
Discount rate (1)	1.79%	2.07%
Expected rate of increase in future compensation (2)	1.25%	1.63%
Expected rate of increase in future pension benefits (3)	0.11%	0.12%
Weighted average assumptions to determine net periodic pension costs:		
Discount rate (1)	2.08%	2.67%
Expected long-term rate of return on plan assets (4)	3.45%	4.02%

1) The Company determined a discount rate for each individual defined benefit pension plan based on high-quality corporate bonds with currency and duration matching the associated liabilities. Where there is no deep market for such bonds, government bonds with an appropriate spread are used.
2) The Company determined the expected rate of increase in future compensation levels based on expected inflation rates and merit-based increases.
3) The Company determined the expected rate of increase in future pension benefits based on expected inflation in the plans' national markets, if such increase is included in the plan benefits.
4) The expected rate of return on plan assets was determined on the basis of the weighted average expected return on plan assets. The Company's assessment of the expected returns is based on historical return trends for equities, real estate and other assets and analysts' predictions of the market for debt instruments. The assets do not include any financial instruments issued by the Company.

Holding all other assumptions constant, a 0.5-percentage point decrease in the discount rate would have increased the PBO related to the defined benefit pension plans by USD 16.2 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 14.5 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, 2025, by USD 1.1 million or increased the interest cost by USD 1.0 million, respectively.

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

ACTUAL ASSET ALLOCATION

	March 31, 2025	March 31, 2024
Equity instruments	33%	36%
Debt instruments	36%	36%
Property	21%	21%
Other	10%	7%

The Company's pension plan assets for each individual plan are invested in accordance with statutory regulations, pension plan rules and decisions of the pension fund trustees. The Company's actual invested positions in various securities change over time based on short and longer-term investment opportunities. Strategic pension plan asset allocations are determined by the objective to achieve an investment return, which together with the contributions paid, is sufficient to maintain reasonable control over the various funding risks of the plans. Based upon current market and economic environments, the actual asset allocation may periodically be permitted to deviate from policy targets. The plan's assets are divided according to asset class. For the financial year ending March 31, 2026, the targeted allocations are equities (32%), debt securities (36%), real estate (21%) and others (10%).

Annual benefit payments, including amounts to be paid from the Company's assets for unfunded plans, and reflecting expected future service, as appropriate, are expected to be as follows:

FUTURE BENEFIT PAYMENTS

Financial year ending March 31, (USD in thousands)	
2026	18,514
2027	16,539
2028	17,500
2029	18,355
2030	16,176
2031–2035	75,417

The following tables present, for each of the fair-value hierarchy levels, the Company's defined benefit pension plan assets that are measured at fair value on a recurring basis as of March 31, 2025, and March 31, 2024:

PENSION PLAN ASSETS

Fair value measurements March 31, 2025 (USD in thousands)	Total	Level 1	Level 2	Level 3
Equity instruments	85,832	82,561	3,271	–
Debt instruments	96,597	76,271	20,326	–
Real estate	56,633	–	56,313	320
Other	26,486	11,820	14,666	–
Total	**265,548**	**170,652**	**94,576**	**320**

PENSION PLAN ASSETS

Fair value measurements March 31, 2024 (USD in thousands)	Total	Level 1	Level 2	Level 3
Equity instruments	89,078	83,649	5,429	–
Debt instruments	90,298	71,483	18,815	–
Real estate	52,282	–	51,866	416
Other	16,291	9,258	7,033	–
Total	**247,949**	**164,390**	**83,143**	**416**

The classification of fair value measurements within the hierarchy is based upon the lowest level of input that is significant to the measurement. Valuation methodologies used for assets and liabilities measured at fair value are as follows:

Debt and Equity Instruments

Debt and equity instruments classified as Level 1 are valued at the closing price reported on the active market where the individual securities are traded. Equity instruments classified as Level 2 consist of investments in traded institutional funds, which are not actively traded, valued at the repurchase price as calculated by the fund manager on a daily basis and alternative investments valued at their net asset value which is based on the fair value of the underlying assets that are traded in active markets and have quoted market prices.

Real Estate

Real estate investments classified as Level 2 are valued at the repurchase price as calculated by the fund manager on a daily basis. Real estate investments classified as Level 3 are valued using a discounted cash-flow approach; the discount rates are based on the age of the real estate and stand at 4.5%.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Company believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following table sets forth a summary of changes in the fair value of the Level 3 assets:

CHANGES IN FAIR VALUE – LEVEL 3

	FINANCIAL YEAR ENDED MARCH 31,	
USD in thousands	**2025**	2024
Balance at April 1,	416	350
Actual return on plan assets	(104)	62
Effect of changes in exchange rates	8	4
Balance at March 31,	**320**	**416**

In addition to its defined benefit plans, the Company also provides post-retirement health care benefit plans to some of its employees. As of March 31, 2025, and March 31, 2024, the post-retirement benefit plans had an obligation of less than USD 0.1 million and USD 0.1 million, respectively.

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, 2025, and March 31, 2024, were USD 9.8 million and USD 9.2 million, respectively.

Note 23: Share-based Compensation

Long-term Incentive Plan

The Company sponsors a share-based long-term incentive plan (“LTIP”) providing the members of the Group Executive Management and other eligible key managers with the possibility to receive shares in the Company, subject to certain conditions.

Each new award under the LTIP is a contingent entitlement (Performance Stock Unit or “PSU”) to receive shares in the Company, provided certain results are achieved during the three-year period. The LTIP consists of two components that are weighted equally: (i) a component with a market condition that is based on the total shareholders’ return (“TSR”), summarized under the heading PSP-TSR, and (ii) a component with a performance condition that is based on the Company’s fully diluted earnings per share (“EPS”) performance, summarized under the heading PSP-EPS. The Board of Directors, at its discretion, may allow the EPS normalization of certain significant one-off events.

The following table summarizes the number of outstanding nonvested share equivalents allocated to each component of the LTIP as of March 31, 2025, and March 31, 2024:

MAXIMUM OUTSTANDING NONVESTED SHARE EQUIVALENTS UNDER THE LTIP

	March 31, 2025	March 31, 2024
Maximum share equivalents under the PSP-TSR	134,769	166,200
Maximum share equivalents under the PSP-EPS	134,769	166,200
Total maximum outstanding nonvested share equivalents under the LTIP	**269,538**	**332,400**
Exercisable	–	–

The number of share equivalents represents the maximum number of shares that can potentially vest and be distributed to employees if the Company were to achieve the highest vesting scenario for each component.

Total compensation costs recognized in the Consolidated Statements of Operations with respect to the LTIP for the financial years ended March 31, 2025, and March 31, 2024, were USD 2.0 million and USD 3.9 million, respectively.

Performance Stock Plan with a Market Condition (PSP-TSR Plan)
The Company annually allocates PSUs of its publicly traded shares to eligible employees who are employed with the Company at the grant date. These awards are subject to a TSR market condition, which compares the Company's TSR measured over three years relative to a peer group of comparable publicly traded companies. The relative TSR condition is calculated considering not only the variations of the closing price over the three-year period but also the dividends distributed in the same period, assuming that those dividends are reinvested at the time of distribution in the shares of the Company.

PSUs granted under the PSP-TSR component will cliff-vest and be converted into the Company's shares in a range of 0% to 200% following the 3-year measurement period. The PSP-TSR awards multiple shall be capped at 100% if Landis+Gyr's absolute TSR attributable to the relevant three-year measurement period is negative, regardless of the Company's performance relative to the peer group.

