

# Shape Focus to perform

**Annual Report 2022**

Ascom is a global solutions provider focused on healthcare ICT and mobile workflow solutions. The vision of Ascom is to close digital information gaps allowing for the best possible decisions – anytime and anywhere.

Ascom's mission is to provide mission-critical, real-time solutions for highly mobile, ad hoc, and time-sensitive environments. Ascom uses its unique products and solutions and software architecture capabilities to devise integration and mobilization solutions to improve workflows for healthcare, industry and retail sectors.

# Shareholder return

	2022 <sup>1</sup>	2021	2020	2019	2018
Dividend (CHF per share)	0.20	0.20	–	–	0.45
Average annual share price (CHF)	8.22	14.5	9.8	11.9	19.2
Dividend yield (%)	2.4%	1.4%	N/A	N/A	2.3%

<sup>1</sup> Proposal to the Annual General Meeting.

## Share information

	2022	2021
Share price at 31.12. in CHF	7.43	11.76
Market capitalization at 31.12. in CHFm	267.5	423.4
Nominal value per share in CHF	0.50	0.50

297.4m

Net revenue

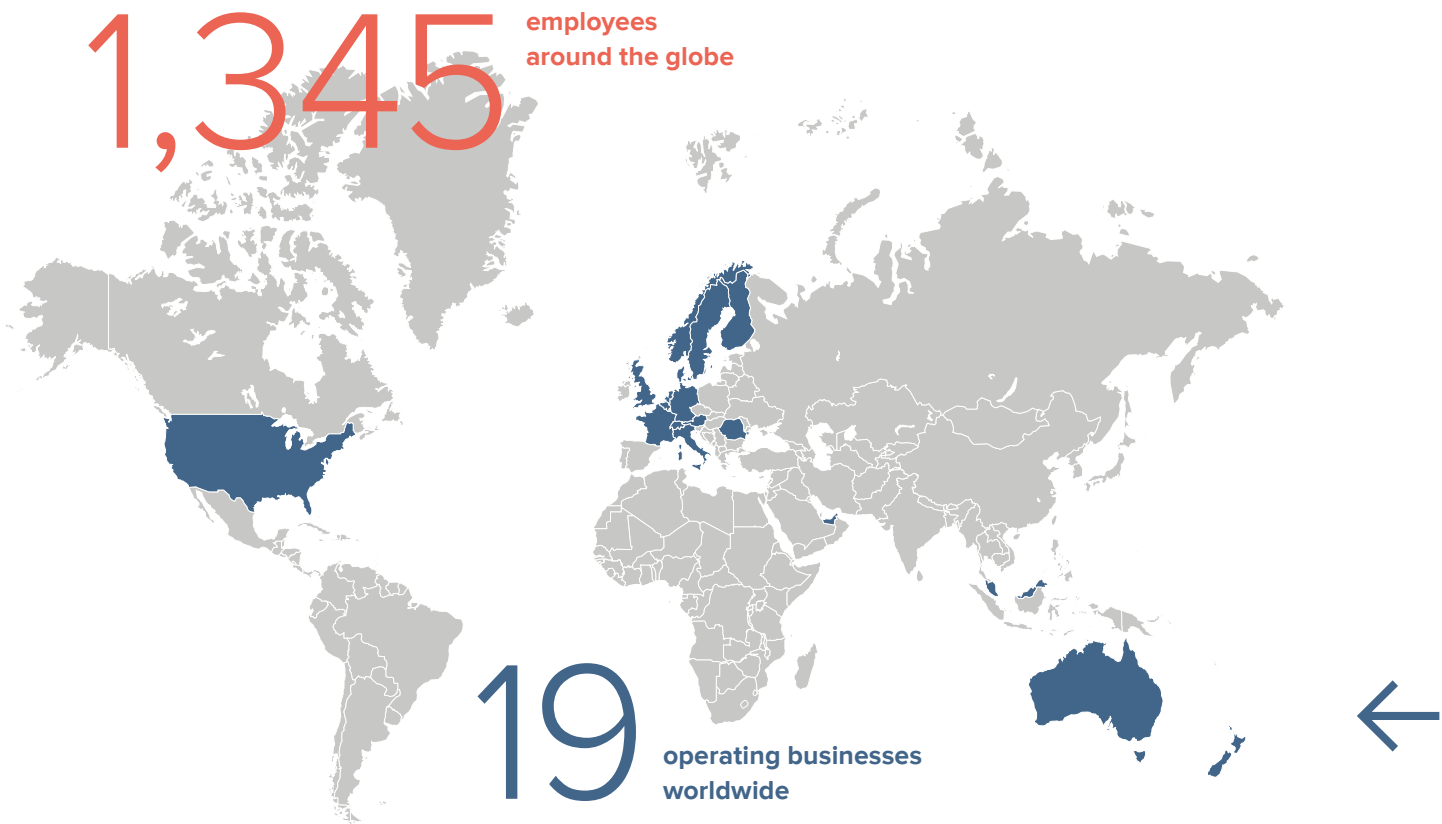
## Share price performance 2018 to 2022



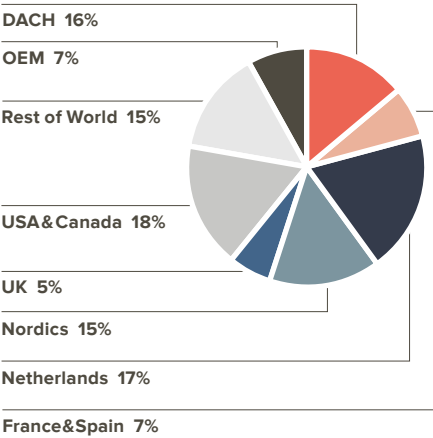
335.7m

Incoming orders

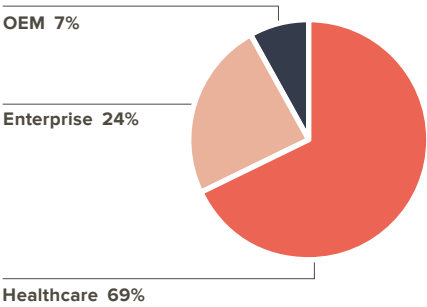
# A technology company operating worldwide



Revenue by region



Revenue by segment



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# Letter to Shareholders



Dr Valentin Chaperon Rueda, Chairman of Ascom  
Nicolas Vanden Abeele, CEO of Ascom

## Dear Shareholders

Ascom looks back on an eventful and successful fiscal year 2022, which we closed with solid results despite the continued shortage of components and a strong currency headwind:

- Net revenue of CHF 297.4 million, reflecting an increase of 2.0% (7.2% at constant currencies)
- EBITDA of CHF 23.9 million with an EBITDA margin of 8.0%. Adjusted for one-off effects of CHF 5.2 million due to the revaluation of the Swedish pension fund and the CEO change, EBITDA came to CHF 29.1 million representing an EBITDA margin of 9.8% (10.5% at constant currencies) compared to 9.8% in the previous year
- Net profit was slightly lower due to one-off effects and came to CHF 11.0 million (2021: CHF 13.5 million) and earnings per share to CHF 0.31 (2021: CHF 0.38)
- The balance sheet remains strong with a net cash position of CHF 16.6 million and an equity ratio of 36.4% as of 31 December 2022 (41.1% as of year-end 2021)

## Substantial progress despite challenging environment

Macroeconomic conditions in 2022 were demanding and still influenced by the Covid pandemic as well as a volatile geopolitical environment. Ascom had to cope with turbulent economic developments driven by inflationary cost increases and a continued global chip shortage. The impact has been a substantial increase in material, energy and logistic costs in addition to extraordinary price increases for certain chip components. Moreover, the challenging stock market environment impacted the performance of the pension funds that led to an increase in provision in particular in Sweden and the United Kingdom.

Despite the challenging conditions, Ascom has made good progress during the reporting year. Under the new leadership of Nicolas Vanden Abeele, several strategic and operational initiatives have been launched to further drive the transformation of Ascom from a product-focused company to a solutions and service-oriented organization. In 2022, Ascom has set a strong focus on enhancing the business performance to compensate for the demanding economic conditions while improving execution and strengthening its competitive capabilities. The enhanced operating performance in the second half of 2022 already shows the positive impact of the measures taken.

An important driver for our future success is the creation of a standardized Ascom offering, easy to install and service, and tailored to the specific market and customer needs. In a first step, Ascom progressed well with the harmonization of the software suites Digistat and Unite, which resulted in the successful launch of the new Ascom Healthcare Platform. The acquisition of Ofelia - a software solution tailored to our long-term care and enterprise customers - in July 2022 will open additional business opportunities. In parallel, major steps have been made to harmonize the patient systems Telecare and Telligence in one single platform.

On the sales side we have worked intensively with our Group companies to improve our go to market approach while developing a dedicated partner ecosystem to enhance market penetration.

The most important success factor is of course our global team of highly qualified professionals. We have increased our focus in the development of our

employees through training and talent management. We are fostering a culture of innovation and creative thinking, which we consider crucial for the success of the Company and represents a cornerstone of our strengthened ESG strategy. Ascom strives to become the industry leader in the digital support for the delivery of care to enable better patient outcomes. We are well positioned for future profitable growth and expect to benefit from the positive development of the Healthcare communication market, driven by digitalization, increasing customer staff shortages, and government funding programs.

### **Continued dividend payment**

Ascom has a solid equity story focusing on long-term profitable growth and cash generation creating value for all stakeholders.

The Board of Directors is proposing a dividend of CHF 0.20 per share to the Annual General Meeting 2023.

### **Positive outlook**

Ascom starts the business year 2023 with a strong order backlog. The optimization and further improvement of the margin and cost structure will continue to be an important focus in 2023.


We are confident to achieve our mid-term guidance as communicated in 2021. Over the next years, Ascom expects to reach double-digit revenue growth and an annual improvement of the EBITDA margin of about 100 bp per year until 2025.

For fiscal year 2023, Ascom targets revenue growth of around 10% at constant currencies, and aims to achieve an EBITDA margin of around 11%.

### **A word of thanks**

2022 was in many aspects an eventful business year and we have set ambitious targets for Ascom's future. The Board of Directors and the Executive Committee would like to thank our shareholders, customers, and business partners for their confidence in Ascom. A special thanks goes to our employees for their diligent work and daily dedication to deliver the best solutions, enhance the performance of our Company, and implement our vision to become a global leader in Real-Time Communication and Collaboration.

Sincerely,



Dr Valentin Chaperó Rueda  
Chairman of the Board



Nicolas Vanden Abeele  
CEO

# Performance Report

Ascom made good progress on its transformation from a product- to a solutions-oriented company. Despite volatile macroeconomic conditions and an unstable geopolitical environment, Ascom showed good financial performance with 7.2% revenue growth and an adjusted EBITDA<sup>1</sup> margin of 10.5% for fiscal year 2022, both at constant currencies.

## Revenue growth of 7.2% in line with guidance

Ascom achieved the communicated revenue growth target 2022 despite a demanding market environment. The Company generated net revenue of CHF 297.4 million for fiscal year 2022 (2021: CHF 291.5 million) representing an increase of 2.0% (7.2% at constant currencies) and therefore in line with the guidance 2022 targeting mid- to high-single digit revenue growth. The target has been achieved despite a continued shortage of components, geopolitical uncertainties and an overall volatile market environment. The most successful regions with double-digit revenue growth (at constant currencies) were DACH, France&Spain and Rest of World. Nordics and USA&Canada showed solid growth rates as well while performance in the Netherlands and in UK was below expectations.

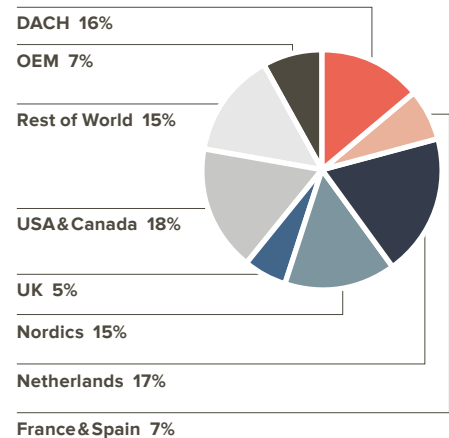
Revenue split by market segment showed the Healthcare sector accounting for 69% of total revenue in 2022 (2021: 68%), while the Enterprise sector remained at 24% (2021: 24%) and the OEM business accounted for about 7% (2021: 8%).

Strong growth was achieved in the patient systems product line, and the software business developed positively as well. Revenue from service business came to 35% (2021: 38%), taking into account that not all planned projects could be delivered due to supply issues. The share of recurring revenue remained at about 25% as in the previous year.

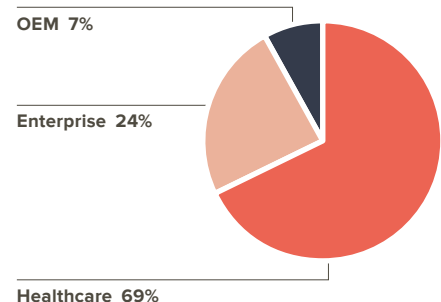
## Healthy order backlog

In 2022, Ascom generated incoming orders of CHF 335.7 million, representing an increase of 3.3% at constant currencies (2021: CHF 342.3 million). Strong order growth was seen in particular in the regions Rest of World, UK, DACH, the Netherlands as well as in USA&Canada. The order intake in OEM was significantly lower

Revenue by region



Revenue by segment





than in 2021 as OEM was benefiting from a very large frame contract in December 2021. Adjusted for this large frame contract, orders in 2022 grew overall by 9.8% compared to the previous year.

The Company is starting fiscal year 2023 with a healthy order backlog of CHF 276.5 million as of 31 December 2022 (31 December 2021: CHF 256.1 million). About 40% of the total order backlog will be relevant to revenue in 2024 and beyond.

### **Adjusted EBITDA margin of 10.5% at constant currencies**

In 2022, gross profit came to CHF 136.1 million (2021: CHF 136.7 million) with a gross margin of 45.8% (2021: 46.9%). The gross margin was burdened by volatile macro-economic conditions, including substantial increases of component prices on spot markets, and higher energy and logistics costs, also due to rising cost inflation, which Ascom was successful to pass on partly.

However, Ascom reported a strong second half-year 2022 with an EBITDA margin of about 14.5%, compared to 12.3% for the second half of 2021, and 1.2% for the first-half of 2022. This positive development illustrates that Ascom is on track to improve its profitability. Overall, the Company achieved for fiscal year 2022 an EBITDA of CHF 23.9 million leading to an EBITDA margin of 8.0%. As already disclosed in the half-year results 2022, the EBITDA was affected by one-off charges of CHF 5.2 million, including required revaluation of the Swedish pension plan of CHF 4.5 million and CHF 0.7 million due to the CEO change. Adjusted for those effects, EBITDA for fiscal year 2022 came to CHF 29.1 million with an EBITDA margin of 9.8% and 10.5% at constant currencies, respectively (2021: 9.8%).

Although EBIT in the first half of 2022 was negative at CHF 3.5 million, Ascom was able to achieve a positive EBIT of CHF 14.0 million for the full fiscal year 2022 (2021: CHF 15.8 million).

Taking into account a positive net financial result of CHF 0.9 million and slightly higher income taxes in 2022, Group profit for fiscal year 2022 came to CHF 11.0 million (2021: CHF 13.5 million) and earnings per share were CHF 0.31 (2021: CHF 0.38).

### **Solid balance sheet with equity ratio of 36.4%**

In 2022, Ascom generated a positive cash flow from operating activities of CHF 10.2 million (2021: CHF 11.6 million). The difference compared to the previous year resulted mainly from higher net working capital due to the ongoing component shortage situation.

Cash flow used by investing activities was CHF 14.0 million, including CHF 13.4 million for capital expenditure and CHF 1.1 million for the acquisition (2021: cash flow from investing activities of CHF 5.2 million, included mainly an early repayment of a vendor loan related to the sale of the former Network Testing Division in the amount of USD 17.1 million). Cash flow from financing activities in the amount of CHF 2.2 million included mainly the dividend payment of CHF 7.2 million in April 2022 for prior year and proceeds from long-term borrowings of CHF 10.0 million (2021: CHF -19.0 million, due to the repayment of outstanding long-term borrowings).

At balance sheet date, total assets amounted to CHF 201.8 million (31 December 2021: CHF 194.7 million). Cash and cash equivalents were at CHF 26.6 million (31 December 2021: CHF 29.5 million), and inventories and work in progress increased to CHF 37.6 million (31 December 2021: CHF 27.7 million). The net cash position as of 31 December 2022 was CHF 16.6 million (31 December 2021: CHF 29.5 million).

Shareholders' equity stood at CHF 73.4 million as of year-end 2022 (31.12.2021: CHF 80.0 million), which represents a solid equity ratio of 36.4% (31.12.2021: 41.1%).

<sup>1</sup> For definition of EBITDA see page 84 of this Annual Report





# Shape Focus to perform

strengthen competitive capabilities  
operational excellence  
improved financial performance

**Expand**  
Accelerating  
growth

**Exceed**  
Sustained  
performance

# Shaping our performance

Communication and collaboration solutions form the centerpiece of Ascom's value proposition, through which we facilitate and optimize communication processes and orchestrate mission-critical events for our customers. By doing so, we solve key customer pain points, enable better delivery of care, and improve overall efficiency, productivity, and costs.

With our longstanding history in mission-critical communication, Ascom is well positioned to address the growing demand for communication solutions for Healthcare and Enterprise customers. Ascom strives to become an industry leader in Real-Time Communication and Collaboration solutions.

It is our ambition to become the enabling backbone of a hospital, through which data are generated and translated into insights, workflows are orchestrated, and the customer is enabled to take the right actions at the right time. By that, Ascom creates better outcomes for all its stakeholders – patients, caregivers, employees, customers, and partners.

Ascom is well on track in its transformation from a product to a full solution company. Supported by a strong purpose and culture, and with a clear commitment to sustainability, Ascom is well positioned to capture superior market growth in the next several years, focusing on increasing further the deployment of software, services, and consultancy.

Mission-critical communication and collaboration solutions create the center of our competitive advantage. We at Ascom pursue a growth strategy with a strong focus on software solutions, complemented by state-of-the-art mobility and nurse call solutions. We offer comprehensive mobile workflow orchestration solutions to facilitate and optimize processes in acute care, long-term care, and enterprises.