The following tables summarize the activities under the PSP-TSR component for the financial year ended March 31, 2025, and March 31, 2024:

TSR COMPONENT	FINANCIAL YEAR ENDED MARCH 31, 2025		
	Number of awards	Maximum number of shares conditionally granted	Weighted-average grant-date fair value per share (Swiss francs)
Nonvested at April 1, 2024	83,100	166,200	68.18
Granted	34,625	69,250	66.73
Vested	(23,808)	(47,616)	68.57
Forfeited	(26,533)	(53,065)	68.77
Nonvested at March 31, 2025	**67,384**	**134,769**	**67.07**
Exercisable at March 31, 2025	–	–	–

TSR COMPONENT	FINANCIAL YEAR ENDED MARCH 31, 2024		
	Number of awards	Maximum number of shares conditionally granted	Weighted-average grant-date fair value per share (Swiss francs)
Nonvested at April 1, 2023	84,924	169,848	55.03
Granted	26,557	53,114	88.64
Vested	(22,629)	(45,258)	43.90
Forfeited	(5,752)	(11,504)	64.03
Nonvested at March 31, 2024	**83,100**	**166,200**	**68.18**
Exercisable at March 31, 2024	–	–	–

The Company recorded share-based compensation expense for the PSP-TSR Plan of USD 1.3 million and USD 1.8 million, respectively, for the financial years ended March 31, 2025, and March 31, 2024, which is included within General and administrative expense in the Consolidated Statements of Operations. The total grant-date fair value of PSP-TSR awards that vested during the financial years ended March 31, 2025, and March 31, 2024, was USD 1.4 million and USD 1.3 million, respectively. As of March 31, 2025, total unrecognized compensation costs related to nonvested PSP-TSR awards amounted to USD 1.6 million. These costs are expected to be recognized over a weighted-average period of 1.8 years.

Equity-settled awards are recorded in the "Additional paid-in capital" component of shareholders' equity, with compensation cost recorded in General and administrative expenses over the vesting period, which is from the grant date to the end of the vesting period, including adjustments for actual forfeitures. The PSP-TSR awards are subject to a market condition, which based on the guidance in ASC 718 is reflected in the grant-date fair value. Compensation cost is recognized for the PSP-TSR awards, provided that the requisite service is rendered, regardless of when, if ever, the market condition is satisfied. In case of an outperformance of the PSP-TSR award compared to the targets, there will be no adjustment as long as the employee performs the requisite service period.

The weighted-average exercise price of PSP-TSR awards is zero. The following assumptions have been applied in the valuation model:

TSR COMPONENT	FINANCIAL YEAR ENDED MARCH 31,	
	2025	2024
Expected term	3 years	3 years
Risk free rate	0.559%	0.965%
Expected dividend yield	3.2%	3.2%

Performance Stock Plan with an Earnings per Share Condition (PSP-EPS Plan)
The Company annually allocates PSUs of its publicly traded shares to eligible employees who are employed with the Company at the grant date. These awards are subject to a predefined cumulative diluted earnings per share performance condition, which has to be met over a measurement period of three years. The EPS condition is set based on an outside-in view, taking into account growth expectations, risk profile, investment levels and profitability levels.

PSUs granted under the PSP-EPS Plan will cliff-vest and be converted into the Company's shares in a range of 0% to 200% following the 3-year performance period, if the performance conditions are met. None of the PSP-EPS awards will vest if a minimum cumulative target on fully diluted EPS has not been achieved over the performance period.

The following tables summarize the activities under the PSP-EPS Plan for the financial years ended March 31, 2025, and March 31, 2024:

EPS COMPONENT	FINANCIAL YEAR ENDED MARCH 31, 2025		
	Number of awards	Maximum number of shares conditionally granted	Weighted-average grant-date fair value per share (Swiss francs)
Nonvested at April 1, 2024	83,100	166,200	56.01
Granted	34,625	69,250	66.27
Vested	(23,808)	(47,616)	57.30
Forfeited	(26,533)	(53,065)	45.47
Nonvested at March 31, 2025	**67,384**	**134,769**	**58.99**
Exercisable at March 31, 2025	–	–	–

EPS COMPONENT	FINANCIAL YEAR ENDED MARCH 31, 2024		
	Number of awards	Maximum number of shares conditionally granted	Weighted-average grant-date fair value per share (Swiss francs)
Nonvested at April 1, 2023	84,924	169,848	51.15
Granted	26,557	53,114	69.14
Vested	(22,629)	(45,258)	53.97
Forfeited	(5,752)	(11,504)	73.60
Nonvested at March 31, 2024	**83,100**	**166,200**	**56.01**
Exercisable at March 31, 2024	–	–	–

The Company recorded stock-based compensation expense for the PSP-EPS Plan of USD 0.7 million and USD 2.1 million, respectively, for the financial years ended March 31, 2025, and March 31, 2024, which is included within General and administrative expense in the Consolidated Statements of Operations. The total grant-date fair value of PSP-EPS awards that vested during the financial years ended March 31, 2025, and March 31, 2024, was USD 1.4 million and USD 1.3 million, respectively. As of March 31, 2025, total unrecognized compensation costs related to nonvested PSP-EPS awards were USD 1.3 million. These costs are expected to be recognized over a weighted-average period of 1.9 years.

Equity-settled awards are recorded in the "Additional paid-in capital" component of shareholders' equity, with compensation cost recorded in General and administrative expenses over the vesting period, which is from the grant date to the end of the vesting period, including adjustments for actual forfeitures. The PSP-EPS awards are subject to a performance condition, which based on the guidance in ASC 718 is not reflected in the grant-date fair value. The actual number of PSUs that will vest can range from 0% to 200% of the grant, depending upon actual Company performance below or above the target level. The Company estimates performance in relation to the established target when determining the projected number of PSUs that will vest and calculating the compensation cost related to these awards. If it is not probable that the performance target for the EPS component will be achieved, then compensation expense recorded to date will be reversed.

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

Other Share-based Compensation

The remuneration of the members of the Company's Board of Directors is paid 65% in cash and 35% in Landis+Gyr's shares, which are blocked for sale for a period of three years. In the financial years ended March 31, 2025, and March 31, 2024, the Company allotted 7,217 and 6,501 shares, respectively, out of the treasury stock, and recorded USD 0.7 million and USD 0.5 million, respectively, of expense which is included within General and administrative expense in the Consolidated Statements of Operations.

The Company sponsors an Employee Stock Purchase Plan ("ESPP"). The ESPP provides an opportunity for eligible employees to purchase Landis+Gyr's stock at preferential conditions. The Company's Board of Directors in its sole discretion determines if and when an offering shall be made, as well as the detailed parameters of such offering. By participating in the ESPP, an eligible employee may purchase Landis+Gyr's shares at a 15% discount from the SIX Swiss Exchange closing price at the date identified in each offering.

In connection with the ESPP, during the financial year ended March 31, 2025, the Company issued 13,207 shares out of treasury stock and recognized USD 0.1 million expense which is included within General and administrative expense in the Consolidated Statements of Operations. The proceeds from the issuance of shares under the ESPP were USD 0.8 million, which is included within Cash flow from financing activities in the Consolidated Cash Flow Statements.

In connection with the ESPP, during the financial year ended March 31, 2024, the Company issued 12,686 shares out of treasury stock and recognized USD 0.2 million expense which is included within General and administrative expense in the Consolidated Statements of Operations. The proceeds from the issuance of shares under the ESPP were USD 0.9 million, which is included within Cash flow from financing activities in the Consolidated Cash Flow Statements.

Note 24: Income Taxes

The Group is within the scope of the OECD Pillar Two model rules. Switzerland has enacted its Pillar 2 legislation per December 2023. The legislation is effective for the Group's financial year beginning April 1, 2024. The Group has performed an assessment and expects no top-up tax for the financial year ended March 31, 2025.

The components of income (loss) from continuing operations before income tax expense are as follows:

INCOME (LOSS) FROM CONTINUING OPERATIONS BEFORE INCOME TAX EXPENSE

	FINANCIAL YEAR ENDED MARCH 31,	
USD in thousands	**2025**	2024
Domestic (1)	(172,132)	(5,616)
Foreign	98,122	136,602
L+G Group	**(74,010)**	**130,986**

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

Income tax expense by location of the taxing jurisdiction consisted of the following:

INCOME TAX EXPENSE

	FINANCIAL YEAR ENDED MARCH 31,	
USD in thousands	**2025**	2024
Current income taxes:		
Domestic (1)	(1,210)	(1,131)
Foreign	(50,195)	(39,438)
Total current taxes	(51,405)	(40,569)
Deferred taxes:		
Domestic (1)	12,494	1,229
Foreign	28,204	20,600
Total deferred taxes	40,698	21,829
Total income taxes	**(10,707)**	**(18,740)**

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

The Company is headquartered in Switzerland. The reconciliation of the tax expense at the Swiss federal statutory rate of 7.83% is shown in the table below.

INCOME TAX EXPENSE RECONCILIATION

USD in thousands	FINANCIAL YEAR ENDED MARCH 31, 2025	2024
Income (loss) from continuing operations before income tax expense	**(74,010)**	**130,986**
Expected federal income tax benefit (expense)	5,795	(10,256)
Items taxed at rates other than the Swiss federal tax rate	(19,811)	(26,624)
Non-deductible goodwill impairment	(13,342)	–
Tax effect of permanent differences on disposal of business	11,761	–
Other permanent adjustments	4,982	7,135
Provision for uncertain tax positions	(704)	3,597
Tax credits	1,857	1,755
Withholding taxes	(1,614)	(1,312)
Change in valuation allowance	(818)	9,639
Adjustments to prior year	1,292	(2,802)
Effects of changes in tax rate, net	(105)	129
Tax expense	**(10,707)**	**(18,740)**

“Non-deductible goodwill impairment” relates to the goodwill impairment in this year.

“Tax effect of permanent differences on disposal of business” relates to tax-deductible impairment of Landis+Gyr EV Solutions in Switzerland.

“Change in valuation allowance” is an expense in the current year compared to a benefit in the prior year. Prior year change in valuation allowance was mainly driven by the release of the valuation allowance in India.

“Adjustments to prior year” includes true ups to prior year provisions. This is mainly related to the Americas reporting unit.

Deferred Taxes

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

DEFERRED TAX ASSETS AND LIABILITIES

USD in thousands	MARCH 31, 2025	2024
Deferred tax assets:		
Net operating loss carryforwards	76,910	64,925
Inventories	9,526	5,081
Deferred income	24,426	11,109
Accrued liabilities	7,815	7,987
Intangible assets	14,338	5,802
Operating leases	15,109	15,400
Pension and other employee related liabilities	18,244	21,804
Other	12,127	13,856
Total gross deferred tax assets	**178,495**	**145,964**
Deferred tax liabilities:		
Accrued liabilities	–	–
Property, plant and equipment	(4,051)	(5,268)
Intangible assets	(8,089)	(12,506)
Operating leases	(12,237)	(13,426)
Other	(26,257)	(26,484)
Total gross deferred tax liabilities	**(50,634)**	**(57,684)**
Net deferred tax assets before valuation allowance	**127,861**	**88,280**
Valuation allowance	(52,935)	(55,311)
Net deferred tax assets (liabilities)	**74,926**	**32,969**
Included in:		
Deferred tax assets – non-current	88,637	64,888
Deferred tax liabilities – non-current	(13,711)	(31,919)
Net deferred tax assets (liabilities)	**74,926**	**32,969**

As of March 31, 2025, and March 31, 2024, the Company had total tax losses carried forward amounting to USD 324.2 million and USD 175.7 million, respectively.

The expiration of the tax losses carried forward as of March 31, 2025, is as follows:

TAX LOSSES CARRIED FORWARD

Financial year ending March 31, (USD in thousands)	
2026	–
2027	7,593
2028	9,099
2029	11,737
2030	33,430
Thereafter	178,669
Never expire	83,662
Total	**324,190**

Due to “change in ownership” provisions in certain jurisdictions, the use of a portion of the Company’s tax losses may be limited in future periods.

The Company believes that it is more likely than not that the benefit from certain net operating loss carryforwards and other deferred tax assets will not be realized due to insufficient profit projections.

The Company considered all available evidence, both positive and negative, including historical levels of income, expectations and risks associated with estimates of future taxable income and ongoing prudent and feasible tax planning strategies in assessing the need for a valuation allowance.

The valuation allowances are mainly provided against net deferred tax assets in the United States, the United Kingdom, France and Switzerland. In the event that certain deferred tax assets become realizable, the reversal of the valuation allowance would result in a reduction in income tax expense, as in the prior year.

Deferred taxes on undistributed earnings of foreign subsidiaries as of March 31, 2025, and March 31, 2024, are USD 10.9 million and USD 12.6 million, respectively.

The Company does not provide deferred taxes on temporary differences related to its foreign subsidiaries that are considered permanent in duration. Determination of the amount of deferred taxes on these temporary differences is not practical.

Provisions for Uncertain Tax Positions

ASC 740 clarifies the accounting for uncertainty in income taxes recognized in an enterprise’s financial statements. This interpretation prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return.

A reconciliation of the beginning and ending balances of the total amounts of gross unrecognized tax benefits is as follows:

GROSS UNRECOGNIZED TAX BENEFITS

	FINANCIAL YEAR ENDED MARCH 31,	
USD in thousands	**2025**	2024
Balance as of April 1,	18,825	22,834
Gross increases to positions in prior years	226	330
Gross increases to current period tax positions	5,563	3,799
Audit settlements	–	(414)
Expiry of statute of limitations	(5,069)	(7,647)
Gross decreases to prior year positions	–	(101)
Effect on change in exchange rates	15	24
Balance as of March 31,	**19,560**	**18,825**

In the financial years ended March 31, 2025 and 2024, the net interest and penalties expense (benefit) related to unrecognized tax were USD 0.1 million and USD (0.6) million, respectively.

As of March 31, 2025, and March 31, 2024, accrued interest and penalties were USD 4.3 million and USD 4.2 million, respectively.

The Company does not expect any material changes in unrecognized tax benefits within the next 12 months.

As of March 31, 2025, and March 31, 2024, the amounts of unrecognized tax benefits that, if recognized, would affect the Company’s effective tax rate, were USD 20.8 million and USD 20.1 million, respectively.

The Company is subject to taxation in various states and foreign jurisdictions. As of March 31, 2025, the Company could be subject to income tax examination by the tax authorities in the following major tax jurisdictions:

STATUTE OF LIMITATIONS

Tax jurisdiction	Open tax years
Australia	April 1, 2017 – March 31, 2025
Switzerland	April 1, 2023 – March 31, 2025
US Federal	April 1, 2021 – March 31, 2025
Germany	April 1, 2017 – March 31, 2025
India	April 1, 2019 – March 31, 2025
Japan	April 1, 2018 – March 31, 2025
Brazil	January 1, 2020 – March 31, 2025

Note 25: Leases

The Company is party to several noncancelable operating leases, primarily for office space and company vehicles, that expire over the next 10 years. These leases might include renewal options and do not contain material residual value guarantees.