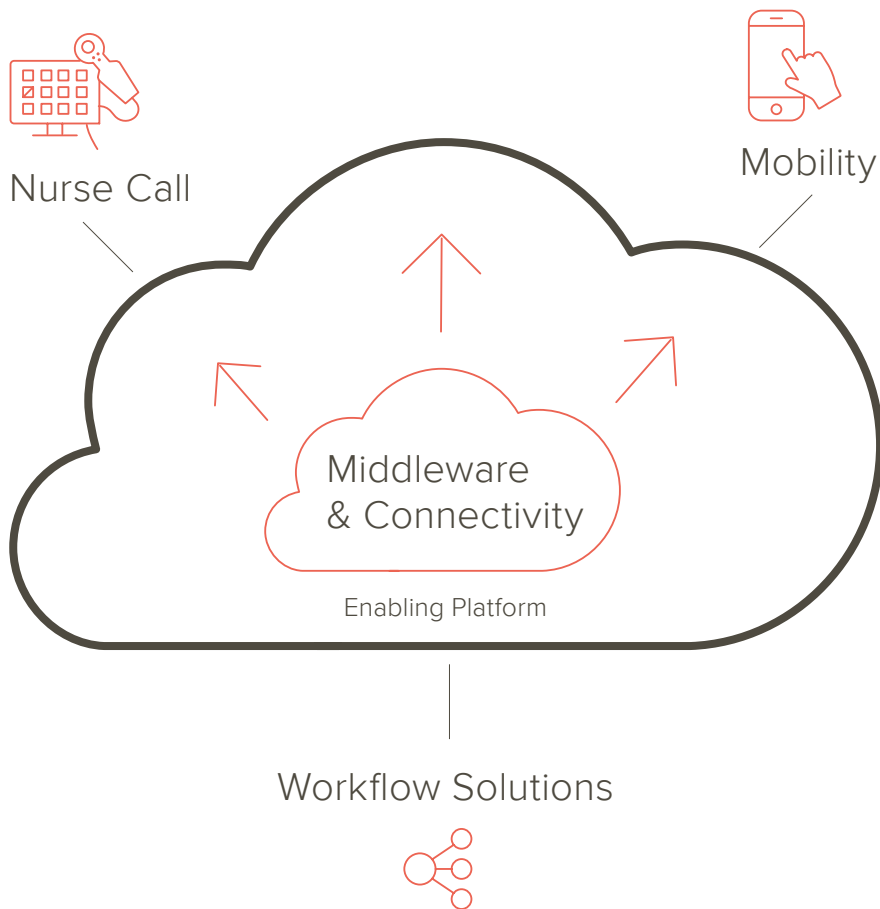
In 2022 Ascom has set a strong focus on enhancing the business performance. We have further shaped and streamlined our operations and strengthened our competitive capability. We will accelerate Ascom's path to sustained double-digit growth and profitability in the coming years with Ascom's strategic roadmap for 2025 following three chapters:

- **Shape** – Focus to perform
- **Expand** – Accelerating growth
- **Exceed** – Sustained performance

## **Shape: We enhance our competitive capability with productivity improvements and innovations**

In 2022 we focused on strengthening our foundations for efficient processes, state-of-the-art innovation, and overall performance. We invested further in customer proximity and sales power, streamlined our portfolio, strengthened our value proposition and harmonized our platforms and software-centered solutions.

In July 2022, we successfully executed the acquisition of the French software player Appliware. With its software solution Ofelia, we strengthened further our offering. We also progressed with the harmonization of our software suites Digistat and Unite, which resulted in the successful launch of the new Ascom Healthcare Platform in September 2022. The Ofelia and Ascom Healthcare Platforms confirm our strategic shift to fully integrated software solutions.



This platform harmonization has enabled Ascom to simplify and strengthen its portfolio and better serve its customers in the acute care, long-term care, and enterprise sector. It provides a strong foundation for our growth ambitions in the near future.

### **Expand: Accelerating growth through innovation and operational efficiency**

2022 confirmed Ascom's impact and success in the market. As we transition into 2023, Ascom is focused on accelerating further its growth, stepping up its sales and delivery scalability, improving its speed of innovation, and investing further in its people and the environment.

Despite the volatile macro- and geopolitical environment, our industry is benefiting from positive secular growth trends, increasing the need for critical communication & collaboration and digitalization of activities, such as:

- Global shortage of qualified staff in acute care and long-term care, combined with an aging population with increasing medical needs
- Request for continuous communication and monitoring in critical work environments to enhance staff safety and reduce work-related accidents and injuries
- Digital orchestration of workflows and workforce tasks
- Increased financial pressure, driving purchasing based on efficiency enhancement and overall cost reduction



In view of these market trends, our four strategic pillars for 2023 and beyond are:

- Growth and Profitability Acceleration, through integrated solutions and increased market share capture
- People & Environment by placing a high priority on our ESG (Environment, Social, Governance) ambitions
- Operational Excellence, stepping up efficiency in everything we do such as digital customer journey, improved service delivery, remote monitoring
- Outcome-based Solutions and Platforms, that are customer-centric and generate significant value for our customers

In addition to more efficient and effective processes, lowering our cost base, stepping up innovation in new workflows and services, and capturing recurring revenue streams are key to our strategy to accelerate profitable growth for Ascom.

We are committed to driving our ambitions in ESG alongside software growth and process improvements. Our ambition is to become carbon-neutral by 2040 as well as to obtain a top-tier ESG rating in the industry by 2030. Our employees are the most important asset we have. They also play a key role in implementing our sustainability strategy. One of Ascom's main priorities in 2023 is to put a strong focus on employee engagement, training and talent development. With various activities, we want to involve them even more in the development of our Company by recognizing and addressing their ideas and concerns.

We strive to the diligent and efficient use of natural resources and energy, and to minimize our impact on the environment – whether through the sustainability of the solutions we sell or the infrastructure and processes we use. Furthermore, we are reassessing and reinforcing our objectives regarding waste reduction, the use of eco-friendly materials and packaging, and the reduction of energy consumption of our devices and solutions.

We are convinced that our goals in sustainability will support and strengthen Ascom's strategy for sustained and profitable growth.

**Exceed: Driving excellence through continuous innovation**

Next to continuing our growth across the three major market segments, Ascom will sustain its investment in innovation to deliver state-of-the-art workflows along the care continuum in acute care and long-term care, and to deliver mission-critical workflow orchestration and communication for our enterprise customers.

We are committed to becoming the industry leader in the Real-Time Communication and Collaboration solutions in the healthcare and enterprise market. We are looking forward to continuing to create value for our customers, partners, and shareholders by delivering workflow solutions in highly demanding, mission-critical environments and by striving for superior growth and performance. With this, we create value for our customers. It's all about better outcomes for patients and people.

# Providing better outcomes for patients and caregivers

*ZuidOostZorg, a care and knowledge organization in the Netherlands, is equipping all its locations where it offers care to people with dementia with the sensor technology of Ascom Unite SmartSense. The solution contributes to a safe living environment and increases privacy for residents. In addition, it provides more insight and overview among healthcare workers and optimizes care processes.*

Reassuring daily routines are especially important for dementia patients. One of the challenges for nursing staff is therefore to provide targeted and individualized support while responding as best as possible to the condition and rhythm of dementia patients.

With Ascom Unite SmartSense, wireless sensors are installed in residents' rooms. Combined with smart software, the resident's activities are displayed on a dashboard on the caregiver's phone. A personal profile is created for each resident based on their disease state and a risk assessment, which is tailored to their care needs and allows behavioral trends to be easily identified. Ascom SmartSense notifies caregivers of significant deviations in a resident's status from his or her base profile. The resident's status is continually updated with data automatically collected by in-room sensors. Staff do not need to actively collect this data. The type and number of sensors installed is decided in accordance with residents' needs.

Ascom has configured the solution to meet ZuidOostZorg's specific requirements. This means that the system optimally supports the work processes and can thus improve the quality of care.

Tjitske Kooi, Nurse Gerontology Geriatrics at Lijtheim in Ureterp: "With Ascom SmartSense we can see the status of the resident on the dashboard at any time of the day. Is the patient in bed? Is the patient walking around the room? Is he or she in the bathroom or out of the room? If an anomalous situation is detected by the system in the monitoring, we will receive a notification because an unsafe situation may have arisen."

**"I wish every department where people with dementia work with such a system!"**

Tjitske Kooi,  
Nurse Gerontology Geriatrics  
at Lijtheim in Ureterp

## **Reporting only when deviating from the personal profile**

Messages are only made when a client deviates from their own personal profile. Is someone used to going to the toilet at night and coming back to bed after a few minutes? Then this is not a reason for a report. Does it take much longer than usual? Then it is reported. Tjitske: "In this way we only get the reports that really



matter, which brings more peace to the wards. This allows us to direct our time and resources on the clients who really need the carers attention. It's like a positive domino effect."

The important thing is that it is not the system itself that determines when a notification is made, but rather the caregiver who sets it up based on the resident's personal profile.

Tjitske is full of praise for the experience with Ascom SmartSense so far. "Compared to the classic nurse call systems, this is so much better, and it also makes working much more fun. We used to run standard night rounds. Now we have much more overview without always being physically present. In the past, we sometimes visited 9 out of 10 calls unnecessarily. That made residents restless, and it gave us a lot of pressure. Now we very often do not come by, because we know through the system that it is not necessary".

### **Know what to do and what not to do**

According to Tjitske, eighty to ninety percent of what she calls "problem behaviors" are not due to dementia, but to the caregiver not knowing the current condition of the person with the disease. "As a result, we often don't respond appropriately either. Thanks to the sensors and software, we now have much more insight into the behavior. As a result, we know better what we should do, but often also what we shouldn't do. Tjitske mentions the example of residents who were often awakened by caregivers' monitoring visits. "Now we check in the morning via the system to see if the resident is moving independently and if he or she needs assistance. This gives the residents more privacy and peace of mind!" It's a great example of adapting to the rhythm of the person with dementia, rather than directing the care process, creating more calm on the unit. For the benefit of the dementia sufferer.

### **In co-creation and close collaboration with Ascom**

The monitoring platform used by ZuidOostZorg was developed together with Ascom. "From the start of our collaboration, we have looked together at how the system works in practice. From that point on, we started to develop further. We always ran into new questions and each time we went back to what the care needs," says Roelfien Erasmus, Technology Program Manager at ZuidOostZorg. "That is also the strength of this system: it has been developed with and through healthcare, so that it really supports the work process and improves the quality of care. Healthcare and ICT have really come together here."

Not only the development, but also the implementation of the solution is done in close cooperation. According to Erasmus, this is reflected in the way the systems are used at the various ZuidOostZorg sites. "Healthcare technology can do a lot, but often fails on implementation. How do you work with it? What exactly does it do? Why do we work with it in the first place? Working with Ascom SmartSense really means working in a different way, much more data driven. You need training for that, and we invest in that. By doing this extensively during the implementation and having a system that really matches healthcare, the implementation of SmartSense is now quite easy. And where employees sometimes react a bit skeptically in the beginning, they often experience the great added value of this system after just a week. This in turn gives positive impulses to other care processes. It's really beyond expectations."

ZuidOostZorg and Ascom have signed a five-year strategic cooperation agreement. After a development phase at the Volta plant in Gorredijk, the sensor technology has also been installed in Lijtehiem in Ureterp and recently in Stellinghaven Appelscha and Neibertilla in Drachten. In 2023, the system will also be introduced in Stellinghaven Oosterwolde and De Wiken in Drachten. After that, the other sites will follow.

**"The system has been developed with and through care, so that it really supports the work process and improves the quality of care. Healthcare and ICT have come together here."**

Roelfien Erasmus,  
Technology Program Manager  
at ZuidOostZorg

# Sustainability Report 2022

## Statement of the CEO

### Dear Stakeholders,

I am pleased to present this year's Sustainability Report to you, which we have prepared in accordance with the GRI standards, as we did in 2021.

Just one year ago, I took over as CEO of Ascom, with the aim of further strengthening the market success and impact of our Company and lifting its performance. Our goal is to become a leading global provider of Real-Time Communication and Collaboration solutions in the Acute Care, Long-Term Care, and Enterprise segments. With the solid progress we achieved, and several initiatives executed in 2022, we are on track to realize this mid-term objective.

In 2022 we defined our Strategic Business Roadmap 2025 which follows three chapters: Focus to perform (Shape), profitable growth acceleration (Expand), and sustained performance (Exceed). And we defined sustainability as one of our core strategic initiatives. Ascom began to systematically implement the strategic initiatives, aligning our offerings more closely with market and customer needs, expanding our dedicated partner programs, and fostering a culture of innovative thinking and solution orientation at Ascom.

The recent geopolitical challenges, disruptions in supply chains, the increasing need to be protected against cyber-attacks, the risk of potential energy shortages, but also the need to find and retain talents, sets Environment, Social, and Governance (ESG) as a high priority for all companies. Those issues are also frequent topics in discussions with our stakeholders.

Stakeholder management is important to us. To learn even more about our stakeholders and their needs we have intensified our open, proactive, and partnership-based dialogue during 2022. For our ESG strategy, we are taking those discussions into account. It supports our economic targets and creates real added value for our stakeholders.

Ascom has been committed to the UN Global Compact corporate responsibility initiative and its principles in the areas of human rights, labor, the environment, and anti-corruption. We have identified eight of the seventeen UN Sustainable Development Goals (SDGs), to which the Company can contribute and have an impact on. The SDGs form one of the main cornerstones of our sustainability reporting.

At Ascom, sustainability and its related ESG criteria are not only important success factors and relevant for our daily business, as sustainability becomes key to our customers. They also form an integral part of our corporate culture. Based on concrete goals and results, we are committed to measurably implementing sustainability and presenting results transparently.

Energy efficiency and the reduction of CO<sub>2</sub> emissions are one of the most important environmental concerns. In 2022, we set ourselves the goal of strive to become carbon-neutral by the end of 2040. To achieve this goal, we are further stepping up our efforts in 2023 in the areas of our business where energy emissions can be reduced most efficiently and continuously.



**“We have set ourselves ambitious targets in sustainability which offer opportunities for innovation, improved efficiency, and a strong & inclusive company culture. It all enables better outcomes for our stakeholders”.**

Nicolas Vanden Abeele  
CEO Ascom

### WE SUPPORT



Ascom adheres to a responsible, value-oriented, inclusive, and people-centric corporate culture. Ethical conduct is in the interests of our employees, end users, customers and business partners, the public, and investors.

In 2022 we developed further our learning and employee development programs. Both will be further enhanced in 2023. Our employee engagement survey of 2022 provides us with additional opportunities for improvements in strengthening our corporate culture and providing userfriendly tools to simplify work processes for the employee.

Good corporate governance remains a top priority for our Company and, as in the previous years, Ascom has achieved good rankings in independent corporate governance surveys published in 2022. Ascom was ranked number 25 out of 171 listed Swiss companies on the zRating corporate governance survey. We have significantly improved our overall result compared with 2021 (2021: Score 68).

In the past 10 years, Ascom has worked diligently on its development in the three dimensions Environment, Social, and Governance. We are determined and committed to developing further our ESG capabilities on an ongoing basis – for the benefit of our stakeholders and the environment.

I cordially invite you to read our Sustainability Report 2022 which offers more insights into our ESG achievements during 2022 and our Sustainability Strategy 2023–2025.

Sustainably yours,



Nicolas Vanden Abeele  
CEO Ascom



# Creating added value by improving impact

## Our strategic commitment

Ascom is a global solutions provider focused on ICT and mobile workflow solutions in healthcare and enterprise. We have a clear vision: Ascom closes digital information gaps, enabling the best possible decisions - anytime, anywhere. Our mission is to provide mission-critical, real-time solutions for highly mobile, ad-hoc and time-critical environments.

## The six core values of Ascom are:



As part of our strategic focus on people & culture, one of our goals is to increase the identification of employees with our brand and Company. In 2022, Ascom started to profile the brand positioning and align it with the new strategic framework. We will continue working on our brand positioning in 2023, with the involvement of the Executive Board, employees and customers.

Our business embeds a sense of high responsibility for Ascom. Patients, elderly people and workers can rely on our solutions. We are very aware of this responsibility to all stakeholders and take it very seriously. We take our responsibility towards sustainable business conduct in the environmental, social and governance areas just as seriously.

Sustainability is a key strategic pillar of Ascom, which is used as a competitive advantage for the benefit of all stakeholders. We are committed to investing in and improving environmentally friendly products and work processes, raising our profile as a socially responsible employer, and ensuring transparent and sustainable policies and governance for all our stakeholders. In 2022, Ascom has increased its focus on sustainability in its strategic planning.

## Our roadmap

In 2022 the Executive Committee has defined two long term goals in sustainability: to strive to become carbon-neutral by the end of 2040 and to achieve a top-tier ESG rating by 2030. Both targets are supported by the Board of Directors.

Based on these overarching goals, we have defined focus topics in the area of environment, social and governance. On the one hand, the focus topics support the corporate strategy and, on the other hand, they are the key areas in which Ascom can have the greatest impact. An internal ESG working group has set the roadmap for our 2023–2025 sustainability strategy and defined concrete, realistic annual targets for each topic.

## Ascom's focus areas in ESG:

### Environment

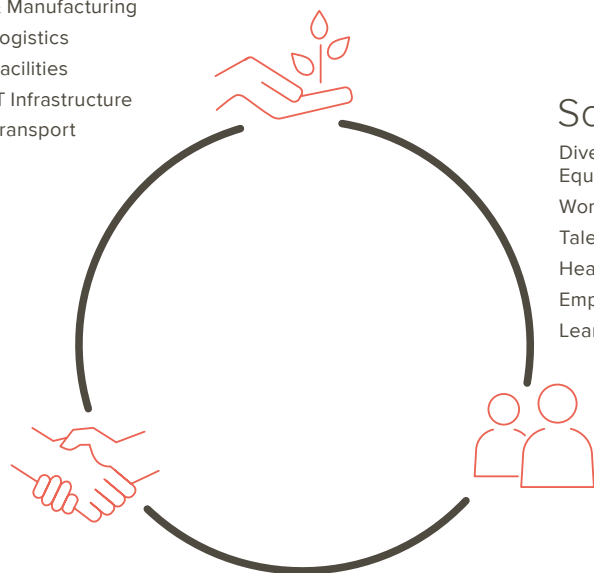
- Products & Manufacturing
- Logistics
- Facilities
- IT Infrastructure
- Transport

### Social

- Diversity, Inclusion, Equity & Belonging
- Working Environment
- Talent Management
- Health & Safety
- Employee Engagement
- Learning & Development

### Governance

- Policies
- Brand & Culture
- Information Security



It is important to us to implement our progress in the area of sustainability in a measurable way and to present it transparently. To make this possible, we will, among other things, examine in 2023 further measurement processes and tools.