The components of lease expense are as follows:

OPERATING & FINANCE LEASE COST

	FINANCIAL YEAR ENDED MARCH 31,	
USD in thousands	**2025**	**2024**
Finance lease cost – Right-of-use assets amortization	3,387	2,371
Finance lease cost – Interest on lease liabilities	479	308
Operating lease cost	18,153	17,281
Variable lease cost	1,258	932
Short-term lease cost	6,563	6,409
Total lease cost	**29,840**	**27,301**

Supplemental cash flow information related to leases is as follows:

OPERATING & FINANCE LEASES

	FINANCIAL YEAR ENDED MARCH 31,	
USD in thousands	**2025**	**2024**
Cash paid for amounts included in the measurement of lease liabilities		
Operating cash flows from operating leases	17,691	15,774
Financing cash flows from finance leases	2,684	1,551
Right-of-use assets obtained in exchange for lease liabilities		
Operating leases	14,535	5,656
Finance leases	6,488	5,872

Supplemental balance sheet information related to leases is as follows:

OPERATING & FINANCE LEASES

	MARCH 31,	
USD in thousands, unless otherwise stated	**2025**	**2024**
Operating leases		
Right-of-use assets, net	75,005	73,734
Lease liabilities	84,719	82,571
Finance leases		
Property, plant and equipment, net	10,857	7,825
Lease liabilities	10,583	6,843
Weighted-average remaining lease term (years)		
Operating leases	6.7	7.2
Finance leases	2.7	2.8
Weighted-average discount rate (percentage)		
Operating leases	2.7%	3.6%
Finance leases	2.9%	3.8%

Remaining maturities of lease liabilities as of March 31, 2025, are as follows:

FUTURE LEASE PAYMENTS

Financial year ending March 31, (USD in thousands)	**Finance leases**	**Operating leases**
2026	4,694	18,374
2027	3,561	16,364
2028	2,278	13,114
2029	598	11,312
2030	64	10,074
Thereafter	–	26,381
Total lease payments	**11,195**	**95,619**
Less: Imputed interest	(612)	(10,900)
Total lease liabilities	**10,583**	**84,719**

As of March 31, 2025, the Company has additional operating lease commitments, primarily for office space, that have not yet commenced of USD 0.3 million. These operating leases will commence in the following financial year with lease terms of 5 years.

Note 26: Redeemable Noncontrolling Interests

On July 29, 2021, the Company completed the acquisition of 75 percent of the issued and outstanding shares of Landis+Gyr EV Solutions. The resulting 25 percent noncontrolling interest was recorded at fair value as of the acquisition date. The noncontrolling interest holders had the option, which was embedded in the noncontrolling interest, to require the Company to acquire their ownership interests between October 1, 2024, and March 31, 2025. The combination of a noncontrolling interest and a redemption feature, outside of the control of the Company, resulted in a redeemable noncontrolling interest, which was presented after liabilities and before stockholders' equity on the Consolidated Balance Sheets.

On April 8, 2024, the Company completed the acquisition of the remaining outstanding common shares and voting rights of Landis+Gyr EV Solutions for USD 5.1 million cash consideration. The transaction was accounted for as an equity transaction with a redeemable noncontrolling interest and, accordingly, no gain or loss was recognized in the Company's earnings. The carrying amount of the redeemable noncontrolling interest was adjusted to reflect the change in its ownership interest in Landis+Gyr EV Solutions. The difference between the fair value of the consideration paid and the amount by which the noncontrolling interest was adjusted was not significant.

Note 27: Commitments & Contingencies

Guarantees

The following table provides quantitative data regarding the Company's third-party guarantees. The maximum potential payments represent a "worst-case scenario" and do not reflect management's expected outcomes.

GUARANTEES

Maximum potential payments (USD in million)	March 31, 2025
Performance guarantees obtained from third parties	151.8
Financial guarantees issued in connection with financing activities	436.5
Financial guarantees issued in connection with lease agreements	4.1
Total	**592.4**

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, 2025, the Company had total outstanding performance bonds and bank and insurance guarantees of USD 151.8 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 440.6 million as of March 31, 2025.

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, the outcomes of which are subject to significant uncertainty. The Company's policy is to assess the likelihood of any adverse judgments or outcomes related to legal matters, as well as ranges of probable losses. A determination of the amount of the liability required, if any, for these contingencies is made after an analysis of each known issue. A liability is recognized and charged to operating expense when the Company determines that a loss is probable and the amount can be reasonably estimated.

In August 2015, Energisa SA and a number of related plaintiffs filed two related lawsuits in Brazil, alleging that the Company's electric meters were excessively vulnerable to fraud. The initial petitions requested the Company to provide new firmware to the plaintiffs and to reimburse their cost of installation in meters supplied with this firmware. A technical expert report has been completed and the cases have been consolidated. On May 10, 2024, the court published its sentence, rejecting Energisa's claim in its entirety. It stated that fraud was only proven in 397 meters in total, and the population of meters in question was acquired between 2008 and 2010, having exceeded their useful operating period, while only a small number of the meter population was actually exchanged during that time, the costs of which were borne by the end users, not Energisa. Therefore, granting the cost of updating all meters would generate illicit enrichment for Energisa. On August 16, 2024, the court rejected Energisa's Motion for Clarification, confirming the number of meters at 397. Energisa filed an appeal and although the Company cannot predict the ultimate outcome of this case, it believes that the allegations are massively exaggerated and if overturned, any ruling in favor of Energisa would comprise only a liability for the costs of updating 397 meters. On February 7, 2025, the parties agreed to mutually suspend the proceedings for entertaining final settlement discussions, which are ongoing at the balance sheet date.

On October 5, 2015, the Romanian Competition Council ("RCC") launched an ex officio investigation against the Company together with several of its competitors on the alleged infringement of certain provisions of Romanian competition law in connection with auctions on the market of electricity meters and connected equipment. In response the Company immediately engaged external experts to conduct an extensive internal forensic investigation that did not reveal any violation of competition law. Additionally, the Company provided the RCC evidence demonstrating that it had not engaged in any of the alleged anti-competitive conduct. The Company is not materially active in the Romanian metering market nor was it materially active during the period under investigation. On January 4, 2018, the Plenum of the RCC issued its preliminary decision against the Company and five other companies and imposed a fine of RON 27.4 million (or USD 6.0 million, converted at the exchange rate as of March 31, 2025). In May 2018, the Company filed an appeal of the decision on the basis that it is significantly flawed and incorrect at fact and law. The referral request to the European Court of Justice was dismissed by the Court on April 26, 2022. After the oral announcement of the verdict in favor of RCC dismissing the Company's appeal and its subsidiary request to reduce the fine on August 8, 2022, L+G received the written verdict on January 17, 2025. L+G timely submitted the appeal, putting forward its arguments on the decision being flawed at fact and law. Although the Company cannot predict the ultimate outcome of this case, it believes that it is probable that the fine will be reduced.

In addition to the cases listed above, Landis+Gyr and its subsidiaries are parties to various employment-related and administrative proceedings in jurisdictions where the Company operates. None of the proceedings are individually material to Landis+Gyr, and the Company believes that it has made adequate provision such that the ultimate disposition of the proceedings will not materially affect its business or financial condition.

In the normal course of business, the Company is party to various legal claims, actions and complaints. It is not possible to predict with certainty whether or not the Company will ultimately be successful in any of these legal matters, or if not, what the impact might be. However, the Company's management does not expect that the results of any of these legal proceedings will have a material adverse effect on the Company's results of operations, financial position or cash flows.

Due to the nature of the Company's business, it may be subject to claims alleging infringement of intellectual property rights belonging to third parties in connection with some of the Company's products and technologies. In this context, the Company may also be exposed to allegations of patent infringement relating to communication or other technologies from time to time, for example, where the Company purchases components or technology from vendors, which may incorporate technology belonging to third parties. In these instances, the Company relies on the contractual indemnification from such vendors against the infringement of such third-party intellectual property rights. However, where such contractual rights prove unenforceable or not collectible, the Company may need to bear the full responsibility for damages, fees and costs resulting from such allegations of infringement. It could also be necessary for the Company to enter into direct licenses from third parties with regard to technologies incorporated into products supplied to the Company from such vendors. As of the date of these Consolidated Financial Statements, there is no active or ongoing litigation related to such allegations of infringement and associated indemnification from vendors.