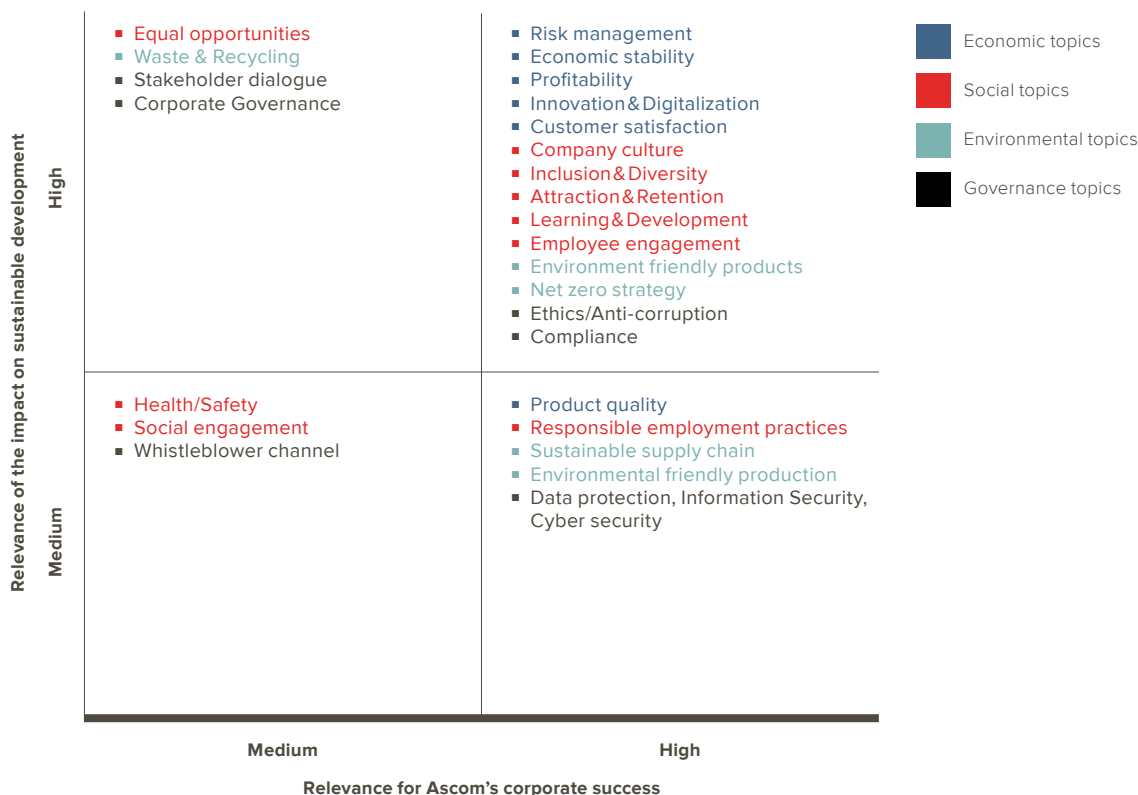
## Commitment to the UN Sustainable Development Goals

Ascom has aligned its business with the UN Sustainable Development Goals (SDGs). We see our greatest impact potential in our core business. With regard to the SDGs, we focus on eight SDGs that we consider to be particularly relevant to us.

SDGs	UN description	Ascom's actions
 <b>3 GOOD HEALTH AND WELL-BEING</b>	<b>SDG 3 Good Health and Well-Being</b> Ensure healthy lives and promote well-being for all at all ages	<ul style="list-style-type: none"> <li>■ Provide safe working conditions</li> <li>■ Support flexible working options in terms of location and time</li> </ul>
 <b>4 QUALITY EDUCATION</b>	<b>SDG 4 Quality Education</b> Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all	<ul style="list-style-type: none"> <li>■ Provide talent development programs</li> <li>■ Ensure competency-based, individualized development</li> <li>■ Providing individualized up- and reskilling training programs</li> </ul>
 <b>5 GENDER EQUALITY</b>	<b>SDG 5 Gender Equality</b> Achieve gender equality and empower all women and girls	<ul style="list-style-type: none"> <li>■ Welcome diverse talents to apply to our positions</li> <li>■ Recognize all our existing diverse talents</li> <li>■ Run regular gender assessments on compensation</li> </ul>
 <b>8 DECENT WORK AND ECONOMIC GROWTH</b>	<b>SDG 8 Decent Work and Economic Growth</b> Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all	<ul style="list-style-type: none"> <li>■ Sustainable growth strategy defined</li> <li>■ Assure compliance and risk management</li> <li>■ Promote result and output oriented management</li> </ul>
 <b>9 INDUSTRY, INNOVATION AND INFRASTRUCTURE</b>	<b>SDG 9 Industry Innovation and Infrastructure</b> Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation	<ul style="list-style-type: none"> <li>■ Use of new technologies to support innovations</li> <li>■ Evaluate new solutions to reduce energy-consuming of devices</li> </ul>
 <b>10 REDUCED INEQUALITIES</b>	<b>SDG 10 Reduced Inequalities</b> Reduce inequality within and among countries	<ul style="list-style-type: none"> <li>■ Provide non-discriminatory conditions</li> <li>■ Ensure equal opportunities and paythrough 'objective' decision-making criteria in hiring and promotion decisions</li> </ul>
 <b>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</b>	<b>SDG 12 Responsible Consumption and Production</b> Ensure sustainable consumption and production patterns	<ul style="list-style-type: none"> <li>■ Strive for an efficient use of natural resources</li> <li>■ Promote waste prevention and recycling in production and by repair services</li> <li>■ Follow sustainable procurement of products processes</li> </ul>
 <b>13 CLIMATE ACTION</b>	<b>SDG 13 Climate Action</b> Take urgent action to combat climate change and its impacts	<ul style="list-style-type: none"> <li>■ Close cooperation with business partners to ensure successful implementation of the sustainability strategy</li> <li>■ Provide and increase remote services</li> </ul>

## Ascom's Materiality Matrix

Ascom's materiality matrix shows which topics are relevant for us and our stakeholders. The matrix forms one of the sources for our sustainability strategy and the sustainability reporting. Ascom created a materiality matrix for the first time in 2021 and updated it in 2022. We applied the dual materiality approach and reassessed the relevance of the impact on sustainable development as well as the relevance for Ascom's corporate success. The final matrix was subsequently approved by the Executive Committee and the Board of Directors.



## Certification and Rating

Ascom's focus on sustainability also drives the scope of its international standard certifications. In the past, the Company received external certifications that once again underscored Ascom's status as a best-in-class service provider. Ascom first reported to the sustainability ratings platform EcoVadis in 2013, achieving silver status. Since 2015, we have maintained EcoVadis gold status for our largest distribution center in Europe, located in Sweden. For certifications in 2022, Ascom decided to participate in certification questionnaires in March 2023 to provide data for the full year 2022.

In the CDP Supplier Engagement Rating, which tracks how effectively companies are engaging their suppliers on climate change, Ascom achieved an A-score in 2021. Also, according to the Swiss media platforms Bilanz and Le Temps we were again ranked "Klimabewusstes Unternehmen 2022" (Climate Conscious Company 2022).

We are proud to be a Signatory of the United Nations Global Compact, the world's largest corporate sustainability initiative. It means that we are committed to complying with the principles of the UN Global Compact and are part of a movement that uses concrete solutions to drive sustainable development across a wide range of fields.



## Focus on the areas where we can achieve the most impact

Ascom strives for sustainable growth and value creation in a respectful manner for the environment. Ascom strives to be carbon-neutral by the end of 2040. Based on our strategic roadmap for 2025, we have defined in 2022 actions and targets and will now take the next steps in defining actions and the roadmap till 2025, stepping up the analysis and measurement of emissions and other ESG-related topics.

Ascom determines the environmental aspects of its activities, products, and services that it can control and influence. This is to be done from a life cycle perspective and all stages should be included.

Every five years or when deemed necessary, an in-depth Environmental Review of the whole of Ascom is performed. The review uses different measurements and estimations to determine the areas with the highest CO<sub>2</sub> emissions. Around 90% of Ascom's total environmental impact are generated in materials used in products, product power consumption during use, and travel.

### Ascom Environmental Policy

Clauses in the Environmental Policy	Roadmap 1. Material Efficiency	Roadmap 2. Energy Efficiency	Roadmap 3. Business Traveling	Roadmap 4. Supplier Due Diligence	Monitored Environ- mental Indicators
To be economical with raw materials, materials, and energy, and to minimize consumption of non-renewable sources of materials and energy.	✓	✓		✓	✓
To minimize negative environmental impact. To strive for continuous improvement of our products and their impact in the environment throughout their life cycle.	✓	✓	✓	✓	✓
To increase awareness of environmental aspects among all employees and facilitate for employees to carry out responsibilities in an environmentally responsible way.		✓	✓		✓
To involve our suppliers to implement consistent environmental requirements.				✓	✓
<b>For sites in scope of the Environmental Management System certification:</b>	✓	✓	✓		✓
To maintain and continuously improve the Environmental Management System to ensure that we meet or exceed legal and other environmental requirements, that we consider the needs and expectations of interested parties as well as internal and external issues.					



## CO<sub>2</sub> Emissions

Year	Net revenue (CHFm)	CO <sub>2</sub> e kg	CO <sub>2</sub> e kg per CHF	% change CO <sub>2</sub> e kg
2018 <sup>1</sup>	318.5	74,534,127	0.23	+7.4%
2019	282.9	67,712,161	0.24	−9.2%
2020 <sup>2</sup>	281.0	61,771,932	0.22	−8.8%
2021	291.5	63,300,077	0.22	+2.5%
2022	297.4	65,325,679	0.22	+3.2%

<sup>1</sup> CO<sub>2</sub>e emissions for 2018 were adjusted due to a thorough review conducted every five years.

<sup>2</sup> Covid-19 pandemic meant fewer products shipped, which reduced CO<sub>2</sub> emissions significantly in 2020.

As a Company without its own production facilities, our fields of action lie in Scope 2 and Scope 3 of energy emissions. We also strive to enable our customers to further reduce their own environmental footprint.

### Overview of CO<sub>2</sub> by emission scope<sup>1</sup>

Scope	2020 (in CO <sub>2</sub> e in tons)	2021 (in CO <sub>2</sub> e in tons) <sup>2</sup>	2022 (in CO <sub>2</sub> e in tons)
1 – Direct emissions	75	77	78
2 – Indirect emissions	2,120	2,184	2,273
3 – All other indirect emissions	59,527	61,039	62,974
Total	61,722	63,300	65,326

<sup>1</sup> Scope definitions in line with the GHG Protocol Corporate Accounting and Reporting Standard for greenhouse gas emissions.

<sup>2</sup> Covid-19 pandemic meant fewer products shipped, which reduced CO<sub>2</sub> emissions significantly in 2020.

## Innovation & Product design

In 2023, but also in the years to come, sustainability will be enhanced to be an integral part of the development and design of Ascom's products, solutions, and innovations. We see the potential for reduced energy consumption in the consolidation or replacement of product components, but also in the reduction of server hardware. Our customers could thus benefit from lower energy consumption and less space required for server hardware on site.

In view of Ascom's strategic, long-term sustainability goal, we extend in 2023 the measuring of energy consumption of hardware and software (servers, etc.) and look for new opportunities and criteria to reduce energy consumption. Based on the results, we will be able to define measurements and create year-specific KPIs.

As part of the innovation process for new products, Ascom has implemented a standard procedure that uses a questionnaire to gather ESG information from business partners, for selecting new suppliers, developers, or manufacturers. The questionnaire covers all ESG areas: environment (e.g. energy consumption for new products), social (e.g. labor practices) and governance (e.g. anti-corruption).

## Production & Packaging

Ascom strives to minimize the emissions of the materials used. In doing so, the quality requirements of customers should not be compromised. We do not look at emissions from the perspective of an individual product, but from the perspective of an overall solution. We make sure that the primary material and packaging of our products is as environmentally friendly as possible. And we analyse the use of

recycled materials for molds of equipments, but also for packaging.

The outer product packaging for all product lines is made of cardboard. For most primary packaging, we are continuously replacing foam with densely compressed cardboard. We have already eliminated styrofoam from our packaging since the first quarter of 2021. For all new products for which we develop packaging, we aim to continuously increase the use packaging from recycled sources only.

We are convinced that Ascom can further reduce CO<sub>2</sub> emissions in packaging, both by reducing packaging material and by using environmentally friendly materials. To achieve this, we will further analyze the use of recycled materials and define the roadmap to achieve that all packaging are made of 100% recycled cardboard by end of 2025.

## **Waste management**

Ascom's Sustainability Directive underlines its waste management objectives. Ascom complies with all relevant legal requirements for the management of electronics and packaging; it supplies to national markets and participates fully in the fee structure prescribed for electronics and packaging. This enables us to support the safe disposal and recycling of waste.

In 2022, Ascom repaired 85,000 devices, a decrease of 7% compared to 2021. Due to component shortages in 2022, Ascom had limited ability to complete all repairs.

Improving waste management will remain our ambition in 2023. For example, we will continue to analyze the possibilities of product repair to reduce waste and further contribute to our long-term sustainability goals.

## **Logistics & Supply Chain**

To ensure sustainable supply chain management, close cooperation with our suppliers is crucial. Ascom pursues a structured supplier policy. We maintain a list of preferred suppliers. A prerequisite for being classified as a preferred first-tier supplier is due diligence.

A sustainability addendum is an integral part of our contracts with first-tier suppliers. In it, they must confirm that their business activities do not conflict with our supplier policy and that they comply with all applicable laws and regulations as well as the key principles of the UN Global Compact.

Furthermore, in accordance with the Ascom Supplier Code of Conduct, our suppliers are required to demonstrate a high level of environmental protection in their sourcing, manufacturing, and transportation activities or to ensure compliance with internationally recognized environmental management systems.

As part of its supply chain process, Ascom also tracks the energy consumption of electronic manufacturing services (EMS) suppliers and records Ascom's share of the total activity. Ascom requires all Class 1 and Class 2 suppliers, which include EMS suppliers, to be certified to ISO 14001 or a similarly recognized certification. Class 1 and 2 suppliers account for 93% of the materials supplied by Ascom.

To ensure that this requirement is implemented, Ascom is planning to expanding audits of suppliers. The knowledge gained from these audits should help us to achieve an improvement in sustainability targets in the supply chain in the future.

## **Product life cycle management, transportation, and mobility**

Ascom maintains practices to minimize energy usage by retrofitting technology and promoting energy efficiency in our operation services. We have an infrastructure to ensure remote customer support in case of unexpected system issues. This not only lowers our vehicle emissions, but also reduces the amount of time required to resolve customer issues as well as the time spent traveling by service engineers.

In the UK, for example, remote resolution of customer issues increased from 61% in 2017 to 91% in 2022, while Finland and Sweden recorded in 2022 an average of 90% in the remote resolution of customer issues, an increase of 3% compared to 2021. In 2022, in 40% of unplanned issues worldwide, travel to the client's site was needed. We are proud to say that Ascom Finland managed to resolve 95% of the unplanned issues remotely and in Sweden 83% of the issues.

We strive to provide remote services in all Ascom countries, explore the potential of cloud offering or remote commissioning, and to set regional targets in all Ascom countries, always assuring Ascom's high standards in customer service quality.

### **Facilities & IT infrastructure**

Although the energy consumption of our buildings accounts for only 3% of our total carbon footprint, this is an area where we aim to make improvements. We promote the use of renewable energy wherever possible, especially at sites owned by Ascom. In Gothenburg (Sweden), one of our main and biggest sites, we can report 100% use of renewable energy sources.

As an ICT solutions provider, reducing the energy emissions of ICT infrastructure is an important area for Ascom to potentially reduce the environmental impact of our operations. The way we deploy and configure ICT tools as well as the equipment we use can affect the environmental footprint of our customer's systems. In 2023 our goal is to measure the energy consumption and emissions of our ICT infrastructure and evaluate improvements. Migrating from on-premises to cloud services can lead to carbon and energy efficiency improvements. These are options we explore and implement.

### **Ascom Management System**

Ascom's commitment to the quality of our products, solutions and services is unwavering, as professionals in sectors such as healthcare rely on us for mission-critical communications solutions.

We strive to comply with internationally recognized standards in our various areas of activity. The most widely used certification within the Ascom Group is for the Quality Management System in accordance with ISO 9001. In addition, Ascom's key research and development sites have been certified to ISO 13485 for medical devices. Ascom has also achieved certification in accordance with the Medical Device Regulation (MDR 2017/745) for its Class IIb medical devices such as Digistat Care, Unite Connect for Clinical Systems and External Input Module.

Key sites have also been selected for external ISO 14001 environmental management system certification, including our two largest sales and service sites in Gothenburg (SWE) and Utrecht (NL), as well as our distribution center in Herrljunga (SWE). Ascom's environmental management system is well established and was introduced in 2009 at the Swedish sites. Our environmental management system provides the framework for Ascom to manage its environmental impact, meet all applicable legal and other requirements, and ensure continuous improvement.

ISO/IEC 27001 is the leading international standard for information security, setting out the specifications for an information security management system (ISMS). The ISO/IEC 27001 certifications clearly demonstrate to customers, partners, and suppliers that the Ascom sites have implemented internationally certified best practices for its information security management system. In addition, the Ascom UK site was the first site within the Ascom Group to receive ISO/IEC 20000-1-IT Service Management (ITSM) certification in 2021.

Further regulations and standards have been applied to the Ascom processes and products. Ascom complies with the EU Regulation on Registration, Evaluation, Authorization and Restriction of Chemicals (REACH) and the EU Restriction of Hazardous Substances (RoHS) Directive. Selected products have been assessed

by our notified body and found to be compliant with the regulation of Equipment, Protective Systems or Components intended for use in potentially explosive atmospheres (Directive 2014/34/EU).

We protect the environment with Ascom's own processes and technologies by complying with local laws and meeting the requirements of the environmental standard (ISO 14001). Environmental issues at the local, regional, and global levels are interrelated. We also know about the impact on the environment of our decisions and activities along the entire supply chain. Therefore, we also require our suppliers to reduce the overall environmental impact by implementing environmental management systems. That is Ascom's contribution to keeping abreast of substances and materials that could have a harmful effect on people and the environment. Substances identified by global and regional directives as relevant to REACH, RoHS and PFOS are addressed immediately.

### Externally certified ISO management system standards

Type of certification	Number of sites <sup>1</sup>	Year of initial certification
ISO 9001 – Quality management	23	2009
ISO 14001 – Environmental management	6	2009
ISO/IEC 27001 – Information security management systems	4	2019
ISO 13485 – Medical devices – Quality management systems	6	2012
ISO 20000-1 – IT service management	1	2021

<sup>1</sup> Some sites are certified to several standards.

## Thriving with our people

People around the world trust the quality of Ascom's solutions and products. We are fully aware of this. It is this sense of responsibility that accompanies us in our daily business activities and that motivates us to give our best every day. Also as an employer, we take our responsibility to our people very seriously.

At the end of 2022, Ascom employed 1,345 people. Our employees are the most important asset we have. Their safety, health and well-being are key for us. Ascom strives to create an attractive and inclusive work environment where employees can grow and develop their full potential. Hereof, legal standards, management commitment, employee involvement, workplace design, and training and development are important components. We strive to empower our employees at all levels to meet daily challenges with genuine passion. We are convinced that a good working environment has a positive impact on the fluctuation rate (15.8% in 2022). The current rate is partly explained by a post-Covid effect. However, we are determined to achieve a significant improvement in this area.

In implementing our sustainability strategy, Ascom's priority in 2023 is to put a strong focus on employee engagement, training and talent development. With various activities, we want to involve our employees even more in the development of our Company by recognizing and addressing their ideas and concerns. In 2022, we have started to implement important initiatives as part of our business strategy 2025.

### Employee Engagement

After the pandemic, Ascom introduced new working methods combining working from home and in the office. Today, we have created a good combination of remote and physical presence in the offices. In 2022, we introduced new communication activities that take remote working into account. For us, a regular and transparent communication from the management to the employees is important for good performance.

In February 2022, Nicolas Vanden Abeele was appointed as Ascom's CEO. In the months that followed, several regional meetings were held with employees across the Ascom world, both physically and virtually. These CEO Town Hall Meetings allowed employees to meet the CEO and to better understand the Ascom Strategy.

The "All-hands call", an online meeting that takes place every second month, provides a good stage for the CEO and top management to share the strategy with all employees, to drive transformation and to celebrate project wins and achievements. The virtual meeting contributes to creating a sense of Ascom-wide belonging, as it also provides a platform for questions and discussions. The last "All-hands call" was attended by more than 75% of all our employees.

Another internal communication platform we launched in 2022 is the "Hello from the CEO". In short videos, Nicolas Vanden Abeele regularly shares information with all employees.

To enhance the exchange with our employees worldwide, we will continue in 2023 to conduct these communication sessions and include feedbacks and initiatives from the employee survey, such as improving IT tools, strengthening internal communication and sharpening our corporate culture.

## **Employee Engagement Survey 2022**

For Ascom, feeling responsible for the well-being of our employees also means giving employees the opportunity to provide feedback. To ensure this, regular employee surveys are important to us and we commit to actions based on the respective outcome.

In 2022, Ascom conducted an employee engagement survey. Employees were given the opportunity to express qualitative feedback and ideas for local and global improvements. The participation rate was 55% and the survey was conducted throughout the Company in the main local languages. Our employees used the opportunity to provide feedback and submitted over 1,600 suggestions for improvements. These suggestions were systematically categorized, and mapped to the respective regions. It enabled the leadership team to specifically address the regional needs of the employees regarding topics such as leadership, IT tools, strategy & goal setting, culture, and internal communication. Versatile projects are now planned such as to simplify processes for employees or new formats to foster strategic alignment and communication top-down and bottom-up.

The employee engagement survey will be conducted twice in 2023 to track development and improvements. The aim is to continuously improve employee engagement through systematic surveys with a topical focus that is relevant to Ascom and its employees.

## **Talent Management**

Ascom launched a new talent platform. The tool increases transparency for employees and line managers and enables a continuous real-time feedback culture across the Company. Improved customized learning opportunities support all staff members to get themselves ready for the future. Further, regular performance appraisals give us the opportunity to reflect on personal goals, developments, achievements, and behavior. Our Skills & Competencies initiative and its combination with our performance management process, skills pools and succession planning enable Ascom to be more agile regarding talent management.

## **Learning & Development**

Our very own Ascom Academy provides internal learning and training programs to our employees. In 2022, 6,000 courses were completed. The courses consisted of 260 live webinars, 475 classroom sessions, and 5,007 eLearning completions. 985 employees as well as 183 managers and team leaders were trained. On average, almost 5 courses were completed per Ascom employee. Our blended training approach with eLearning and webinars saved numerous trips in the last year and supports our sustainability goals.

The Ascom Academy will be further developed in 2023 to offer even more training programs and learning pathways. We place particular emphasis on the targeted development of know-how in the area of Real Time Communication & Collaboration (RTCC).

## **Health & Safety**

Health and safety of our employees are a key priority to Ascom. We are taking any necessary precaution to prevent illnesses and accidents of our employees and take regional circumstances and country-specific legal requirements into account. We offer related training, provide working equipment to reduce accidents and increase our managers' awareness with topic-related information. And we evaluate to link recognition to well-being, where applicable (e.g. health vouchers).

Work processes are continuously reviewed in order to be able to eliminate possible risks quickly. We regularly analyze accident occurrences in our Company.

## **Diversity & equal opportunities**

Ascom is committed to equal opportunities and diversity as well as performance-related remuneration for all employees.

Most of our employees are based in Western Europe and the United States. The age distribution is 46.2 years for male employees and 43.4 years for female employees. 22% of our employees are female and 78% male. These ratios remained unchanged compared to 2021. The overall significantly higher proportion of male employees is not unusual for technology companies. Women make up 18% of the Executive Committee. 22.5% of management positions are held by women. Our goal is to increase this ratio to 25% by the end of 2023.

We believe in the added value of a diversified composition of employees. In 2023, we will use various initiatives to try to attract more women, particularly in technical and managerial positions. We will adapt recruitment policy and activities with focus on diversity and we have set ourselves the goal of filling 18% of technical positions with female employees by the end of 2024 (currently 12.5%).

We strictly reject any form of discrimination against employees based on their gender, race, physical disabilities, origin, sexual preferences, political opinions, and religion. In addition, Ascom does not tolerate any form of personal harassment. Incidents of discrimination are followed up through formal procedures.

We are aware that issues such as diversity, equal opportunities, and non-discrimination require ongoing monitoring. Ascom is committed to address and resolve any kind discrimination incident.

## **Human Rights, child labor and freedom of association**

Ascom strictly follows all laws and regulations which apply to its business. The Company, all its employees, and suppliers strictly follow the Ascom Code of Conduct no matter where they work and what their function is, even if it is stricter than the applicable local laws. The Ascom Code of Conduct requires all employees to comply with applicable laws and regulations. All employee are trained in the areas of the Code of Conduct & Compliance. At all locations where Ascom operates, forced, compulsory, or child labor is prohibited. In 2022, Ascom has received no indication nor any report of human rights violations concerning its entities.

Ascom has established structures that guarantee freedom of association and the right to collective bargaining for its employees.

## **Ascom supports UNICEF**

Support for charitable institutions is a longstanding tradition at Ascom. We continued our support for UNICEF in 2022 with a donation to help the most vulnerable in our global society. As an agency of the United Nations, UNICEF works in more than 190 countries to reach the most disadvantaged children and adolescents and focuses on issues such as protecting their rights, supporting quality education, and reducing child poverty.



# Strengthening our foundations

Ascom is governed by a system of Group guidelines and directives covering key areas such as procurement, sales, finance, human resources, legal, ICT, and communications.

Good corporate governance remains a top priority for Ascom, its Executive Committee, and its Board of Directors. As a listed, international company, Ascom is committed to clear corporate governance and transparent reporting. The information published in the Corporate Governance Report follows the guidelines of the SIX Swiss Exchange on corporate governance standards.

All members of the Board of Directors are non-executive and independent members. There has been a consistent turnover of the Board of Directors over the years. No member has any significant relationship with Ascom Holding AG and its subsidiaries. Two thirds of the Board members have tenure of fewer than 5 years. The Board of Directors has 17% female and 83% male members. In the last 10 years, Ascom always had female board members. Ascom's Board of Directors strives to achieve a solid balance in the composition of the members of the Board, in terms of professional qualifications and diversity. The Board of Directors and Executive Committee should be staffed with individuals who have the necessary expertise and skills as well as the personal prerequisites required to manage and further develop a technology company such as Ascom. When nominating new members to be proposed to the Annual General Meeting, appropriate consideration is therefore given not only to professional qualifications, but also to aspects such as the representation of both genders, international experience, age structure, education, and general background experience.

## Governance training modules to strengthen sustainable thinking

In 2023 Ascom is determined to embed sustainable corporate policies and directives even more firmly with employees, suppliers, partners, and customers. With additional employee training in the areas of the Code of Conduct & Compliance, we want to anchor our principles even more. In the area of Cyber Security and Data Protection, we will enhance employee training to raise awareness of risks.

## Code of Conduct & Compliance

The Code of Conduct forms the basis of good governance. As a company, we comply with all legal obligations. The Ascom Code of Ethical Business Conduct contains worldwide binding principles. The Code is supplemented by additional corporate directives and guidelines.

Our 10 ethical business conduct principles are communicated on Ascom's website:

- We comply with the law.
- We do not tolerate any form of corruption or bribery.
- We comply with anti-trust laws and conduct our business fairly.
- We follow insider information and trading rules.
- We apply the 4-eyes principle.
- We know our business partners and adhere to accounting rules and export restrictions.
- We protect our business property, trade secrets, and personal data.
- We respect others and lead by example.
- We are loyal and avoid conflicts of interest.
- We value the environment, health and industrial safety, and children's rights.



Ascom competes for contracts based on the quality and value of its products and services. We do not tolerate any form of bribery and corruption, and no employee may offer or grant improper advantages to anyone. Ascom works for anti-corruption, responsible involvement in the public and political sphere, fair competition, respect for property rights, and socially responsible behavior.

These principles apply to every Ascom employee worldwide. Today, all Ascom employees must pass an internal training module about our Code of Conduct principles.

As in previous years, no fines or non-monetary sanctions for non-compliance with local or international environmental laws or regulations were imposed on Ascom in 2022.

### **Supplier policy**

In our corporate governance, we are not only responsible for our own actions, but also have a strong responsibility to directly influence our business relationships. We are buying worldwide, and all our suppliers must meet high standards in business ethics, environmental behavior, and labor welfare. We only do business when respect for people and the environment is obvious, and we monitor our business relations regularly. Suppliers are asked to sign Ascom's Code of Conduct and Supply Policy, which includes rules for social and environmental responsibility.

In 2023, Ascom will create an expanded audit plan enabling us to classify our suppliers regarding their ESG performance. With this knowledge, we will be able to specify our requirements for suppliers even more specifically and so to increase the ESG impact on our supply chain.

### **Information security, cyber security& data protection**

As a global provider of mobile workflow solutions, Ascom ensures reliable communication of highly sensitive data. We are fully aware of our responsibility to ensure data protection and information security for our clients and for us as an organization.

Ascom is ISO/IEC 27001 certified as of 2019 and has implemented an information security management system (ISMS) with a global approach. This enables an effective management of information security risks related to company assets, financial information, intellectual property, employee details or information entrusted by third parties. Ascom has implemented the process of continuous improvement in ICT security to ensure adequate and proactive support for the business. An accredited EU notified body has reviewed Ascom processes, guaranteeing the continuous improvement in Ascom's information security management system and security commitment.

Within our ESG strategy, we allocate key priority to information security, cyber security and data protection. In 2023, we will evaluate the possibilities with the most impact to manage risks best. Yearly penetration tests to identify potential external risks and internal vulnerability scans and remediation are two actions planned. And as mentioned earlier, we will enhance employee training to raise awareness of risks in the area of data protection and cyber security.

## **Risk management & control**

Like any other company, Ascom is exposed to a variety of financial and non-financial risks that are directly related to our business activities. Risk management is therefore an integral part of our corporate governance. It is integrated into the business processes overall risk and control framework.

Financial risks are centrally monitored by the Group Treasury. The Board of Directors regularly reviews the Group-wide risk assessment and determines appropriate measures to mitigate the risks. To ensure an objective assessment of risks and to identify potential risks in operating processes and control systems, Ascom has emplaced in 2022 an internal audit department.

## **Whistleblower channel**

Since 2013, Ascom has set up a whistleblowing and compliance hotline that allows employees to communicate in a confidential manner. This encourages employees to report any actual or suspected misconduct through an anonymous and independent tool. In 2022, Ascom recorded 1 case which could be resolved.

## **Active stakeholder dialogue**

Knowing the needs of our stakeholders is a key success criteria. Their feedback helps us to implement further developments and optimizations.

As a listed company, Ascom attaches great importance to exchanges with shareholders, analysts, and investors. To ensure transparent and comprehensive information for the financial community, Ascom organizes a media conference twice a year and occasionally a Capital Markets Day. In addition, Ascom participates in about ten investor conferences and roadshows as well as in numerous investor meetings.

The Ascom Executive Committee is also committed to an active dialogue with customers, partners, and suppliers. Their feedback enables us to continuously assess our products and processes and inspires innovations. Customer visits are held on a regular basis.

Ascom wishes to contribute to the development of the local communities where Ascom is present. They are as important to us as we are to them, providing job opportunities, cooperating with educational centers, the people who work and live there, and any other local stakeholders. We respect the local culture and laws. During 2022, Ascom did not receive any government assistance.

We are responsible to our employees, our most important stakeholder group. The Executive Committee is committed to an intensive active, internal dialogue and defined People&Culture as one key priority for 2023. To ensure an active, internal communication, we established, as mentioned before, the communication channels of local Town Hall meetings of the Executive Committee, virtual “All Hands-Call” and the regular CEO video messages to all employees.

The table below provides information on the specific expectations of our stakeholder groups and how Ascom communicates with each group.

Stakeholder Group	Expectations	Communication channels
Institutional Investors Shareholders Financial Analysts (equity/credit) Stock Exchange Proxy Advisors Brokers Financial Media / Local Media Newswires	Sustainable and profitable growth Good corporate governance Effective risk management Transparent, complete, and continuous disclosure of information Outlook / financial guidance Dividend payment Fulfilling all requirements of SIX Swiss Exchange Regulations	Annual and interim reports Sustainability Report Financial/corporate press releases Roadshows / one-to-one meetings Investor conferences Direct contact with CEO and CFO Annual shareholder meetings
Customers: existing and potential (Hospitals, long-term care, enterprises, OEM partners) Associations Competitors	Innovative products and services High-quality standard State-of-the-art technology High-security standard Good after-sales services Security of personal information Excellent CRM Reliability Flexibility ESG certifications ESG reporting standards Suggestions or complaints management	Direct customer contact Customer satisfaction survey Fairs / Exhibitions Case studies / Brochures Webinar on demand Expert seminars Social media and email Brochures Website Sustainability Report
Business partners Suppliers Contractors Environmental partners	Transparency in business On-time administration and payments ESG commitment Code of Conduct commitment	Sustainability Report Sustainability Directive Supplier Policy Training sessions Social media and email Fairs / Exhibitions Website
Employees: Existing / new/ potential Managers Trainees Temporary employees Employee representatives (Unions)	Good working atmosphere Work-life balance Fair and attractive compensation Career and advancement opportunities Flexible working hours Stability and job security Talent development Training programs On-time administration and payments	Annual employee survey Annual strategy meeting Regular CEO-Information Management meetings Information via email, Intranet Town hall meeting Internal events
Public sector Educational institutions Research organizations Politicians Opinion leaders Regulator bodies Local authorities	Support and promote activities that benefit the community. Handle complaints fairly Transparent and reliable communication Responsible behavior Respect of local law and culture	Social media/email Website Regular contact with universities and other research organizations Activities with government network Sponsoring Charity

## GRI CONTENT INDEX

The Ascom Sustainability Report 2022 has been prepared in reference with the GRI Standards.

This report applies to the Universal Standards 2021, General Disclosures 2021, to 2016, 2018 and 2020 version of the Global Reporting Initiative (GRI) Standards.

2016\*, 2018\*, 2020\*, 2021\* refer to the Standards, publication date, not to the date of the information contained in this report.

GRI-Standard	Title	Location of content	Annual Report 2022 page
<b>GRI 1</b>	<b>Universal Standards 2021*</b>		
<b>GRI 2</b>	<b>General Disclosures 2021*</b>		
	<b>The organization and its reporting practices</b>		
2-1	Organizational details	Ascom Holding AG	
	Location of headquarters	Zugerstrasse 32   CH-6340 Baar	130
	Location of operations	Worldwide contacts	130
	Ownership and legal form	Stock listed company, registered shares listed on SIX Swiss Exchange	37 - 39
2-2	Entities included in the organization's sustainability reporting	Corporate Governance Report	38
2-3	Reporting period, frequency and contact point	1 January 2022 – 31 December 2022 Contact	130
2-4	Restatement of information	No restatements of information in 2022	
2-5	External assurance	No external assurance in 2022	
	<b>Activities and workers</b>		
2-6	Activities, value chain and other business relationships	Corporate profile Segment information Operations worldwide	Front inside cover Front inside cover; 4 Front inside cover, 38
2-7	Employees	Sustainability Report Summary of Key Financial Data	25 118
2-8	Workers who are not employees	None	
	<b>Governance</b>		
2-9	Governance structure and composition	Corporate Governance Report Sustainability Report <a href="#">Sustainability Directive</a>	37 28
2-10	Nomination and selection of highest governance body	Corporate Governance Report	43
2-11	Chair of the highest governance body	Corporate Governance Report	44, 46
2-12	Role of highest governance body in overseeing the management of impacts	Corporate Governance Report Sustainability Report	42 14
2-13	Delegation of responsibility for managing impacts	Corporate Governance Report Sustainability Report <a href="#">Sustainability Directive</a>	49 17
2-14	Role of the highest governance body in sustainability reporting	Sustainability Report <a href="#">Sustainability Directive</a>	17
2-15	Conflict of interest	Corporate Governance Report Sustainability Report <a href="#">Code of Conduct</a>	43 28
2-16	Communication of critical concerns	Sustainability Report Whistle blowing service is anonymous at Ascom	30

GRI-Standard	Title	Location of content	Annual Report 2022 page
2-17	Collective knowledge of the highest governance body	Corporate Governance Report	42
2-18	Evaluation of the performance of the highest governance body	Corporate Governance Report	47
2-19	Remuneration policy	Remuneration Report	61
2-20	Process to determine remuneration	Remuneration Report	67
2-21	Annual total compensation ratio	Remuneration Report	69
2-22	Statement on sustainable development strategy Statement from senior decision-maker	Sustainability Report	14
2-23	Policy commitments	Sustainability Report Corporate Governance Report Remuneration Policy <a href="#">Code of Conduct</a> <a href="#">Sustainability Directive</a>	14, 20, 22, 29 49, 50 61
2-24	Embedding policy commitments	Corporate Governance Remuneration Report Sustainability Report	58 61 18
2-25	Processes to remediate negative impacts	Corporate Governance	50 -51
2-26	Mechanisms for seeking advice and raising concerns	Sustainability Report <a href="#">Sustainability Directive</a>	26, 30
2-27	Compliance with law and regulations	Sustainability Report	30
2-28	Membership associations	None	
<b>Stakeholder engagement</b>			
2-29	Approach to stakeholder engagement	Corporate Governance Report Sustainability Report	54, 57 30, 31
<b>GRI 3 Material Topics 2021*</b>			
3-1	Process to determine material topics	Sustainability Report <a href="#">Sustainability Directive</a>	19
3-2	List of material topics	Sustainability Report materiality matrix	19
3-3	Management of material topics	Remuneration Report Sustainability Report	65 19
<b>GRI 200: 2016* Economic Topics</b>			
<b>GRI 201 Economic Performance</b>			
201-1	Direct economic value generated and distributed	Shareholder Return Letter to Shareholders Performance Report	Front inside cover 3 4
201-2	Financial implications and other risks/opportunities due to climate change	Strategy Sustainability Report	10 14
201-3	Defined benefit plan obligations and other retirement plans	Remuneration Report	61 - 67
201-4	Financial assistance received from government	Sustainability Report	30
<b>GRI 202 Market Presence</b>			
202-2	Proportion of senior management hired from the local community	Corporate Governance Report	52 - 53
<b>GRI 203 Indirect Economic Impacts</b>			
203-2	Significant indirect economic impacts	Customer Success Sustainability Report	12 - 13 14
<b>GRI 204 Procurement Practices</b>			
204-1	Logistics & Supply chain	Sustainability Report	22