Indemnification

The Company generally provides an indemnification related to the infringement of any patent, copyright, trademark, or other intellectual property right on software or equipment within its customer contracts. This indemnification typically covers damages and related costs, including attorney's fees with respect to an indemnified claim, provided that (a) the customer promptly notifies the Company in writing of the claim and (b) the Company controls the defense and all related settlement negotiations. The Company may also provide an indemnification to its customers for third party claims resulting from damages caused by the negligence or willful misconduct of its employees/agents under certain contracts. These indemnification obligations typically do not have liability caps. It is not possible to predict the maximum potential amount of future payments under these or similar agreements.

Warranty

A summary of the warranty provision account activity is as follows:

WARRANTY PROVISION

	FINANCIAL YEAR ENDED MARCH 31,	
USD in thousands	**2025**	**2024**
Beginning balance, April 1,	42,891	46,040
New product warranties	13,410	11,203
Other changes/adjustments to warranties	(7,816)	(3,300)
Claims activity	(7,977)	(11,302)
Effect of changes in exchange rates	124	250
Ending balance, March 31,	**40,632**	**42,891**
Less: current portion of warranty	(28,662)	(29,927)
Long-term warranty	11,970	12,964

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 years ended March 31, 2025, and March 31, 2024, primarily consist of additions in line with the ordinary course of business.

Note 28: 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, 2025, the Company continued its restructuring effort, aimed at reducing costs and improving operating performance. In connection with these restructuring plans, the Company recognized costs related to termination benefits for employee positions that were eliminated. The total initiatives in the financial year ended March 31, 2025, represent approximately USD 8.1 million in primarily severance related costs. Some of the severance payments were completed during the financial year ended March 31, 2025, and the remaining payments will be completed during the financial year ending March 31, 2026.

A summary of the Company's restructuring activity, including costs incurred during the financial years ended March 31, 2025, and March 31, 2024, is as follows:

RESTRUCTURING ACTIVITY

	FINANCIAL YEAR ENDED MARCH 31,	
USD in thousands	**2025**	2024
Beginning balance, April 1,	3,860	6,707
Restructuring charges	8,147	12,559
Settlements	(6,423)	(15,397)
Effect of changes in exchange rates	(183)	(9)
Balance as of March 31,	**5,401**	**3,860**

The outstanding balance as of March 31, 2025, and March 31, 2024, respectively, is included under Accrued liabilities and Other long-term liabilities in the Consolidated Balance Sheets.

A summary of the Consolidated Statements of Operations line items where restructuring activity charges have been recognized is as follows:

RESTRUCTURING COST

	FINANCIAL YEAR ENDED MARCH 31,	
USD in thousands	**2025**	2024
Cost of revenue	2,071	4,498
Research and development	1,978	2,693
Sales and marketing	353	1,495
General and administrative	3,745	3,873
Total	**8,147**	**12,559**

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

RESTRUCTURING BY SEGMENT

USD in thousands	**Cumulative costs incurred up to March 31, 2025**	**Total costs incurred in the financial year ended March 31, 2025**
Americas	9,646	3,388
EMEA	10,268	3,702
Asia Pacific	10,232	45
Corporate	2,320	1,012
Restructuring charges	**32,466**	**8,147**

The cumulative costs incurred up to March 31, 2025, represent the Company's ongoing restructuring efforts under various programs over the last three financial years.

Note 29: Asset Retirement Obligations

AROs exist in Germany, Switzerland, the UK, Australia and New Zealand. The following table presents the activity for the AROs, excluding environmental remediation liabilities:

ASSET RETIREMENT OBLIGATION

	FINANCIAL YEAR ENDED MARCH 31,	
USD in thousands	**2025**	2024
Beginning balance, April 1,	2,736	3,017
Additional obligations incurred	3,457	96
Obligations settled in current period	(15)	(10)
Changes in estimates, including timing	–	(389)
Accretion expense	86	39
Effect of changes in exchange rates	(15)	(17)
Obligation balances, March 31,	**6,249**	**2,736**

Note 30: Related Party Transactions

The Company conducts business with certain companies where members of the Company's Board of Directors or Executive Committee act, or in recent years have acted, as directors or senior executives. The Company's Board of Directors has determined that the Company's business relationships with those companies do not constitute material business relationships. This determination was made in accordance with the Company's related party transaction policy which was prepared based on the Swiss Code of Best Practice.

Note 31: Concentrations

The Company generates the majority of its revenue in the United States and Europe, with the balance in Asia Pacific, the Middle East, Africa, South America and Canada. None of the Company's customers exceeded 10% of the consolidated revenue for the financial years ended March 31, 2025, and March 31, 2024. The majority of the revenue is derived from the sale of energy meters.

Approximately 37% of the Company's workforce is subject to collective bargaining agreements expiring between 2025 and 2037. Approximately 1% of the Company's workforce is subject to collective bargaining agreements expiring within one year.

Note 32: Segment Information

The Company is organized in a geographical structure into the following operating segments:

Americas
The Americas generates the majority of its revenue in the United States, with the balance produced in Canada, Central America, South America, Japan and certain other markets which adopt US standards. The Americas reportable segment designs, manufactures, markets and sells products for the Company's three growth platforms: Smart Metering, Grid Edge Intelligence and Smart Infrastructure technology. Product examples are Landis+Gyr's Gridstream® Connect platform, advanced metering infrastructure solutions, Revelo® meters, smart electricity meters, commercial/industrial and grid meters, communication modules for water and gas meters, street light controllers, distribution automation, system deployment services, managed network services and other advanced metering infrastructure offerings including software (head end system ("HES"), meter data management ("MDM"), analytics), installation, implementation, consulting, maintenance support and related services.

EMEA
The EMEA segment produces the majority of its revenue in Europe with the balance generated in the Middle East, South Africa and certain other markets which adopt European standards. The EMEA reportable segment designs, manufactures, markets and sells products for the Company's three growth platforms: Smart Metering, Grid Edge Intelligence and Smart Infrastructure technology. Product examples are advanced metering infrastructure solutions, smart electricity meters, prepayment electricity meters, commercial/industrial and grid meters, smart gas meters and prepayment solutions, heat meters and solutions, load control devices, system deployment services, managed network services and advanced metering infrastructure offerings including software (HES, MDM, analytics), installation, implementation, consulting, maintenance support and related services.

Asia Pacific
The Asia Pacific segment generates the majority of its revenue in Australia, China, Hong Kong and Singapore, while the balance is generated in other markets in Asia. The Asia Pacific reportable segment designs, manufactures, markets and sells products for the Company's three growth platforms: Smart Metering, Grid Edge Intelligence and Smart Infrastructure technology. Product examples are advanced metering infrastructure solutions, non-smart and smart electricity meters, prepayment electricity meters, commercial/industrial and grid meters, gas meters, heat and water meters and solutions, load control devices, system deployment services and advanced metering infrastructure offerings including software (HES, MDM, analytics), installation, implementation, consulting, maintenance support and related services.

The Chief Operating Decision Maker ("CODM") is the Company's Chief Executive Officer. The CODM allocates resources to and assesses the performance of each operating segment using the information outlined in the table below. Each operating segment offers products for different applications and markets and provides separate financial information that is evaluated regularly by the CODM. Decisions by the CODM on how to allocate resources and assess performance are based on a reported measure of segment profitability.

The CODM assesses the segment's performance primarily by using each segment's net revenue to third parties (excluding any inter-company sales) and the adjusted earnings before interest, taxes, depreciation and amortization ("Adjusted EBITDA"). Management defines Adjusted EBITDA as operating income (loss) excluding (i) depreciation and amortization, (ii) impairment of intangible assets, (iii) restructuring charges, (iv) warranty normalization adjustments, (v) change in unrealized gains and losses on derivatives where the underlying hedged transactions have not yet been realized and (vi) transformation expenses.