GRI-Standard	Title	Location of content	Annual Report 2022 page
<b>GRI 205</b>	<b>Anti-Corruption</b>		
205-1	Operations assessed for risks related to corruption	Sustainability Report <a href="#">Sustainability Directive</a> <a href="#">Code of Conduct</a>	28
205-2	Communication and training about anti-corruption policies and procedures	Sustainability Report <a href="#">Sustainability Directive</a>	28
205-3	Confirmed incidents of corruption and actions taken	None	
<b>GRI 206</b>	<b>Anti-competitive Behavior</b>		
206-1	Legal actions for anti-competitive behavior, anti-trust and monopoly practices	None	
<b>GRI 300: 2016* Environmental Topics</b>			
<b>GRI 301</b>	<b>Materials</b>		
301-1	Materials used by weight or volume	Sustainability Report <a href="#">Sustainability Directive</a>	21 - 22
301-2	Recycled input materials used	Sustainability Report	22 - 23
301-3	Reclaimed products and their packaging materials	Sustainability Report	21 - 22
<b>GRI 302</b>	<b>Energy</b>		
302-1	Energy consumption within the organization	Sustainability Report <a href="#">Sustainability Directive</a>	23
302-4	Reduction of energy consumption	Sustainability Report	21 - 23
302-5	Reductions in energy requirements of products and services	Sustainability Report <a href="#">Sustainability Directive</a>	21 - 23
<b>GRI 305</b>	<b>Emissions</b>		
305-1	Direct (Scope 1) GHG emissions	Sustainability Report	21
305-2	Energy indirect (Scope 2) GHG emissions	Sustainability Report	21
305-3	Other indirect (Scope 3) GHG emissions	Sustainability Report	21
305-4	GHG emissions intensity	Sustainability Report	21
305-5	Reduction of GHG emissions	Sustainability Report <a href="#">Sustainability Directive</a>	14, 17, 20
<b>GRI 306: 2020* Effluents and Waste</b>			
306-1	Waste generation and significant waste-related impacts	Sustainability Report	21 - 22
306-2	Management of significant waste-related impacts	Sustainability Report <a href="#">Sustainability Directive</a>	21 - 22
306-3	Waste generated	Sustainability Report <a href="#">Sustainability Directive</a>	21 - 22
306-4	Waste diverted from disposal	Sustainability Report <a href="#">Sustainability Directive</a>	21 - 22
306-5	Waste directed to disposal	Sustainability Report <a href="#">Sustainability Directive</a>	21 - 22
<b>GRI 308</b>	<b>Supplier Environmental Assessment</b>		
308-1	New supplies that were screened using environmental criteria	Sustainability Report	19, 20, 22
308-2	Negative environmental impacts in the supply chain and actions taken	Sustainability Report	22
<b>GRI 400: 2016* Social Topics</b>			
<b>GRI 401</b>	<b>Employee Engagement</b>		
401-1	New employee hires and employee turnover	Sustainability Report	25, 27

GRI-Standard	Title	Location of content	
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Ascom complies with all local employment laws and regulations	
401-3	Parental leave	Ascom complies with all local employment laws and regulations	
<b>GRI 402</b>	<b>Labor Management</b>		
402-1	Minimum notice periods regarding operational changes	Ascom ensures timely communication with employees and their representatives regarding both negative and positive corporate changes	
<b>GRI 403: 2018*</b>	<b>Occupational Health and Safety</b>		
403-1	Occupational health and safety management system	Sustainability Report <a href="#">Sustainability Directive</a>	26
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Sustainability Report	26
403-8	Workers covered by an occupational health and safety management system	Sustainability Report	26
<b>GRI 404</b>	<b>Training and Education</b>		
404-1	Average hours of training per year per employee	Sustainability Report	26
404-2	Programs for upgrading employee skills and transition assistance programs	Sustainability Report	26
404-3	Percentage of employees receiving regular performance and career development reviews	Sustainability Report	26
<b>GRI 405</b>	<b>Diversity and Equal Opportunity</b>		
405-1	Diversity of governance bodies and employees	Sustainability Report Corporate Governance <a href="#">Sustainability Directive</a>	27 43
<b>GRI 406</b>	<b>Non-discrimination</b>		
406-1	Incidents of discrimination and corrective actions taken	None	
<b>GRI 407</b>	<b>Freedom of Association &amp; Collective Bargaining</b>		
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Sustainability Report <a href="#">Sustainability Directive</a>	27
<b>GRI 408</b>	<b>Child Labor</b>	Sustainability Report <a href="#">Sustainability Directive</a>	27
<b>GRI 409</b>	<b>Forced or Compulsory Labor</b>	Sustainability Report <a href="#">Sustainability Directive</a>	27
<b>GRI 410</b>	<b>Security Practices</b>	Sustainability Report <a href="#">Sustainability Directive</a>	28 - 29
<b>GRI 411</b>	<b>Rights of Indigenous Peoples</b>	<a href="#">Sustainability Directive</a>	27
<b>GRI 412</b>	<b>Human Rights Assessment</b>	Sustainability Report <a href="#">Sustainability Directive</a>	27
<b>GRI 414</b>	<b>Supplier Social Assessment</b>		
414-1	New suppliers that were screened using social criteria	Sustainability Report <a href="#">Sustainability Directive</a>	20, 22
414-2	Negative social impacts in the supply chain and actions taken	None	
<b>GRI 415</b>	<b>Public Policy</b>	Sustainability Report <a href="#">Sustainability Directive</a>	14, 18
<b>GRI 416</b>	<b>Customer Health and Safety</b>		
416-1	Assessment of the health and safety impacts of product and service categories	<a href="#">Sustainability Directive</a>	
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	None	
<b>GRI 417</b>	<b>Marketing and Labeling</b>		
417-1	Requirements for product and service information and labeling	<a href="#">Sustainability Directive</a>	
417-2	Incidents of non-compliance concerning product and service information and labeling	None	

GRI-Standard	Title	Location of content	Annual Report 2022 page
417-3	Incidents of non-compliance concerning marketing communications	None	
<b>GRI 418</b>	<b>Customer Privacy</b>		
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	None	

### Sustainability Directive

<https://www.ascom.com/globalassets/assets/global/corporate/documents/sustainability/ascom-sustainability-directive-2021.pdf>

### Code of Conduct

<https://www.ascom.com/globalassets/assets/global/corporate/documents/corporate-governance/ascom-code-of-conduct-2021.pdf>

### Contacts

<https://www.ascom.com/about-us/who-we-are/contact-us/>

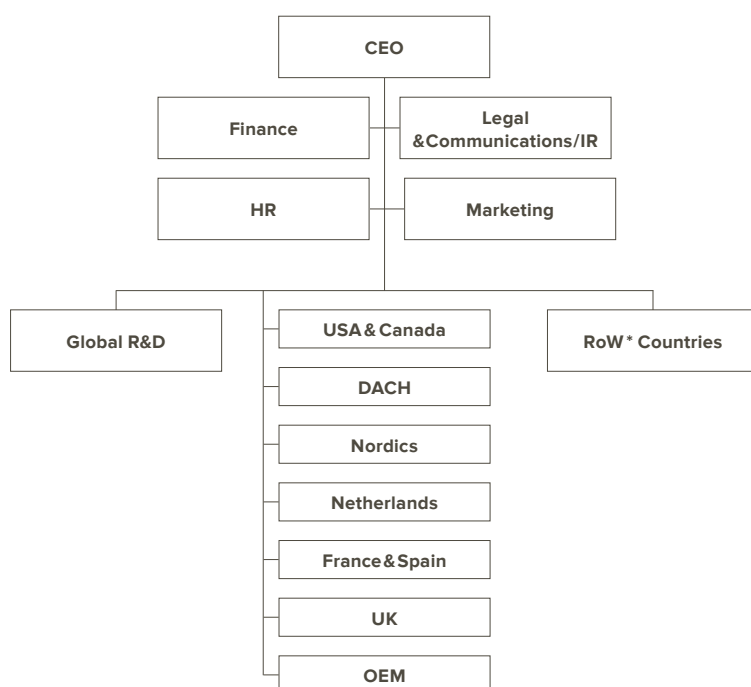


# Corporate Governance

## 1. CORPORATE STRUCTURE AND SHAREHOLDERS

Ascom is fully committed to good corporate governance. The information published in the Corporate Governance Report follows the SIX Swiss Exchange directives on standards relating to corporate governance. All information within this Corporate Governance Report refers to rules and regulations that were in effect as of 31 December 2022.

### Operating corporate structure (as of 31 December 2022)



\* Rest of World Countries: Australia, Belgium, Finland, Italy, Middle East, Malaysia / Singapore

Ascom Holding AG (Ascom Holding SA, Ascom Holding Ltd.) is a publicly listed company headquartered in Baar, Switzerland. It has a share capital of CHF 18,000,000, divided into 36,000,000 registered shares with a par value of CHF 0.50 per share. The Company's registered shares are traded on the SIX Swiss Exchange Swiss Reporting Standard under ISIN CH0011339204, symbol ascn. Ticker symbols:

- Bloomberg: ASCN.SW
- Reuters: ASCN.S

Market capitalization as of 31 December 2022 was CHF 267.5 million.

## Unlisted Group companies

The following companies belong to the Ascom Holding AG scope of consolidation.

### Unlisted Group companies: Ascom Holding AG (as of 31 December 2022)

Country	Company	Registered Office		Share Capital	Parent Company	Group's Interest
<b>Australia</b>	GTM Resources Pty. Ltd.	Mascot NSW	AUD	3	Ascom Holding AG	100%
	Ascom Integrated Wireless Pty. Ltd.	Mascot NSW	AUD	3,000,000	GTM Resources Pty. Ltd.	100%
<b>Belgium</b>	Ascom (Belgium) NV	Zaventem	EUR	1,424,181	Ascom Holding AG	100%
<b>Denmark</b>	Ascom Danmark A/S	Vallensbæk	DKK	1,200,000	Ascom Holding AG	100%
<b>Finland</b>	Ascom Oy	Turku	EUR	33,638	Ascom Holding AG	100%
<b>France</b>	Ascom (France) SA	Suresnes	EUR	2,000,000	Ascom Holding AG	100%
	Appliware SAS	Meylan	EUR	500,000	Ascom (France) SA	100%
<b>Germany</b>	Ascom Deutschland GmbH	Frankfurt a. M.	EUR	2,137,200	Ascom Unternehmensholding GmbH	100%
	Technologiepark Teningen GmbH	Emmendingen	EUR	6,136,000	Ascom Unternehmensholding GmbH Ascom Solutions AG	94% 6%
	Ascom Unternehmensholding GmbH	Frankfurt a. M.	EUR	5,113,000	Ascom Holding AG	100%
<b>Italy</b>	Ascom UMS S.r.l.	Scandicci	EUR	100,000	Ascom Solutions AG	100%
<b>Malaysia</b>	Ascom (Malaysia) SDN BHD	Petaling Jaya	MYR	1,000,000	Ascom Holding AG	100%
<b>Netherlands</b>	Ascom (Nederland) BV	Utrecht	EUR	1,361,000	Ascom Solutions AG	100%
<b>Norway</b>	Ascom (Norway) AS	Oslo	NOK	1,250,000	Ascom Solutions AG	100%
<b>Romania</b>	Ascom Mobile Solutions Romania S.R.L.	Cluj-Napoca	RON	45,000	Ascom Solutions AG	100%
<b>Singapore</b>	Ascom Solutions (Singapore) Pte Ltd	Singapore	SGD	50,000	Ascom Solutions AG	100%
<b>Sweden</b>	Ascom (Sweden) AB	Göteborg	SEK	96,154,000	Ascom Holding AG	100%
<b>Switzerland</b>	Mocsa AG in Liquidation	Berne	CHF	100,000	Ascom Holding AG	100%
	Ascom Solutions AG	Mägenwil	CHF	10,000,000	Ascom Holding AG	100%
<b>United Kingdom</b>	Ascom (UK) Ltd	Lichfield	GBP	1,000,000	Ascom Solutions AG	100%
<b>USA</b>	Ascom (US) Inc.	Morrisville NC	USD	1	Ascom Solutions AG	100%

## Shareholders

### Registered shareholders

As of 31 December 2022, there were 4,740 shareholders registered in the share register of Ascom Holding AG.

### Share ownership as of 31 December 2022

Number of shares	Number of shareholders
1 to 100	712
101 to 1,000	2,288
1,001 to 5,000	1,372
5,001 to 10,000	192
More than 10,000	176
<b>Total</b>	<b>4,740</b>

## Significant shareholders

The following significant shareholders exceeding a threshold of 3% of voting rights were recorded in the share register as of 31 December 2022:

- Pictet Asset Management SA, Geneva: 8.46%
- UBS Fund Management (Switzerland) AG, Basel: 7.24%
- Credit Suisse Funds AG, Zurich: 4.17%
- Veraison SICAV, Zurich: 3.38%

This does not cover shares, which are not registered in the share register (dispo shares). Dispo shares amounted to 25.94% as of 31 December 2022.

In accordance with the disclosure announcements made according to Article 120 ff of the Financial Market Infrastructure Act (FMIA), the following parties with voting rights exceeding a threshold of 3% are regarded as significant shareholders in Ascom as of 31 December 2022:

- UBS Fund Management (Switzerland) AG, Basel: Ascom securities representing 8.94% of the voting rights, including RoPAS (CH) Institutional Fund Equities Switzerland (5.06%) (announcement dated 2 June 2022)
- Pictet Asset Management SA, Geneva: Ascom securities representing 8.58% of the voting rights, including Swiss Mid Small Cap (5.00%) (announcement dated 26 October 2022)
- Credit Suisse Funds AG, Zurich: Ascom securities representing 5.19% of the voting rights (announcement dated 31 August 2022)
- Veraison SICAV, Zurich: Ascom securities representing 4.85% of the voting rights (announcement dated 12 February 2021)
- Luxempart S.A., Leudelange (Luxemburg): Ascom securities representing 4.07% of the voting rights (announcement dated 3 November 2020)
- Teslin Capital Management BV, Maarsbergen (Netherlands): Ascom securities representing 3.00% of the voting rights (announcement of 6 July 2022)

Further details regarding these shareholders as well as additional information regarding the individual disclosure notices are available on the disclosure platform of the SIX Exchange Regulation (SER) at <https://www.ser-ag.com/en/resources/notifications-market-participants/significant-shareholders.html#/>

The free float of the shares of Ascom Holding AG is 100% since 1 November 2013.

As of the balance sheet date, the Company held 90,775 treasury shares, representing 0.25% of voting rights. The Company only held own shares to back the ongoing long-term incentive plans.

There are no known shareholders' agreements.

## Cross-shareholdings

The Ascom Group has not entered cross-shareholdings with other companies in terms of capital or voting rights.

## 2. CAPITAL STRUCTURE

### Ordinary share capital

Since the Annual General Meeting held on 6 April 2006, the share capital has amounted to CHF 18,000,000, divided into 36,000,000 registered shares with a par value of CHF 0.50 per share. The share capital is fully paid up.

### Share structure

	31.12.22		31.12.21	
	Number	(CHFm)	Number	(CHFm)
Registered shares par value CHF 0.50	36,000,000	18.0	36,000,000	18.0
Registered shareholders	4,740		4,319	

### Bonus certificates

Ascom Holding AG has not issued any bonus certificates.

### Authorized share capital/conditional share capital

The legal framework has been created in Article 3a / 3b of the Articles of Association to allow a share capital increase by a maximum of 10%, irrespective of the form (either authorized or conditional capital).

### Conditional share capital

Article 3a of the Articles of Association, dated 13 April 2022, reads as follows:

1. The share capital of the Company may be increased by issuing at most 3,600,000 registered shares with a nominal value of CHF 0.50 each for a maximal amount of CHF 1,800,000 by way of exercise of option or conversion rights, which are granted in connection with bonds of the Company or of one of its subsidiaries, or which are granted as option rights of shareholders. The subscription right of shareholders is excluded. The holders of option or conversion rights are entitled to subscribe to new shares. The provisions of the Articles of Association limit the acquisition of registered shares by way of exercise of option or conversion rights, as well as the further transfer of registered shares.
2. The Board of Directors determines the conditions of the option and conversion rights. When issuing convertible bonds or similar debt instruments to which conversion or option rights are attached, the Board of Directors may revoke preferential subscription of shareholders for good cause pursuant to Art. 653c para. 2 of the Swiss Code of Obligations. In this case, the Board of Directors determines, in accordance with market conditions at the time of issuance, the structure, term and amount of the bond, as well as the conditions of the option and conversion rights.
3. If and to the extent that the Board of Directors has made use of the authorization granted by the General Meeting to increase share capital pursuant to Article 3b of the Articles of Association, the conditional share capital as per para. 1 of this provision of the Articles of Association shall be reduced accordingly.

### Authorized capital

Article 3b of the Articles of Association, dated 13 April 2022, reads as follows:

1. At any time until 13 April 2024, the Board of Directors is authorized to increase the share capital by a maximum amount of CHF 1,800,000 by issuing a maximum of 3,600,000 fully paid registered shares with nominal value of CHF 0.50 each.
2. Increases in partial amounts are permitted.
3. The subscription and acquisition of the new shares and each subsequent transfer of the shares shall occur according to Article 4.

4. At the time of issuance of these shares, the Board of Directors determines the respective amount, type of contribution, conditions for exercising subscription rights and the date of dividend entitlement. The Board of Directors may issue the new shares by way of underwriting of a bank or of a third party and may subsequently proceed to an offer to existing shareholders. The Board of Directors is authorized to restrict or exclude trading in subscription rights. The Board of Directors may allow unexercised subscription rights to lapse or may proceed to the placement at market conditions of these rights, or of the shares for which subscription rights have been granted but not exercised, or otherwise use them in the interest of the Company.
5. The Board of Directors is authorized to limit or exclude the subscription rights of shareholders and to allocate these rights to individual shareholders or third parties: a) insofar as the shares are used for the acquisition of companies, parts of companies or participations in companies, or for the financing or refinancing of such transactions, or for the financing of new investment projects of the Company; b) if the shares are used for the purpose of expanding the circle of shareholders in connection with the listing of the shares on a stock exchange or for the participation of strategic partners; c) in the case of national or international (including private) investment of shares, at least at market conditions, for the purpose of rapid and flexible procurement of equity capital, which would only be possible under difficult or excessively difficult conditions without restriction or exclusion of the subscription right; d) for other good cause as contemplated under Article 652b para. 2 of the Swiss Code of Obligations.
6. If and to the extent that the Board of Directors has made use of or reserved the conditional capital set out under Article 3a of the Art. of Association, its authorization to increase the share capital based on para. 1 of this provision of the Articles of Association shall be reduced accordingly.

It is planned to adapt the Articles of Association to the revision of the Swiss Corporate Law at the Annual General Meeting 2023.

## Changes in equity

The equity of Ascom Holding AG has changed as follows:

CHF 1,000	2022	2021	2020	2019
Share capital	18,000	18,000	18,000	18,000
Legal reserves	6,523	6,523	6,523	6,523
Retained earnings	338,489	344,263	340,166	338,531
Treasury shares	(730)	(51)	(64)	(232)
<b>Total</b>	<b>362,282</b>	<b>368,735</b>	<b>364,625</b>	<b>362,822</b>

## Limitations on transferability and nominee registrations

- In principle, the Articles of Association of Ascom Holding AG contain no limitations on transferability and no statutory privileges [www.ascom.com/about-us/corporate-governance/directives-and-guidelines/](http://www.ascom.com/about-us/corporate-governance/directives-and-guidelines/).
- The share registration guidelines (current version dated 1 September 2017) are published on the Company's website ([www.ascom.com/about-us/corporate-governance/directives-and-guidelines](http://www.ascom.com/about-us/corporate-governance/directives-and-guidelines)).
- Every person recorded in the share register is regarded as a shareholder or beneficiary vis-à-vis the Company.

- For registered shares, a share register is maintained in which the names and addresses of the owners and beneficiaries are entered. Changes must be reported to the Company.
- Entry in the share register requires proof of acquisition of title to the shares or of beneficiary status. A purchaser of registered shares is entered in the share register upon request as a voting shareholder if he/she expressly declares that he/she acquired the registered shares in his/her own name and on his/her own account. If the purchaser is not prepared to make such a declaration, the Board of Directors may refuse registration as a voting shareholder.
- After consulting the party involved, the Company may delete entries in the share register if such entries occurred in consequence of false statements by the purchaser. The purchaser must be informed immediately of the deletion.
- Admission of nominees is decided by the Board of Directors. No applications in this regard were submitted in 2022.