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. The Company accounts for intersegment sales and transfers under the same conditions as between unrelated third parties, that is, at market prices.

The CODM assesses net revenue to third parties and Adjusted EBITDA for each segment predominantly in the annual budget and periodic forecasting processes. The CODM considers budget-to-actual and forecast-to-actual variances for these measures when making decisions about the allocation of operating and capital resources to each segment.

SEGMENT INFORMATION – FY 2024

USD in thousands	FINANCIAL YEAR ENDED MARCH 31, 2025 Americas	EMEA	Asia Pacific	Total
Net revenues from external customers	964,642	606,566	158,111	1,729,319
Intersegment revenues	2,844	32,478	569	35,891
Total net revenues	**967,486**	**639,044**	**158,680**	**1,765,210**
Elimination of intersegment revenues				(35,891)
Consolidated net revenue				**1,729,319**
Less:				
Adjusted cost of revenue	651,581	474,179	95,133	
Adjusted research and development expenses	99,008	60,131	1,245	
Adjusted sales and marketing expenses	26,514	35,953	11,471	
Adjusted general and administrative expenses	39,256	38,523	8,921	
Other segment items (1)	24,067	14,172	4,262	
Adjusted EBITDA	**127,060**	**16,086**	**37,648**	**180,794**

Reconciliation of profit or loss (Adjusted EBITDA)

Restructuring charges (2)	(8,147)
Warranty normalization adjustments (3)	4,284
Timing difference on FX derivatives (4)	103
Transformation expenses (5)	(18,323)
Elimination of intersegment profits and corporate unallocated	(9,927)
Depreciation	(31,301)
Amortization of intangible assets	(41,172)
Impairment of intangible assets	(111,000)
Interest income	1,928
Interest expense	(23,654)
Other income (expense), net	(17,595)
Loss from continuing operations before income taxes and equity method investments	**(74,010)**

1) Other segment items represent allocated corporate overhead.
2) Restructuring charges are summarized in Note 28: Restructuring Charges including the line items in the Consolidated Statements of Operations that include the restructuring charges.
3) Warranty normalization adjustments represents warranty expense that diverges from the three-year average of actual warranty costs incurred (in cash or the value of other compensation paid out to customers) in respect of warranty claims.
4) Timing difference on FX derivatives represents unrealized gains and losses on derivatives where the underlying hedged transactions have not yet been realized.
5) Transformation expenses related to the strategic review of the EMEA region, the preparation of a US listing and the focus on the Americas region.

SEGMENT INFORMATION – FY 2023

USD in thousands	FINANCIAL YEAR ENDED MARCH 31, 2024 Americas	EMEA	Asia Pacific	Total
Net revenues from external customers	1,131,317	649,263	163,600	1,944,180
Intersegment revenues	10,050	57,927	1,679	69,656
Total net revenues	**1,141,367**	**707,190**	**165,279**	**2,013,836**
Elimination of intersegment revenues				(69,656)
Consolidated net revenue				**1,944,180**
Less:				
Adjusted cost of revenue	739,470	530,732	121,329	
Adjusted research and development expenses	97,774	61,147	2,090	
Adjusted sales and marketing expenses	26,844	39,618	9,999	
Adjusted general and administrative expenses	54,701	35,999	9,043	
Other segment items	37,159	16,240	4,811	
Adjusted EBITDA	**185,419**	**23,454**	**18,007**	**226,880**

Reconciliation of profit or loss (Adjusted EBITDA)

Restructuring charges	(12,559)
Warranty normalization adjustments	4,588
Timing difference on FX derivatives	893
Elimination of intersegment profits and corporate unallocated	3,006
Depreciation	(30,353)
Amortization of intangible assets	(39,631)
Interest income	1,857
Interest expense	(19,155)
Other income (expense), net	(4,540)
Income from continuing operations before income taxes and equity method investments	**130,986**

The following table presents segment depreciation and amortization and capital expenditures for the financial years ended March 31, 2025, and March 31, 2024:

SEGMENT INFORMATION

	DEPRECIATION AND AMORTIZATION		CAPITAL EXPENDITURE	
	FINANCIAL YEAR ENDED MARCH 31,		FINANCIAL YEAR ENDED MARCH 31,	
USD in thousands	**2025**	2024	**2025**	2024
Americas	43,122	42,373	12,562	10,036
EMEA	18,372	16,797	11,071	17,810
Asia Pacific	2,534	2,506	4,510	3,317
Total segments	**64,028**	**61,676**	**28,143**	**31,163**
Corporate	8,445	8,308	3,803	467
Consolidated	**72,473**	**69,984**	**31,946**	**31,630**

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, 2025, and March 31, 2024:

SEGMENT REVENUE

Financial year ended March 31, 2025 (USD in thousands)	**Total**	**Americas**	**EMEA**	**Asia Pacific**
United States	735,418	734,796	622	–
United Kingdom	112,758	–	112,758	–
Switzerland	74,583	–	74,583	–
Australia	65,067	–	512	64,555
Other countries	741,493	229,846	418,091	93,556
Total net revenue	**1,729,319**	**964,642**	**606,566**	**158,111**

SEGMENT REVENUE

Financial year ended March 31, 2024 (USD in thousands)	**Total**	**Americas**	**EMEA**	**Asia Pacific**
United States	946,485	945,367	1,118	–
United Kingdom	129,589	–	129,589	–
Switzerland	76,821	–	76,821	–
Australia	72,205	–	755	71,450
Other countries	719,080	185,950	440,980	92,150
Total net revenue	**1,944,180**	**1,131,317**	**649,263**	**163,600**

The following tables represent the property, plant and equipment, net as of March 31, 2025, and March 31, 2024:

SEGMENT PP&E, NET

March 31, 2025 (USD in thousands)	**Total**	**Americas**	**EMEA**	**Asia Pacific**
United States	27,134	27,134	–	–
United Kingdom	4,833	–	4,833	–
Switzerland	6,997	–	6,997	–
Australia	2,965	–	–	2,965
Other countries	82,420	27,177	48,144	7,099
Property, plant and equipment, net	**124,349**	**54,311**	**59,974**	**10,064**

SEGMENT PP&E, NET

March 31, 2024 (USD in thousands)	**Total**	**Americas**	**EMEA**	**Asia Pacific**
United States	28,204	28,204	–	–
United Kingdom	6,703	–	6,703	–
Switzerland	8,224	–	8,224	–
Australia	3,035	–	–	3,035
Other countries	71,876	17,994	48,158	5,724
Property, plant and equipment, net	**118,042**	**46,198**	**63,085**	**8,759**

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 33: Subsequent Events

The Company evaluated subsequent events and transactions that occurred after the balance sheet date through May 27, 2025, which is the date that the Consolidated Financial Statements were available to be issued.

No significant events occurred subsequent to the balance sheet date but prior to May 27, 2025, that would have a material impact on the Consolidated Financial Statements.

Statutory Financial Statements of Landis+Gyr Group AG

Report of the statutory auditor

to the General Meeting of Landis+Gyr Group AG, Cham

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Landis+Gyr Group AG (the Company), which comprise the balance sheet as at 31 March 2025, and the income statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements (pages 72 to 78) comply with Swiss law and the Company's articles of incorporation.

Basis for opinion

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

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

Our audit approach

Materiality

The scope of our audit was influenced by our application of materiality. Our audit opinion aims to provide reasonable assurance that the financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall materiality for the financial statements as a whole as set out in the table below. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate, on the financial statements as a whole.

Overall materiality	CHF 12'000'000
Benchmark applied	Total Assets
Rationale for the materiality benchmark applied	We chose Total Assets as the benchmark because, in our view, it is the most relevant measure for the activities of Landis+Gyr Group AG as a holding company.

We agreed with the Audit, Finance and Risk Committee that we would report to them misstatements above CHF 600'000 identified during our audit as well as any misstatements below that amount which, in our view, warranted reporting for qualitative reasons.

Audit scope

We designed our audit by determining materiality and assessing the risks of material misstatement in the financial statements. In particular, we considered where subjective judgements were made; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the financial statements as a whole, taking into account the structure of the Company, the accounting processes and controls, and the industry in which the Company operates.

Key audit matters

We have determined that there are no key audit matters to communicate in our report.

Other information

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

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

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

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

Board of Directors' responsibilities for the financial statements

The Board of Directors is responsible for the preparation of financial statements in accordance with the provisions of Swiss law and the Company's articles of incorporation, and for such internal control as the Board of Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

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

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- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

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

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

Report on other legal and regulatory requirements

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

Based on our audit according to article 728a para. 1 item 2 CO, we further confirm that the proposed appropriation of the accumulated deficit and the statutory capital reserves comply with Swiss law and the Company's articles of incorporation. We recommend that the financial statements submitted to you be approved.

PricewaterhouseCoopers AG

Patrick Balkanyi Licensed audit expert Auditor in charge	Keleigh Ramos

Zug, 27 May 2025

Balance Sheet

CHF in thousands	Notes	March 31, 2025	March 31, 2024
ASSETS			
Current assets			
Cash and cash equivalents		5	4
Total current assets		**5**	**4**
NON-CURRENT ASSETS			
Long-term loan receivable from subsidiary		303,149	296,241
Investment	5	897,205	897,205
Total non-current assets		**1,200,354**	**1,193,446**
TOTAL ASSETS		**1,200,359**	**1,193,450**
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities			
Trade accounts payable to subsidiary		18,172	12,342
Accrued liabilities		16	16
Total current liabilities		**18,188**	**12,358**
Non-current liabilities			
Long-term loan payable to subsidiary		534,642	443,142
Provision for unrealized FX gain		47,093	42,831
Total non current liabilities		**581,735**	**485,973**
Total liabilities		**599,923**	**498,331**

CHF in thousands	Notes	March 31, 2025	March 31, 2024
SHAREHOLDERS' EQUITY			
Share capital	6	289,089	289,089
Statutory capital reserves	7	554,253	620,235
Reserve for treasury shares held by subsidiary			
– against statutory capital reserves	8	4,931	3,808
Statutory retained earnings		2,953	2,953
Accumulated deficit		(250,790)	(220,966)
Accumulated deficit brought forward		(220,966)	(203,070)
Loss for the year		(29,824)	(17,896)
Total shareholders’ equity		**600,436**	**695,119**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**1,200,359**	**1,193,450**

See notes to the statutory financial statements.

Income Statement

		FINANCIAL YEAR ENDED MARCH 31,	
CHF in thousands	Notes	2025	2024
Operating expenses		(18,286)	(12,082)
OPERATING LOSS		**(18,286)**	**(12,082)**
Financial income		12,710	12,415
Financial expense		(24,209)	(18,199)
LOSS BEFORE TAXES		**(29,785)**	**(17,866)**
Direct taxes expense		(39)	(30)
LOSS FOR THE YEAR		**(29,824)**	**(17,896)**

See notes to the statutory financial statements.

Notes to the Statutory Financial Statements

Note 1: Applicable Accounting Law

These standalone financial statements have been prepared in accordance with articles 957–963b of the Swiss Code of Obligations (CO).

Landis+Gyr Group AG, Cham, Switzerland (the "Company") reports its Consolidated Financial Statements on the basis of a recognized standard (US GAAP) and has therefore, in accordance with the legal provisions, decided not to provide a separate management report, a separate statement of cash flows or notes on the audit fees and on interest-bearing liabilities in these Statutory Financial Statements.

The above content is reflected in the "Performance Report", "Corporate Governance Report" and "Financial Report" sections of the Company's Annual Report.

Note 2: General

Landis+Gyr Group AG is the parent company of the Landis+Gyr group of companies, which is a leading global provider of energy management solutions.

The Company's registered ordinary shares are listed on the SIX Swiss Exchange.

Note 3: Summary of Significant Accounting Principles

3.1 Conversion of Foreign Currencies
The Company's functional currency is the US Dollar, translated into Swiss Francs for statutory financial reporting purposes. Transactions during the year denominated in foreign currencies are translated and recorded in US Dollars at actual exchange rates prevailing on the dates of the transactions. Profits and losses on exchange are recognized in the income statement, with the exception of unrealized gains, which are deferred until they are realized.

With the exception of investments and equity which are translated at historical rates, all other assets and liabilities are translated into Swiss Francs using the year-end closing rate, whereas income and expenses are translated using the average exchange rate. Foreign currency exchange losses arising from translation are shown as currency translation differences under financial expense. Foreign currency exchange gains arising from translation are deferred on the balance sheet. A foreign exchange translation gain of CHF 47.1 million (prior year: CHF 42.8 million) has been deferred on the balance sheet.

The current year foreign exchange rate realized loss was less than CHF 0.1 million. In the prior year, a foreign exchange gain of CHF 1.2 million was realized. These realized exchange rate gains and losses are not taxable as the taxable currency is equivalent to the functional currency which is the US Dollar.

3.2 Investment
The investment in subsidiary is carried at cost less adjustments for impairment, if any. The investment is reviewed annually for impairment and adjusted to the recoverable amount in instances where the carrying value is determined to be in excess of the recoverable amount.

3.3 Long-term Loan Receivable
Financial assets are valued at acquisition cost less adjustments for foreign currency losses and any other impairment of value.

Note 4: Number of Employees

The Company did not have any employees in the financial years ended March 31, 2025, and March 31, 2024.

Note 5: Investments

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

COMPANY	NOMINAL CAPITAL	OWNERSHIP & VOTING RIGHTS MARCH 31,	
		2025	2024
Landis+Gyr AG, Alte Steinhauserstrasse 18, Cham	CHF 29,700,000	100%	100%

At March 31, 2025 and 2024, the Company performed an impairment analysis. No impairment charge was recorded in the financial years ended March 31, 2025 and 2024.

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

COMPANY	NOMINAL CAPITAL	OWNERSHIP & VOTING RIGHTS MARCH 31,	
		2025	2024
Landis+Gyr Investments LLC, Lafayette, USA	USD 100	100%	100%
Landis+Gyr Ltd, UK	GBP 43,600,000	100%	100%
Luna Elektrik Elektronik Sanayi ve Ticaret A.Ş., Izmir, Turkey	TRY 250,000	100%	100%
Etrel d.o.o, Slovenia	EUR 7,500	0%	75%
Landis+Gyr Holdings Pty Ltd, Australia	AUD 45,587,028	100%	100%

Note 6: Share Capital

On March 31, 2025, the share capital represented 28,908,944 (prior year: 28,908,944) authorized, registered and issued ordinary shares with restricted transferability with a nominal value of CHF 10 each. The restricted transferability is related to the fact that the Company can reject a shareholder not disclosing the beneficial owner. Registered ordinary shares carry one vote per share, as well as the right to dividend.

Conditional Share Capital

The share capital of the Company may be increased by up to CHF 4,500,000 by issuing up to 450,000 fully paid-up registered shares with a nominal value of CHF 10 each, upon the exercise of option rights or in connection with similar rights regarding shares granted to officers and employees at all levels of the Company and its subsidiaries 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, 2025, no shares were issued from this conditional share capital.

Furthermore, the share capital of the Company may be increased by up to CHF 28,908,940 by the issuance of up to 2,890,894 fully paid-up registered shares with a nominal value of CHF 10 each, upon the exercise or mandatory exercise of conversion, exchange, option, warrant or similar rights for the subscription of shares granted to shareholders or third parties alone or in connection with bonds, notes, loans, options, warrants or other securities or contractual obligations of the Company or any of its subsidiaries. As of March 31, 2025, no shares were issued from this conditional share capital.