## Options/convertible bonds

### Options/share matching plans/PSU plans

All Ascom stock option plans and share matching plans are expired. Current Ascom Performance Stock Units (PSU) plans are listed in the Remuneration Report on pages 72 to 74.

### Convertible bonds

Ascom Holding AG has not issued any convertible bonds.

### Management transactions

The listing rules of the SIX Swiss Exchange stipulate a disclosure obligation in respect of management transactions, including exercise of options, acquisitions, and sales of Ascom shares. To ensure compliance with these provisions, the Board of Directors has issued an Annex to the Organization Regulations. Details can be found on the disclosure platform of the SIX Exchange Regulation (SER) at <https://www.ser-ag.com/en/resources/notifications-market-participants/management-transactions.html#/>

## 3. BOARD OF DIRECTORS

### Primary tasks of the Board of Directors

The Board of Directors holds ultimate decision-making authority and determines the strategic, organizational, and financial planning guidelines for the Group as well as the Company objectives. The Board of Directors is responsible for the overall direction as well as the supervision and control of the management. It sets guidelines for business policies and ensures that it is regularly informed on the course of business.

The primary tasks of the Board of Directors under the Swiss Code of Obligations and the Articles of Association of Ascom Holding AG are:

- Overall management of the Company and the Group, including setting the strategic direction as well as issuing directives as required
- Defining the organization and management structure
- Laying out the forms of accounting and financial control as well as financial planning
- Appointing and discharging persons entrusted with the management and representation of the Company and determining who is entitled to sign on behalf of the Company
- Ultimate supervision of business activities

- Drawing up the Annual Report and the Remuneration Report as well as preparing the Annual General Meeting and carrying out its resolutions
- Informing the courts in the event of excessive indebtedness
- Passing resolutions on the financing of business, and in particular deciding on capital increases and IPOs and the consequent changes to the Articles of Association
- Passing resolutions on participations of major/strategic significance
- Risk management
- Determining the compensation for members of the Board of Directors and the Executive Board subject to the approval of the Annual General Meeting

### **Election and composition of the Board of Directors of Ascom Holding AG**

The Articles of Association define the election of the Board of Directors of Ascom Holding AG as follows:

- The Board of Directors consists of at least three and not more than seven members.
- The General Meeting elects the members and the Chairperson of the Board of Directors individually.
- The terms of office of the members of the Board of Directors as well as the term of office of the Chairperson of the Board of Directors shall end no later than at the closing of the ordinary General Meeting following their election. Re-election is permitted.
- The majority of the members of the Board of Directors shall be independent members.
- In the event that the position of the Chairperson is vacant, the Board of Directors appoints a new Chairperson for the remaining term of office.
- Members of the Board of Directors retire from the Board of Directors at the Annual General Meeting of the respective year when they complete their 70th year of age.

Ascom's Articles of Association are available on the Company website: <https://www.ascom.com/globalassets/assets/global/corporate/documents/corporate-governance/ascom-articles-of-association-2022-en-final.pdf>

Based on the Articles of Association, the Board of Directors issued the Organization Regulations ([https://www.ascom.com/globalassets/assets/global/corporate/documents/corporate-governance/ascom-organization-regulation\\_en\\_2022.pdf](https://www.ascom.com/globalassets/assets/global/corporate/documents/corporate-governance/ascom-organization-regulation_en_2022.pdf))

### **Diversity and independence**

All members of the Board of Directors are non-executive and independent members as of 31 December 2022. No member of the Board of Directors has any significant business relationship with Ascom Holding AG or its subsidiaries. As of 31 December 2022 the Board of Directors has 17% female und 83% male members. Over the past years, the Board of Directors has been consistently renewed. Two third of the Board members have a tenure of less than 5 years.

# Members of the Board of Directors

## **Dr Valentin Chapero Rueda, Chairman**

Nationality: Spain/Switzerland | Born 1956 | Place of residence: Wilen bei Wollerau, Switzerland | Member since 2016 | Chairman since 7 November 2019 | Elected until AGM in 2023

1986/1988 Master and PhD (Dr rer. nat.) in Physics, University of Heidelberg, Germany; 1988–1992 Director of Systems Integration for Mainframe Unix Systems, Siemens Nixdorf Informations Systems AG, Paderborn, Germany; 1992–1994 Vice President Professional Services, Siemens Nixdorf Spain, Madrid; 1994–1996 Vice President Network Systems, Siemens AG Spain, Madrid; 1996–1999 CEO Siemens Audiologische Technik GmbH, Erlangen, Germany; 2000–2002 President Mobile Network, Siemens AG, Munich; 2002–2011 CEO Sonova Holding AG, Stäfa; since 2011 Business Angel & Investor Valamero Holding AG, Wilen b. Wollerau; 2015–2019 Co-founder and Partner Veraison Capital AG, Zurich.



## **Nicole Burth Tschudi**

Nationality: Switzerland | Born 1972 | Place of residence: Uitikon, Switzerland | Member since 2020 | Elected until AGM in 2023

1997 Master in Economics, University of Zurich; 1998–2000 Equity Research UBS; 2000–2002 Equity Research Analyst Deutsche Bank Switzerland, Zurich; 2002–2005 Head of Technology & Business Service Equity Research Lombard Odier Darier Hentsch & Cie, Zurich; 2004 Chartered Financial Analyst (CFA), CFA Institute; 2005–2008 Head of Investor Relations Adecco Group, Zurich; 2008 Adecco Leadership Program at IMD; 2008–2010 Business Executive Adecco Germany; 2010–2014 Head of M&A Adecco Group, Zurich; 2012 Adecco Leadership Program at INSEAD; 2015–2020 Head of Adecco Switzerland (2019–2020 Head of Adecco Austria, Luxembourg, Belgium and Switzerland); since 2021 Head of Communication Services and member of the Executive Management of Swiss Post, Berne.



## **Laurent Dubois**

Nationality: Belgium | Born 1969 | Place of residence: Wollerau, Switzerland | Member since 2020 | Elected until AGM in 2023

1992 Bachelor and Master in Economics and Business Economics (TEW), Vrije Universiteit Brussels; 1993–2015 various executive programs in leadership, change management, financial analysis, and IT management (McKinsey, GE, Vlerick Business School); 1993–1995 Finance, Planning & Analysis Total Benelux; 1995–1998 Acquisitions, Marketing and Diversification Texaco Benelux; 1998–2011 Life Sciences, Medtech, Healthcare McKinsey & Company (Partner 2004–2011); 2011–2013 Managing Partner & Co-founder Five Oaks Partnership, Zurich; 2013 Vice President & General Manager GE Healthcare, Performance Solutions; 2014–2019 CEO GE Healthcare Partners, member Global Executive Committee of GE Healthcare; since 2020 CEO, member of the Board of ADB Safegate BV, Zaventem (Belgium).





### **Jürg Fedier**

Nationality: Switzerland | Born 1955 | Place of residence: Schindellegi, Switzerland | Member since 2017 | Elected until AGM in 2023

1978 Commercial Diploma from the College of Commerce, Zurich; followed by 1990–2002 various executive management programs at IMD Lausanne and University of Michigan, Ann Arbor MI (USA); 1978–2000 Various management positions at Dow Chemical in the USA, Europe and Asia; 2000–2002 Global Business Finance Director Dow Chemical Thermosets, Midland MI (USA); 2002–2006 Vice President Finance Dow Chemical Performance Chemicals and Thermosets, Midland MI (USA); 2006–2007 CFO and member of the European Executive Board Dow Europe; 2007–2008 CFO and member of the Executive Team Ciba Specialty Chemicals, Basel; 2009–2019 CFO OC Oerlikon, Pfäffikon SZ (Switzerland).



### **Michael Reitermann**

Nationality: Germany/USA | Born 1962 | Place of residence: Nantucket MA, USA | Member since 2020 | Elected until AGM in 2023

1988 Industrial Engineering, University of Karlsruhe, Germany; 1990 Master of Business Administration, University of British Columbia, Vancouver BC, Canada; 1990–2002 Various assignments within the Siemens Group in Germany; 2002–2005 President Nuclear Medicine Siemens Medical Solutions, Chicago IL; 2005–2009 CEO Molecular Imaging Siemens Medical Solutions, Chicago IL / Knoxville TN (USA); 2009–2010 President & CEO Customer Solutions Group, Siemens Medical Solutions USA Inc., Malvern PA (USA); 2010–2015 CEO Diagnostics Division Siemens Healthcare, Tarrytown NY (USA); 2015–2018 COO Siemens Healthcare GmbH, Erlangen (Germany); 2018–2019 member of the Management Board Siemens Healthineers AG, Erlangen (Germany).



### **Dr Andreas Schönenberger**

Nationality: Switzerland | Born 1965 | Place of residence: Wettswil, Switzerland | Member since 2020 | Elected until AGM in 2023

1990 Diploma in Physics; 1995 PhD in Theoretical Physics Swiss Federal Institute of Technology ETH, Zurich; 1998 MBA London Business School, London; 1998–2002 Project Manager Boston Consulting Group, Zurich; 2003–2006 Vice President Monitor Group, Zurich; 2006–2010 Country Manager Google Switzerland, Zurich; 2010–2016 various Board memberships (e.g. Mobilezone, Publigroupe); 2010–2017 CEO & founder at Speed Switzerland; 2012–2016 CEO & member of the Board Boxalino AG, Wallisellen, Switzerland; 2016–2019 CEO (until 2018) & member of the Board Salt Mobile, Renens, Switzerland; since 2019 CEO Sanitas Krankenversicherung, Zurich.



## Board attendance in 2022

	19.1.	28.2.	14.4.	7.6.	15.7.	25.8.	24.10.	6.12.
Dr Valentin Chapero Rueda	✓	✓	✓	✓	✓	✓	✓	✓
Nicole Burth Tschudi	✓	✓	✓	✓	✓	✓	✓	✓
Laurent Dubois	✓	✓	✓	✓	✓	✓	✓	✓
Jürg Fedier	✓	✓	✓	✓	✓	✓	✓	✓
Michael Reitermann	✓	✓	✓	✓	✓	✓	✓	✓
Dr Andreas Schönenberger	✓	✓	✓	✓	✓	✓	✓	✓

At the Annual General Meeting of Ascom Holding AG held on 13 April 2022, the shareholders re-elected the following members of the Board of Directors individually and for a term of one year until the Annual General Meeting 2023:

	Member since	Elected until AGM
Dr Valentin Chapero Rueda (Chairman since 2019)	2016	2023
Nicole Burth Tschudi	2020	2023
Laurent Dubois	2020	2023
Jürg Fedier	2017	2023
Michael Reitermann	2020	2023
Dr Andreas Schönenberger	2020	2023

The Board of Directors aims for balanced professional expertise and diversity of its members when proposing them for election to the Annual General Meeting. The selection process is regardless of origin, nationality, culture, religion, or gender.

The Board of Directors is committed to nominate a second woman for election to the Board of Directors at the time of the next vacancy. However, it is not envisaged to increase the number of Board members given the size of the Company.

At the Annual General Meeting 2022, the shareholders elected Dr Valentin Chapero Rueda as Chairman of the Board. Nicole Burth Tschudi, Laurent Dubois, and Dr. Andreas Schönenberger were elected as members of the Compensation & Nomination Committee in individual elections.

All members of the Board of Directors are non-executive and independent members as of 31 December 2022. No member of the Board of Directors has any significant business relationship with Ascom Holding AG or its subsidiaries.

## Secretary of the Board of Directors

Dr Daniel Lack has served as Secretary of the Board of Directors since May 2001.

## Changes to the Board of Directors

The Board of Directors remained unchanged in 2022.

## Internal organization

- Except for the election of the Chairperson of the Board of Directors and the members of the Compensation & Nomination Committee, the Board of Directors is self-constituting and designates its other committees and the Secretary. The latter does not need to be a member of the Board of Directors.
- The Board of Directors is quorate when the majority of members are present. In the event of capital increases, such a quorum is not required for decisions concerning definition of the capital increase, amendments to the Articles of Association or resolutions regarding the capital increase report.

- The Board of Directors passes its resolutions by a majority of the votes cast. The Chairperson holds the casting vote.
- Resolutions may also be adopted by written consent to a proposal circulated by the Chairperson among all members and passed by a majority of all members of the Board of Directors.
- Minutes are kept of deliberations and resolutions and are signed by the Chairperson and the Secretary.
- Members of the Board of Directors may exercise a consulting mandate for the Ascom Group alongside their activity on the Board of Directors, subject to the unanimous consent of the Board of Directors. There were no such consulting mandates as of the balance sheet date.

### **Mandates outside the Ascom Group**

Article 734e of the Swiss Code of Obligations requires the disclosure and specification of the functions of the members of the Board of Directors and the Executive Board in other undertakings. Article 20d of the Articles of Association defines the mandates outside the Ascom Group:

Members of the Board of Directors may occupy or exercise not more than the following number of additional positions in the highest managing or supervising body of other entities that are obliged to be entered into the commercial register or a comparable foreign register and that are neither controlled by nor that control the Company:

- Four positions in publicly traded companies
- Five positions in non-listed companies
- Ten positions in associations, non-profit organizations, and pension funds

All members of the Board of Directors comply with this regulation. The overview of all mandates outside of the Ascom Group can be found in the Remuneration Report on page 63.

None of the members of the Board of Directors previously worked for the Ascom Group, nor does any member of the Board of Directors perform any permanent management or consultancy functions for important Swiss or foreign interest groups or hold any official positions or political offices.

### **Mode of operation of the Board of Directors**

Board meetings or conference calls are held as and when necessary. In general, the CEO and CFO attend all ordinary meetings of the Board of Directors. In addition, executive sessions are held. Other members of the Executive Management as well as external experts are invited to attend meetings to address specific topics if necessary. Eight meetings (including both physical meetings and conference calls) were held in 2022. Board attendance was 100%. The ordinary meetings of the Board of Directors last one full day and strategy meetings last two days. The Secretary of the Board prepares the meetings and records the minutes.

The Chairperson of the Board acts as a liaison with the Executive Management and has regular interactions with the CEO and other members of the Executive Management. Management provides monthly reports to the Board covering the financial and operating performance of the Company.

### **Self-evaluation of the Board of Directors**

Since 2005, the Board of Directors has carried out a self-evaluation at year-end based on a standardized process using a comprehensive questionnaire. The results are discussed in the first quarter of the next year, and any measures necessary for improvements are agreed and implemented as required.

## **Committees of the Board of Directors**

To support the efficient and effective organization of its duties, the Board of Directors has set up a structure with two permanent committees whose primary role is to prepare materials as a basis for decisions by the Board of Directors in specialized areas. The two permanent committees are the Audit Committee and the Compensation & Nomination Committee. The authority to make decisions lies with the Board of Directors. All members of the Board are entitled to attend any meetings of these committees. The nomination of candidates for election to the Board of Directors and the selection of candidates for appointment to the Executive Board and Executive Committee are done by the entire Board on proposal of the Compensation & Nomination Committee.

### **Audit Committee**

**Members: Jürg Fedier (Chairperson), Michael Reitermann and Dr Andreas Schönenberger**

The Board of Directors elects the members and the Chairperson of the Audit Committee for a term of office of one year until the closing of the ordinary General Meeting following the election.

The Audit Committee is composed of three non-executive and independent members of the Board of Directors and generally meets four times a year (at least one meeting per quarter), although the Chairperson may convene meetings as often as business requires. Four Audit Committee meetings were held in 2022, generally lasting several hours, whereof the external auditors attended three. Committee attendance was 100%. The Chairman of the Board as well as the CEO and the CFO were present in all meetings. The Secretary of the Board prepares the meetings and records the minutes. The full Board of Directors is kept informed of the Audit Committee's activities following each meeting and receives a copy of the minutes.

The Audit Committee's main activities are:

- Internal control
- Financial reporting
- Finance management
- Risk management
- Tax management
- External auditing
- Compliance
- Litigation matters
- Quality & Regulatory
- Pension funds

## **Compensation & Nomination Committee**

**Members: Nicole Burth Tschudi (Chairperson), Laurent Dubois, and Dr Andreas Schönenberger (since 13 April 2022)**

According to the Articles of Association, the General Meeting elects the members of the Compensation & Nomination Committee individually for a term of office of one year until the closing of the ordinary General Meeting following the election. The Compensation & Nomination Committee consists of at least two and not more than three members of the Board of Directors. Dr Andreas Schönenberger joined the Compensation & Nomination Committee after the Annual General Meeting 2022 taking place on 13 April 2022.

The Chairperson of the Compensation & Nomination Committee must be independent and is elected by the Board of Directors. In the event that the Compensation & Nomination Committee has fewer members than the number of members elected by the last General Meeting and is therefore not fully staffed, the Board of Directors elects the missing members for the remaining term.

The Compensation & Nomination Committee is composed of three non-executive and independent members of the Board of Directors and is convened by the Chairperson as often as business requires. Four meetings were held in 2022. Committee attendance was 100%. The Chairman of the Board of Directors attended one meeting, while the CEO was present at all meetings as far as required. The Secretary of the Board of Directors prepares the meetings and records the minutes. The full Board of Directors is kept informed of the Compensation & Nomination Committee's activities following each meeting and receives a copy of the minutes.

A major task of the Compensation & Nomination Committee is to prepare the resolution of the Board of Directors concerning the compensation of the members of the Board of Directors and the members of the Executive Board to be approved by the Annual General Meeting. To fulfill its duties, the Compensation & Nomination Committee may consult other persons and external consultants for support.

Other main fields of work of the Compensation & Nomination Committee shall consist of making recommendations to the Board of Directors in relation to:

- Ascom Group remuneration policies
- Fixing compensation models for the Board of Directors and the Top Management
- Implementation and monitoring of long-term incentive plans
- Succession planning
- Reviewing the selection process of candidates for election to the Board of Directors and CEO/CFO search
- Approval of external mandates outside the Ascom Group for members of the Executive Board
- Health and safety

## **Areas of responsibility**

The Board of Directors has delegated the operational management of the Company and the entire Ascom Group to the CEO unless otherwise required by the law, the Articles of Association, or the Organization Regulations. The CEO, supported by the CFO and the other members of the Executive Committee, is responsible for the overall management of the Ascom Group.

The Board of Directors explicitly reserves the power to decide on the following matters:

- Authorizing important acquisitions and divestments
- Appointing and discharging members of the Executive Board and the Executive Committee
- Defining compensation models for members of the Board of Directors and the Executive Board (subject to the approval of the Annual General Meeting), and the Top Management
- Approving the budget
- Arranging public bonds and important framework credit agreements
- Substantial investments
- Issuing the Organization Regulations and their Annexes
- Defining the internal audit and submitting the proposal to the Annual General Meeting for election of the auditors
- Submitting proposals on dividends to the Annual General Meeting
- Issuing and implementing long-term incentive plans

### **Information and control instruments in respect of the Management**

The Ascom Group's management information system (MIS) consists of management reporting and financial consolidation.