Capital Band

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

Until June 22, 2026, or an earlier expiry of the capital band, the total number of newly issued shares which may be issued with the restriction or withdrawal of advance subscription rights or pre-emptive rights (1) from the conditional capital and (2) from the capital band must not exceed 2,890,894 new shares.

Note 7: Statutory Capital Reserves

MOVEMENT IN STATUTORY CAPITAL RESERVES

	FINANCIAL YEAR ENDED MARCH 31,	
CHF in thousands	**2025**	2024
Statutory capital reserves as of April 1,	620,235	682,489
Dividend payment of CHF 2.25 (prior year: CHF 2.20) per share	(64,859)	(63,483)
Transfer to reserve for treasury shares held by subsidiary – against statutory capital reserves	(1,123)	1,229
Statutory capital reserves carried forward	**554,253**	**620,235**

The statutory capital reserves balance per March 31, 2024, has been approved by the tax authorities.

The transfer to the reserve for treasury shares held by subsidiary is outlined in Note 8: Treasury Shares and Reserve for Treasury Shares Held by Subsidiary.

Note 8: Treasury Shares and Reserve for Treasury Shares Held by Subsidiary

During the financial years ended March 31, 2025, and March 31,2024, 7,217 and 6,501 treasury shares, respectively, were purchased and delivered as compensation-in-kind to the members of the Board of Directors.

The movement in the number of Treasury shares during the year was as follows:

	FINANCIAL YEAR ENDED MARCH 31,			
	2025	**2025**	2024	2024
	Number of shares	**Average acquisition price per share (in CHF)**	Number of shares	Average acquisition price per share (in CHF)
Treasury shares – opening balance as of April 1,	–	–	–	–
Purchase of shares	7,217	75.90	6,501	90.47
Delivery of shares	(7,217)	75.90	(6,501)	90.47
Treasury shares – closing balance as of March 31,	**–**	**–**	**–**	**–**

In addition, a subsidiary company, Landis+Gyr AG, also purchased shares in the Company, and as of March 31, 2025, held 89,337 shares (prior year: 54,456 shares) at an average acquisition price of CHF 55.20 per share (prior year: CHF 69.93) which are reserved for the employee and Board compensation plans.

During the year, the subsidiary purchased 120,000 additional shares and the number of shares transferred to the Company for distribution to Board members was 7,217 (average purchase price of CHF 75.90).

The value of the movement of shares held by Landis+Gyr AG, amounting to CHF 1.1 million (prior year: CHF 1.2 million), during the year has been debited to the Statutory capital reserves and credited to the Reserve for treasury shares held by subsidiary.

Note 9: Contingent Liabilities

Landis+Gyr Group AG forms part of the Swiss VAT group of Landis+Gyr and is therefore a liable party for any tax liabilities. The VAT group consists of Landis+Gyr AG, Landis+Gyr Group AG and Caligyr AG.

Note 10: Third Party Guarantees

The Company has entered into guarantees that provide financial assurances to certain third parties related to the outstanding lines of credit. The total amount was CHF 336 million and CHF 288 million as of March 31, 2025, and March 31, 2024, respectively. The exchange rates used to convert the maximum liability amounts into CHF are USD 0.88 (prior year: 0.90) and EUR 0.96 (prior year: 0.97).

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, 2025, and March 31, 2024, the members of the Board held the following number of shares in the Company:

NAME	FUNCTION	NUMBER OF SHARES HELD AS OF MARCH 31,	
		2025	2024
Andreas Umbach	Chair	79,395	77,536
Eric Elzvik	Lead Independent Director	12,474	11,054
Andreas Spreiter	Independent Member	11,736	10,970
Christina Stercken	Independent Member	5,660	4,894
Peter Mainz [(a)]	Not independent; CEO	6,297	4,139
Laureen Tolson	Independent Member	2,666	1,950
Audrey Zibelman	Vice Chair	1,269	435
Fabian Rauch [(b)]	Not independent; representative of a major shareholder	364	n/a

(a) Appointed CEO and member of the GEM effective November 21, 2024.
(b) Representative of Spectrum Entrepreneurial Ownership (SEO), holding 1,448,338 shares which amounts to 5.01% of outstanding share capital. Newly elected at the EGM on August 26, 2024.

At March 31, 2025, and March 31, 2024, 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, 2025	
		NUMBER OF SHARES HELD	NONVESTED SHARE EQUIVALENTS UNDER THE LTIP
Peter Mainz [(a)]	Chief Executive Officer	6,297	–
Robert Evans [(b)]	Head of EMEA	–	1,223
Prasanna Venkatesan [(c)]	Head of Americas	–	8,207

(a) Appointed CEO and member of the GEM effective November 21, 2024.
(b) Appointed member of the GEM effective November 1, 2024.
(c) Appointed member of the GEM effective December 10, 2024.

NAME	FUNCTION	FINANCIAL YEAR ENDED MARCH 31, 2024	
		NUMBER OF SHARES HELD	NONVESTED SHARE EQUIVALENTS UNDER THE LTIP
Werner Lieberherr	Chief Executive Officer	8,689	28,002
Elodie Carr-Cingari	Chief Financial Officer	1,162	11,710
Bodo Zeug	Head of EMEA	1,101	8,524
Sean Cromie	Head of Americas	1,649	8,396

Note 12: Significant Shareholders

At March 31, 2025, and March 31, 2024, respectively, the significant shareholders in the Company, holding more than 3% of the total shares, were:

	MARCH 31, 2025	
Name (Beneficial owner/legal shareholder)	**Number of Shares**	**Holding %**
Rudolf Maag	3,000,000	10.38%
UBS Fund Management (Switzerland) AG	1,489,378	5.15%
SEO Management AG	1,448,338	5.01%
BlackRock, Inc.	1,067,555	3.69%
Barry Lebovits, Joshua Kuntz / Rivulet Capital Master Fund Ltd	925,000	3.20%
Norges Bank	905,642	3.13%

	MARCH 31, 2024	
Name (Beneficial owner/legal shareholder)	**Number of Shares**	**Holding %**
Rudolf Maag	3,000,000	10.38%
Kjeld Kirk Kristiansen, Thomas Kirk Kristiansen, Sofie Kirk Kristiansen, Agnete Kirk Thinggaard / KIRKBI Invest A/S	2,222,633	7.69%
Global Alpha Capital Management Ltd.	882,783	3.05%

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, 2025, and March 31, 2024.

Proposed Appropriation of the Accumulated Deficit and Statutory Capital Reserves

PROPOSED APPROPRIATION OF THE ACCUMULATED DEFICIT

	FINANCIAL YEAR ENDED MARCH 31,	
CHF in thousands	**2025**	2024
Balance carried forward from previous year	(220,966)	(203,070)
Loss for the year	(29,824)	(17,896)
Accumulated deficit	**(250,790)**	**(220,966)**

The Board of Directors proposes to the Annual General Meeting to carry forward the accumulated deficit.

PROPOSED APPROPRIATION OF STATUTORY CAPITAL RESERVES

	FINANCIAL YEAR ENDED MARCH 31,	
CHF in thousands	**2025**	2024
Statutory capital reserves carried forward (a)	554,253	620,235
Proposed dividend payment of CHF 1.15 per share on max. 28,908,944 shares out of statutory capital reserves (b)	(33,245)	–
Dividend payment of CHF 2.25 per share	–	(64,859)
Transfer to reserve for treasury shares held by subsidiary	–	(1,123)
Statutory capital reserves to be carried forward (c)	**521,008**	**554,253**

(a) Refer to Note 7: Statutory Capital Reserves for the movements in statutory capital reserves during the year.
(b) Treasury shares held by Landis+Gyr AG at the record date will not receive dividends. Accordingly, the total amount distributed will be lower.
(c) Amount depends on the total distribution.

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