Each month, the balance sheet, income statement, incoming orders, order backlog and employee headcount for the individual companies are entered in the management reporting system. This information is based on the regulation and accounting standards and consolidated for the various Group companies and for the Group as a whole and compared against the previous year's figures and the current budget. The Executive Board / Executive Committee discusses the results in detail on a monthly basis and decides on actions to be taken.

Full financial consolidation (including cash flow statement) in compliance with the regulation and accounting standards is performed on a quarterly basis.

Financial reports are submitted to the Board of Directors on a monthly basis. Additional management instruments for monitoring management processes include strategic medium-term planning (MTP), annual planning and quarterly forecasts.

A quarterly report on pending lawsuits as well as on Quality & Regulatory affairs is submitted to the Audit Committee. In addition, an updated risk map for the Group is submitted to the Board of Directors on a regular basis. The meetings of the Board of Directors and the Audit Committee are attended by the CEO and CFO as well as, whenever necessary, by other members of Management.

### **Internal audit**

Audit Committee used to mandate an external audit firm to carry out special focus audits, as needed. Accordingly, such internal audits were conducted from time to time as mandated by the Audit Committee. During 2022, no special focus audits have been commissioned. Internal audit fees are based on the scope of services rendered. Fees incurred in 2022 were nil (2021: nil).

In 2022, the Board of Directors decided to set up an internal audit department in order to provide independent, objective assurance to add value and improve the Group's operations and systems of internal controls. The Audit Committee appointed an internal auditor taking up his duties in 2023.

### **Risk management**

As an internationally active group, Ascom is exposed to a variety of risks arising from its operations in the normal course of business. Risk management is therefore an integral part of Group Management and hence part of the business processes. Group Treasury centrally monitors financial risks (liquidity, foreign currency, interest

rate, credit risks) in accordance with written guidelines. Capital risk is also monitored using defined thresholds for the debt ratio and the equity ratio.

Further information on risk management can be found in note 26 to the financial statements of the Ascom Group on pages 94 - 96 of this Annual Report.

### Information Security, Cyber Security and Data Protection

Ascom is ISO certified (IEC 27001) since 2019 and has implemented an Information Security Management System with a global approach. This enables an effective management of information security risks related to company assets, financial information, intellectual property, employee details or information entrusted by third parties.

DNV-GL as accredited EU notified body reviews processes, guaranteeing the continuous improvement in Information Security Management System and security commitment.

Management performs a review on annual basis and informs the Audit Committee about the outcome. Two senior managers have information security skills. Ascom has compulsory training programs for all employees related to Information Security, Cyber Security, and Data Protection.

Ascom has not experienced any data breach in the last three years.

### Internal Control System (ICS)

A Board directive of 21 August 2017 and the ICS manual govern the Internal Control System (ICS). The ICS ensures the implementation of appropriate procedures and measures for the purpose of identifying and monitoring the main financial risks to which the Company is exposed. In particular, the aim of the ICS is to ensure the integrity and completeness of accounting, to provide timely and reliable financial reporting, and to prevent, minimize and identify errors and irregularities in the financial statements.

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

## 4. EXECUTIVE BOARD

### The Executive Board of the Ascom Group

The Board of Directors has delegated the operational management of the Company and the entire Ascom Group to the CEO unless otherwise required by the law, the Articles of Association, or the Organization Regulations. As members of the Executive Board are considered the CEO and each further person who is explicitly appointed as such by the Board of Directors (Article 8 of the Articles of Association). As a rule, members of the Board of Directors shall not be on the Executive Board.

### Composition of the Ascom Executive Board as of 31 December 2022

Executive Board member since		
Nicolas Vanden Abeele	CEO	01.02.2022
Dominik Maurer	CFO	10.10.2019

# Members of the Executive Board

## **Nicolas Vanden Abeele, Chief Executive Officer**

Nationality: Belgium | Born 1972

1994 M.A. in Business Administration, Catholic University of Leuven; 1995 M.A. International Business and European Economics, College of Europe, Bruges (Belgium); 1995–1997 Arthur Andersen, Brussels Business Consultant; 1997 M.A. ULB Solvay School of Management, Université Libre, Brussels; 2007 Executive MBA (Ashridge College (UK) / INSEAD); 1997–2010 Alcatel-Lucent (1997–2000 Director Voice Networks Brazil, São Paulo; 2000–2003 Vice President Fixed & Data Networks Division Latin America, Mexico City; 2004–2007 Vice President Access Network Asia Pacific, Shanghai; 2007–2009 Region President South Asia & South East Asia, Singapore; 2009–2010 Head of Strategy & Ventures Carrier Networks, Paris); 2011–2016 Etex Group; Brussels: Member of the Executive Committee (2011–2014 President AMEA and Group Head of Innovation + R&D, 2014–2016 President Insulation Division and Asian Region); 2017–2021 Barco, Brussels: Member of the Executive Committee, Head Entertainment Division; since 1 February 2022 CEO and member of the Executive Board of the Ascom Group.



## **Dominik Maurer, Chief Financial Officer**

Nationality: Switzerland | Born 1968

1997 Master of Business Administration, University of Berne; 1994–1998 Corporate Finance Manager Swisscom AG, Berne; 1998–2001 CFO Tesion GmbH, Stuttgart; 2001–2004 CFO T-Systems Schweiz AG, Zollikofen (Switzerland); 2003–2012 CFO (until 2008), then CEO (after 2008) T-Systems Do Brasil, São Paulo; 2012–2016 Vice President / Head Europe & Germany and Product Head Workplace T-Systems International AG, Frankfurt a.M.; 2017–2018 Partner & Managing Director SpreadYourWingZ GmbH, Teltow (Germany); 2018–2019 CFO Unitech-nologies AG, Gals (Switzerland); since 10 October 2019 CFO and member of the Executive Board of the Ascom Group.





## Changes in the Executive Board

The Board of Directors appointed Nicolas Vanden Abeele as CEO of the Ascom Group as of 1 February 2022. Former CEO Jeannine Pilloud stepped down as of 25 January 2022 and left the Company.

Further information on the curriculum vitae of Jeannine Pilloud is available on page 42 in the Corporate Governance section of the Annual Report 2021.

## Executive Committee

The Executive Committee is an extended panel, which supports the CEO. In addition to the CEO and CFO, it consists of the following further members as of 1 January 2023:

<b>Jens Sand Andersen</b> Denmark	<ul style="list-style-type: none"><li>■ Managing Director Nordics</li><li>■ International Marketing Degree Copenhagen Business School / B.Sc. E.E. Copenhagen Technical University</li></ul>
<b>Kelly Feist</b> USA	<ul style="list-style-type: none"><li>■ Managing Director USA &amp; Canada</li><li>■ Bachelor of Science / MBA</li></ul>
<b>Olaf Hendriks</b> Netherlands	<ul style="list-style-type: none"><li>■ Managing Director Netherlands</li><li>■ HU University of Applied Sciences, Utrecht</li></ul>
<b>Gaby Hunziker</b> Switzerland	<ul style="list-style-type: none"><li>■ Chief Human Resources Officer</li><li>■ Technical school / further education in HR and various leadership trainings</li></ul>
<b>Dr Daniel Lack</b> Switzerland	<ul style="list-style-type: none"><li>■ Company Secretary / Senior VP Legal &amp; Communications / IR and QA &amp; RA</li><li>■ Attorney-at-law / PhD in law, University of Berne</li></ul>
<b>Paul McCann</b> UK	<ul style="list-style-type: none"><li>■ Managing Director UK</li><li>■ BSc Honours Environmental Chemistry, University of Leeds</li></ul>
<b>Konstantinos Nikolopoulos</b> Switzerland	<ul style="list-style-type: none"><li>■ Head of Global Marketing</li><li>■ Bachelor of Science / Master of Science, City-University of London</li></ul>
<b>Yves T'Joens</b> Belgium	<ul style="list-style-type: none"><li>■ Head of Global R&amp;D</li><li>■ MSc in civil engineering, University of Gent</li><li>■ MSc Polymer Science, University of Manchester / MSc Aeronautical engineering VLIR</li><li>■ Executive MBA, Vlerick Leuven-Gent</li></ul>

## Mandates outside the Ascom Group

Article 734e of the Swiss Code of Obligations requires the disclosure and specification of the functions of the members of the Board of Directors and the Executive Board in other undertakings. Article 20d of the Articles of Association defines the mandates outside the Ascom Group:

Members of the Executive Board may occupy or exercise not more than the following number of additional positions in the highest managing or supervising body of other entities that are obliged to be entered into the commercial register or a comparable foreign register and that are neither controlled by nor that control the Company:

- One position in publicly listed companies
- Two positions in non-listed companies
- Five positions in associations, non-profit organizations, and pension funds

All members of the Executive Board comply with this regulation. The overview of all mandates outside of the Ascom Group can be found in the Remuneration Report on page 67.

## Mode of operation of the Executive Board / Executive Committee

As a rule, a half- or full-day meeting of the Executive Board / Executive Committee is held on a monthly basis. Additional meetings or conference calls are held as and when necessary. 18 meetings of the Executive Committee were held in 2022.

## Management contracts

There are no management contracts within the Ascom Group.

## Business relationships with closely related companies and persons

No significant business transactions exist with closely related companies or persons.

## 5. COMPENSATION, SHAREHOLDINGS AND LOANS

All details of compensation, shareholdings and loans are listed in the Remuneration Report on pages 60 to 78 of this Annual Report.

Statutory rules regarding the principles of compensation, participation plans, loans, credits, and pension benefits are set in Articles 20b and 20c of the Articles of Association. The rules regarding the approval of the remuneration by the Annual General Meeting are set in Article 20e. The Articles of Association are available under [www.ascom.com/about-us/corporate-governance/directives-and-guidelines/](http://www.ascom.com/about-us/corporate-governance/directives-and-guidelines/)

## 6. SHAREHOLDERS' PARTICIPATION RIGHTS

### Voting rights and protective rights

Shareholders in Swiss publicly listed companies have extensive participation and protective rights governed in principle by the Swiss Code of Obligations and supplemented by the respective Company's Articles of Association.

### Annual General Meeting

#### Voting rights and representation

- Each share entitles the holder to one vote represented at the Annual General Meeting. There are no voting right restrictions.
- Each shareholder may be represented at the Annual General Meeting by a third person who is authorized as proxy in writing or by the Independent Representative.
- Sole proprietor companies, partnerships and legal entities may be represented by persons with written authorization to act on their behalf.
- The Board of Directors makes the requisite arrangements to determine voting rights and to establish the results of votes and elections.

#### Independent Representative

According to the Articles of Association, the General Meeting elects an Independent Representative. The term of office of the Independent Representative ends with the closing of the ordinary General Meeting following the election of the Independent Representative. Re-election is admissible. If the Company has no Independent Representative, the Board of Directors designates an Independent Representative for the next General Meeting.

The Independent Representative is obliged to vote the shares for which he or she received proxies in accordance with the instructions given. If he or she has not received any instructions with respect to votes, he or she abstains from voting the respective shares. The general instruction for motions contained and/or not contained in the invitation to vote in line with the motion of the Board of Directors qualifies as a valid instruction for the exercise of the voting right.

The shareholders elected at the Annual General Meeting held on 13 April 2022 Franz Müller, Berne, as Independent Representative for a term of one year until the completion of the Annual General Meeting 2023, and the law firm III dasadvokaturbuero ag in Berne, as his deputy. Franz Müller and the law firm III dasadvokaturbuero ag are independent and have no further mandates for the Ascom Group.

All shareholders have the possibility to register on the Nimbus platform and to give online instructions to the Independent Representative. Details of the electronic proxies and voting instructions to the Independent Representative are explained in the invitation to the Annual General Meeting ([www.ascom.com/investors/annual-general-meeting/](http://www.ascom.com/investors/annual-general-meeting/)).

### **Resolutions and elections**

The General Meeting is capable of passing resolutions regardless of the number of shares represented.

Unless the law or the Articles of Association require otherwise, the General Meeting shall pass resolutions and elections with an absolute majority of the votes validly cast, whereby abstentions, blank votes and invalid votes shall not count as votes cast.

The Board of Directors shall define the voting procedure. Shareholders representing registered shares with a nominal value of CHF 100,000 may request a secret ballot. This threshold corresponds to 0.5% of the votes.

According to Art. 704 of the Swiss Code of Obligations, the following resolutions of the General Meeting require at least two thirds of the votes represented and the absolute majority of the nominal value of shares represented to be passed: changing the Company's purpose; creating voting shares; changing limitations on transferability of registered shares; an authorized or conditional capital increase; a capital increase out of equity, against asset contribution or for the purpose of asset takeover and the granting of special benefits; limiting or revoking of subscription rights; relocation of the Company's registered office; dissolution of the Company.

### **Convocation of the General Meeting**

The General Meeting is convened by the Board of Directors or, if needed, by the auditors.

Convocation is effected no later than 20 days before the date of the meeting by a single announcement in the Company's publication of record (the Swiss Official Gazette of Commerce – SOGC) and by letter to the registered shareholders.

### **Agenda**

In accordance with Art. 699 para. 3 of the Swiss Code of Obligations, requests to place an item on the agenda must be submitted to the Board of Directors no later than 30 days before the date of the General Meeting. The party submitting such request must represent shares of at least CHF 100,000 par value.

At the latest ten calendar days before the end of the period allowed for adding items to the agenda, the Annual Report and the Audit Report as well as the Remuneration Report must be made available for inspection by shareholders at the Company's registered office.

The invitation to submit agenda items is published in a single announcement in the Company's publication organ (the SOGC).

### **Registration in the share register**

All shareholders recorded in the share register as voting shareholders ten days before the date of the General Meeting are admitted to the meeting and entitled to vote. Shareholders who dispose of their shares before the General Meeting are no longer entitled to vote.

The Board of Directors is empowered to strike entries from the share register with retroactive effect to the registration date if, after consulting the parties involved, it determines that such entries have been made based on false information on the part of the acquirer.

## Annual General Meeting 2022

22,975,453 votes or about 63.8% of the share capital were represented at the Annual General Meeting 2022, which was held on 13 April 2022 in Baar, Switzerland. In consideration of the ongoing Covid-19 pandemic and based on Article 27 of the Ordinance 3 of the Swiss Federal Council on Covid-19, the Board of Directors of Ascom had decided to hold the Annual General Meeting without the physical participation of shareholders. The shares were represented by the Independent Representative.

The shareholders voted in favor of all proposals of the Board of Directors by a clear majority. All resolutions including the election of the members of the Board, and the appropriation of retained earnings were approved with majorities of over 87%.

The approval of the remuneration report was passed in a consultative vote with a majority of 90.1%.

The Minutes of the Annual General Meeting 2022 may be downloaded on [www.ascom.com/globalassets/assets/global/corporate/documents/annual-general-meeting/agm-2022/ascom-agm-minutes-2022-de.pdf](http://www.ascom.com/globalassets/assets/global/corporate/documents/annual-general-meeting/agm-2022/ascom-agm-minutes-2022-de.pdf)

## 7. CHANGE OF CONTROL AND DEFENSIVE MEASURES

### Obligation to submit a purchase offer

The Articles of Association of Ascom Holding AG contain neither an opting-out nor an opting-up clause (Article 125 Financial Market Infrastructure Act [FMIA]). Any party, who acquires one third (33 1/3%) of share capital in Ascom Holding AG is obliged under Article 135 FMIA to submit a public purchase offer for the remaining shares.

### Change of control clauses

Contracts of employment with members of the Executive Board, other members of the Executive Committee or other members of the senior management provide for no special severance payment. The period of notice for members of the Executive Board is maximal 12 months.

In the event of a takeover and a delisting of the Company, the following rules will be applied for the beneficiaries of the long-term incentive plans: The performance stock units shall vest with immediate effect at the date of the change of control. The vesting multiple of the PSU is 1.00, the number of PSU to be vested shall be adjusted pro rata to reflect the length of service.

In the event of a change of control of Ascom Holding AG, every participating bank of the syndicated loan agreement may give notice by not less than 20 business days, cancel its commitment, and declare all outstanding loans immediately due and payable.

## 8. AUDITORS

### Auditors

The auditors are appointed by the Annual General Meeting for a term of one year.

The Board of Directors decided to retender the audit mandate given the long-time service of the former auditor PricewaterhouseCoopers AG. KMPG was elected by the Annual General Meeting held on 13 April 2022 for a term of one year until the completion of the Annual General Meeting 2023. Toni Wattenhofer has been auditor-in-charge since 2022.

According to the Swiss Code of Obligations, the lead auditor must be rotated at least every seven years.

### **Auditing fee**

KPMG was paid a compensation of CHF 432,000 for services in connection with auditing the annual financial statements of Ascom Holding AG and the Group companies as well as the consolidated statements of the Ascom Group for the year ended 31 December 2022. In addition to this, PricewaterhouseCoopers AG (statutory auditor until the Annual General Meeting 2022) has been paid CHF 74,000 for remaining and transition work to the new Group auditor KPMG.

PricewaterhouseCoopers AG was paid a compensation of CHF 490,000 in 2021.

### **Additional fees**

In 2022, KPMG was paid additional non-audit-related fees of CHF 386,000 for tax advice, in particular for the Group transfer price documentation. During the year 2022, KPMG did take over the external audit mandate and at the same time was phasing out part of its tax advisory services, which will result in significantly lower additional fees going forward.

PricewaterhouseCoopers AG (statutory auditor until the Annual General Meeting 2022) was paid additional fees totaling CHF 64,000 in financial year 2021.

### **Monitoring and control instruments**

As a committee of the Board of Directors, the Audit Committee evaluates the performance, fees, and independence of the external auditors each year.

The external auditors prepare a detailed Audit Report at least once a year and report in detail to the Audit Committee. The main findings and recommendations contained in the Audit Reports of the external auditors are then discussed in detail with the CFO.

In 2022, the external auditors drew up one detailed management report in relation to the Annual Report. The external auditors attended two of the Audit Committee meetings held in 2022.

Each year, the Board of Directors reviews the selection of auditors in order to propose them to shareholders for appointment at the Annual General Meeting. The aim is to ensure the general independence of the auditors as well as the personal independence of the auditor-in-charge and determine their understanding of Ascom's business activities and the specific business risks relevant for Ascom, the nature of collaboration between the external auditors and the Audit Committee, and the manner in which support is provided for implementation of the legal provisions as well as requirements from regulation and accounting standards (Swiss GAAP FER).

The Audit Committee assesses the effectiveness of the auditors in compliance with the legal provisions in Switzerland. The Board of Directors bases the rotation cycle for the auditor-in-charge on the relevant provisions of the Swiss Code of Obligations, according to which the auditor-in-charge may perform this mandate for no more than seven years.

The Audit Committee also examines the ratio between the fee for the annual audit and fees for additional services performed by the auditors, in order to ensure that the auditors' independence is not impaired. For the 2022 reporting year, the Board of Directors concluded that the auditors' independence was fully assured.

## **9. INFORMATION POLICY**

The Board of Directors and the Executive Board have undertaken measures to align their organizational structure with the latest corporate governance standards.

Ascom's information policy is based on commitment to a high degree of transparency and equal treatment of all stakeholder groups. Group Communications /

IR come under the remit of the Company Secretary. Ascom provides a wide range of communication tools to keep its shareholders, the media, analysts, and other stakeholder groups informed:

### **Publications**

- Annual Report
- Half-Year Report
- The official publication organ is the Swiss Official Gazette of Commerce (SOGC) ([www.shab.ch](http://www.shab.ch))

### **Events**

- Annual Media Conference and Half-Year Media Conference for media representatives and analysts
- Ad hoc media conferences and analyst calls
- Analyst & Investor Day
- Annual General Meeting of Shareholders

### **Media releases**

In accordance with Article 53 of the Listing Rules of the SIX Swiss Exchange, Ascom publishes price-sensitive facts (ad-hoc publicity). Furthermore, Ascom publishes Ascom media releases on significant business activities and on important product and service innovations.

### **News**

The website [www.ascom.com](http://www.ascom.com) provides a comprehensive overview of the Company's structure and activities and the offerings of the individual business units.

All media releases and presentations at media conferences can be downloaded from the website at [www.ascom.com/news/ad-hoc-announcements/](http://www.ascom.com/news/ad-hoc-announcements/) and [www.ascom.com/news/business-news/](http://www.ascom.com/news/business-news/) and [www.ascom.com/investors/reports-and-presentations/](http://www.ascom.com/investors/reports-and-presentations/). Media releases may also be received by e-mail by subscribing to the News Service on the website.

### **Regulations**

The Articles of Association of Ascom Holding AG, the Organization Regulations, a current extract from the Commercial Register, the Code of Business Conduct and the share registration guidelines can also be downloaded from the website under "Corporate Governance" [www.ascom.com/about-us/corporate-governance/directives-and-guidelines/](http://www.ascom.com/about-us/corporate-governance/directives-and-guidelines/)

The minutes of past Annual General Meetings are available at [www.ascom.com/investors/annual-general-meeting/](http://www.ascom.com/investors/annual-general-meeting/).

### **Dates and contacts**

A list of important dates in 2023 and Group Communications and Investor Relations contacts is provided on page 130 of this Annual Report.

## **10. QUIET PERIODS**

The Board of Directors has issued an Annex to the Organization Regulations entitled "Corporate Policy and Procedure on Insider Trading", which in particular prohibits Ascom employees and governing bodies of Ascom from engaging in insider trading. An absolute ban on trading applies during a period of four weeks (or earlier as defined by the CFO) prior to the publication of the annual results and half-year results. The dates of publication of financial results are published on the website: <https://www.ascom.com/investors/financial-calendar/>

In agreement with the Chairman, the Company Secretary informs the Members of the Board of Directors and the concerned members of the management about trade bans. As a general rule, blocked periods shall comprise the following:

- the four weeks prior to the release of semi-annual and annual figures;
- the four weeks prior to the media conference on the financial statement;
- the period between internal knowledge of information requiring "ad hoc publicity" according to the listing regulations (e.g. revised profit forecast, significant changes in personnel, new products, or the discovery of business problems) and the publication of this information.

No exceptions are granted.

Information on management transactions is published at [www.ser-ag.com/en/resources/notifications-market-participants/management-transactions.html#/](http://www.ser-ag.com/en/resources/notifications-market-participants/management-transactions.html#/)

Detailed information on disclosure announcements can be viewed at [www.ser-ag.com/en/resources/notifications-market-participants/significant-shareholders.html#/](http://www.ser-ag.com/en/resources/notifications-market-participants/significant-shareholders.html#/)

## 11. CORPORATE GOVERNANCE RATING

The Ascom Board of Directors and Executive Committee are committed to the highest standards of good corporate governance and transparency.

According to the corporate governance study 2022 of zRating ([www.inrate.com](http://www.inrate.com)), Ascom is ranked number 25 (2021: 37, 2020: 21, 2019: 20) in corporate governance among 171 publicly listed companies.

The study covers the following topics:

- Shareholder base and capital structure
- Shareholders' participation rights
- Composition of the Board and the Executive Management / information policy
- Remuneration and participation model for the members of the Board and the Executive Management

# Remuneration Report

## **Letter from the Chairperson of the Compensation & Nomination Committee**

Dear Shareholders,

It is my pleasure to present to you the 2022 Remuneration Report on behalf of the Board of Directors and the Compensation & Nomination Committee.

The engagement with shareholders remains a key priority to Ascom. The Compensation & Nomination Committee therefore values the feedback on our compensation philosophy and communication received by shareholders and their representatives throughout the year and considers it during its annual activities.

The shareholders approved the Remuneration Report 2021 at the last Annual General Meeting with a majority of more than 90%. We thank, our valued shareholders, for your confidence and we are committed to further enhance the report to give even more transparency on our compensation and our plans.

In course of the financial year 2022, the Compensation & Nomination Committee has focused again on:

- Performance review and management evaluation
- Succession planning
- Employee satisfaction

As you may know, the revision of the Swiss Corporate Law came into force as of 1 January 2023. In particular, the former Ordinance against Excessive Compensation with respect to stock exchange listed companies has been integrated into the Swiss Code of Obligations. The Board of Directors has decided to submit an amendment to our Articles of Association at the Annual General Meeting 2023 in order to reflect those changes.

On behalf of the Compensation & Nomination Committee, I would like to thank you for your interest and your confidence in Ascom.

Yours sincerely,

Nicole Burth Tschudi  
Chairperson of the Compensation & Nomination Committee



## Note

KPMG as statutory auditors have audited the Remuneration Report according to Article 728 Section 4 of the Swiss Code of Obligations. The audit was limited to the information contained in the sections II/1 lit.a, II/2 lit.b and c (Table “Compensation Executive Board 2022”), II/2 lit.h, II/2 lit.i and II/3 all marked as “audited information”.

## I. ASCOM REMUNERATION POLICY

### 1. Corporate governance as basis of the remuneration policy

Remuneration is a part of corporate governance (see also pages 37 to 59 of the Annual Report) and corporate governance is a key topic for Ascom. Both the Board of Directors and the management are committed to good corporate governance in order to ensure sustainable development of the Company. According to the Articles of Association, it is a major task of the Compensation & Nomination Committee to prepare the resolution of the Board of Directors concerning the compensation of the members of the Board of Directors and the members of the Executive Board to be approved by the Annual General Meeting.

#### Basic rules and regulations to be followed are set out in:

- Swiss Code of Obligations (“Schweizerisches Obligationenrecht”)
- Listing Rules of SIX Swiss Exchange (LR)
- Articles of Association of Ascom Holding AG (dated 13 April 2022)
- Organizational Regulations of Ascom Holding AG (dated 19 January 2022)
- Share Registration Guidelines (dated 21 August 2017)
- Ascom Code of Ethical Business Conduct (dated 1 January 2021)
- Swiss Code of Best Practice for Corporate Governance

The Articles of Association and the Organizational Regulations of Ascom Holding AG are available on the Company website: <https://www.ascom.com/about-us/corporate-governance/directives-and-guidelines/>

It is planned to adapt the Articles of Association to the revision of the Swiss Corporate Law at the Annual General Meeting 2023.

### 2. Remuneration principles for the Board of Directors

#### a) Legal background

According to Article 20b of the Articles of Association, the compensation of the members of the Board of Directors shall be adequate, competitive and performance-oriented and shall be set in line with the operative and strategic goals, the success of the Company, as well as the long-term interests of the shareholders.

## **b) Compensation structure**

Members of the Board of Directors receive a fee in accordance with the Remuneration Regulations (Annex to the Organization Regulations). The members of the Board of Directors receive a fixed fee without a variable component, and this fee is paid in cash. No other remuneration is paid. Members of the Board of Directors receive no severance payment. Committee work, additional meetings or special projects are not compensated with an additional fee and no attendance fees are paid out either.

According to Article 20e of the Articles of Association, expense recovery does not count as compensation. The Company reimburses the members of the Board of Directors for all necessary expense, also in form of lump sum expense recoveries within the amount accepted by the tax authorities.

## **c) Compensation determination method and benchmarking**

The fees for members of the Board of Directors are periodically reviewed as necessary and are set by the full Board of Directors subject to the approval of the Annual General Meeting. The assessment of the fees is based on external and internal criteria (e.g. workload, request of availability). An external expert did a comprehensive benchmark study in 2017 based on the SPI Top 100 companies, based on a size- and industry-adjusted subgroup of 22 SPI companies, and based on an individual comparison of five companies (Kudelski, Siegfried, Huber+Suhner, Ypsomed, U-Blox). The Board fees were adjusted in 2017 based on this study.

## **d) Board fees**

The fees for the members of the Board of Directors remained unchanged since the Annual General Meeting 2017:

- Chairperson of the Board: Annual gross remuneration of CHF 200,000
- Member of the Board: Annual gross remuneration of CHF 100,000

## **e) Shareholding guidelines**

In addition, all Board members are encouraged to build up an investment over time of Ascom shares in the value of an annual Board compensation. Overview of the current shareholding of the member of the Board is provided in Section "Share Ownership" (page 76).

## **f) Mandates outside the Ascom Group**

Article 734e of the Swiss Code of Obligations requires the disclosure and specification of the functions of the members of the Board of Directors and the Executive Board in other undertakings. Article 20d of the Articles of Association defines the mandates outside the Ascom Group:

A member of the Board of Directors may not occupy or exercise more than the following number of additional positions in the highest managing or supervising body of other entities that are obliged to be entered into the commercial register or a comparable foreign register and that are neither controlled by nor that control the Company:

- Four positions in publicly traded companies
- Five positions in non-listed companies
- Ten positions in associations, non-profit organizations, and pension funds

The Chairman of the Board may exercise a total of up to three positions in other publicly traded companies.

The Company requires that each member of the Board discloses all activities. Based on this, all members of the Board of Directors comply with this regulation.

## Mandates outside the Ascom Group of members of the Board of Directors as of 31 December 2022

	Positions in publicly traded companies	Positions in non-listed companies	Positions in associations, non-profit organizations, and pension funds
Dr Valentin Chaperon Rueda	–	TRI Dental Implants Int. AG, Hünenberg ZG, – Chairman Valamero Holding AG, Wilen b. Wollerau SZ, Chairman	–
Nicole Burth Tschudi	–	Post CH Kommunikation AG, Berne, CEO & Member of the Board	Advisory Board of Equal Voice, Ringier Group, Zurich, Member Board of Advance Women, Zurich, Member
Laurent Dubois	–	ADB Safegate BV, Zaventem (Belgium), Chairman & CEO Sarenbach AG, Wollerau SZ, Chairman	–
Jürg Fedier	Dätwyler Holding AG, Altdorf UR, Member or the Board OC Oerlikon Corporation AG, Pfä- fikon SZ, Member of the Board	–	CFO Forum Schweiz, Zug (Advisory Board), Member
Michael Reitermann	–	Alpha 9 Theranostics, Inc., Vancouver BC, – Canada, Director Enigma Biomedical Group, Inc., Toronto ON, Canada, Director GoSimplify Private Ltd., Gurgaon, India, Director Unilabs Group Holding ApS, Geneva, Member or the Board	–
Dr Andreas Schönenberger	–	Sanitas Beteiligungen AG, Zurich, CEO Greater Zurich Area AG, Zurich, Member of the Board	–

### 3. Remuneration principles for the Executive Board

#### a) Legal background

According to Article 20b of the Articles of Association, the compensation of the members of the Executive Board shall be adequate, competitive and performance-oriented and shall be set in line with the operative and strategic goals, the success of the Company, as well as the long-term interests of the shareholders.

The compensation of the members of the Executive Board consists of three elements:

- Fixed compensation in cash
- Performance-related compensation as short-term incentive in cash
- Long-term incentive (allocation of equity securities, conversion rights or option rights)

The Company may pay to the members of the Executive Board in addition to a fixed compensation a performance-related variable compensation ("short-term incentive") in cash. The amount of such variable compensation is dependent on the qualitative and quantitative goals and parameters determined by the Board of Directors, in particular the overall result of the Company and the individual contribution of the respective member.

The amount of the performance-related compensation (STI) of a member of the Executive Board cannot exceed double the amount of the fixed compensation of such member according to Article 20b Section 3 of the Articles of Association.

The fixed compensation and the short-term incentive together form the target cash compensation.

As a third compensation element, according to Article 20b Section 4 of the Articles of Association, the Company may also allocate, beside cash compensation, equity securities, conversion rights, option rights or other rights with equity securities as underlying to the members of the Executive Board ("long-term incentive"). In case of an allocation of equity securities, conversion rights, option rights or other rights with equity securities as underlying, the amount of the compensation is equal to the value of the securities or, respectively, the rights allocated, determined as at the time of the allocation (grant) in accordance with the accounting standards applied by the Company for its consolidated accounts.

The total value of the long-term incentive at grant for a member of the Executive Board, including the CEO, cannot exceed 100% of the fixed compensation of such member. According to Article 20b Section 4 of the Articles of Association, the amount of compensation is equal to the value of the rights allocated determined as at the time of the allocation (grant) in accordance with the accounting standards applied by the Company for its consolidated accounts (Swiss GAAP FER).

### **b) Appointment of members of the Executive Board**

As members of the Executive Board are considered the CEO and each further person who is explicitly appointed as such by the Board of Directors according to Article 8 of the Articles of Association.

As of 31 December 2022, the Executive Board consisted of two members:

- Nicolas Vanden Abeele, CEO (since 1 February 2022)
- Dominik Maurer, CFO

### **c) Determination of the remuneration of the Executive Board members**

The remuneration of the Executive Board is periodically reviewed as necessary and is set by the full Board of Directors subject to the approval of the Annual General Meeting. The assessment of the compensation level and structure is based on external and internal criteria (e.g. function, role, reliabilities) and according to market benchmarks of the peer group (SPI companies such as Bossard, Bucher, Burckhardt Compression, Huber+Suhner, Landis+Gyr, Schaffner, Siegfried, SIG Combibloc, Tecan, Temenos, and U-Blox). The list of the peer group remained unchanged since 2019.

According to Article 20e of the Articles of Association, expense recovery does not count as compensation. The Company reimburses the members of the Executive Board for all necessary expenses, also in form of car allowances and other lump sum expense recoveries within the amount accepted by the tax authorities.

The remuneration package of the members of the Executive Board consists of three parts:

▪ **Fixed compensation**

Fixed compensation in cash including base salary and social benefits (such as pension fund contributions or medical insurance where applicable).

According to Article 20c of the Articles of Association, the members of the Executive Board receive pension payments from the occupational pension scheme in accordance with the domestic or foreign occupational welfare law or pension regulations applicable to them, including possible supplementary benefits. Pension payments outside the occupational pension scheme to a member of the Executive Board by the Company, an affiliate of the Company or any third party are admissible to the extent of not more than 25% of the annual total compensation of the person concerned, as far as the respective person is not affiliated to a Swiss or foreign benefit institution.

▪ **Short-term incentive (performance-related variable compensation)**

Cash payment dependent on the quantitative goals and parameters such as net revenue and EBITDA as determined by the Board of Directors. The goals shall be in line with the yearly budgets of the Company. In addition, qualitative targets may be set.

▪ **Long-term incentive (Performance Stock Units plan)**

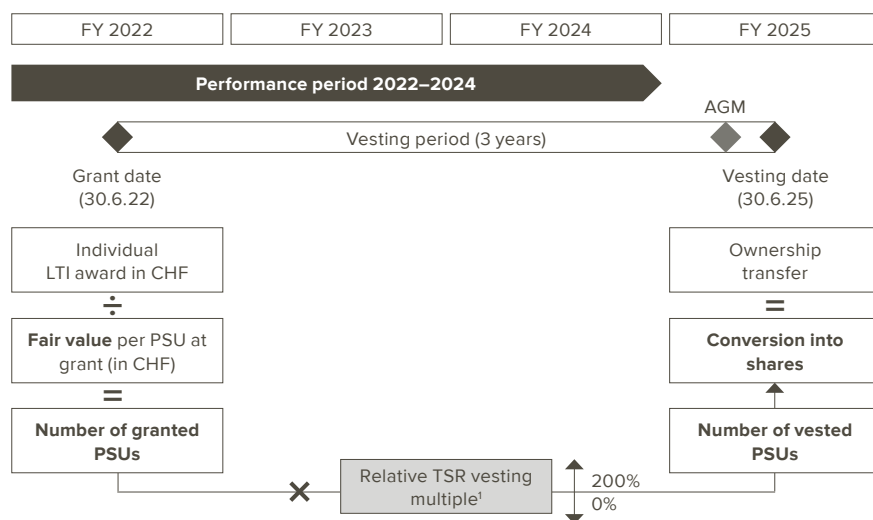
The PSU plan foresees annual grants of Performance Stock Units ("PSUs"). One PSU represents the conditional right to receive a fraction between 0% and 200% of an Ascom share subject to the fulfillment of certain vesting conditions. Vesting of the PSUs occurs on the third anniversary of the respective date of grant. Vesting conditions are both the achievement of a performance target as well as an unterminated contractual relationship with the company. Compared to the previous years, the performance targets have been reduced to one (Total Shareholder Return) eliminating the former EPS target. The intention was to get a better understanding of the PSU plan for the employees, also following a recommendation from a stakeholder.

The target achievement is based on Ascom's three-year Total Shareholders Return (TSR) measured against the relative Swiss Performance Index Extra ("SPI EXTRA") as performance indicator and expressed as a percentage points difference as performance indicator. Ascom's three-year TSR is calculated considering not only the variations of the share price over the same time horizon, but also the dividends distributed in this period, assuming that those dividends are reinvested at the time of the distribution in the shares of Ascom.

The award forfeits fully or partly if employment ceased before the vesting date.

Furthermore, the PSU plan is subject to malus and claw back provisions. The respective plan rules provide the Board of Directors with absolute discretion to recoup (or cause the forfeiture if not yet vested or awarded) fully or partly any award under the restated financial result and/or for reasons linked to an individual's behavior.

## Schedule of PSU Plan



<sup>1</sup>According to target achievement

## d) System of CEO Compensation as of 31 December 2022

With the appointment of the new CEO as of 1 February 2022, the Board of Directors defined the system of CEO compensation as follows:

Salary part	Target salary CEO
Long-term incentive (LTI) [Performance Stock Units (PSU)]	Target LTI: CHF 300,000 <sup>1</sup> (converted into PSU at grant): = 60% of base salary at fair value at grant date Maximum LTI: 200% achievement (converted into shares at vesting date) = 120% of base salary (at fair value at grant date) [not considering share price movements]
Short-term incentive (STI)	Minimal STI: CHF 0 Target STI: CHF 400,000 = 80% of base salary Maximum STI: CHF 800,000 = 160% of base salary
Base salary	CHF 500,000
Pension payments	According to regulations of Ascaro Vorsorgestiftung (www.ascaro.ch)

<sup>1</sup>According to Article 20b Sector 4 of the Articles of Association, the amount of compensation is equal to the value of rights allocated determined as at the time of the allocation (grant).

## e) Number of external mandates and functions

Article 734e of the Swiss Code of Obligations requires the disclosure and specification of the functions of the members of the Board of Directors and the Executive Board in other undertakings.

Article 20d of the Articles of Association defines the mandates outside the Ascom Group:

Members of the Executive Board may not occupy or exercise more than the following number of additional positions in the highest managing or supervising body of other entities that are obliged to be entered into the commercial register or a comparable foreign register and that are neither controlled by nor that control the Company:

- One position in publicly traded companies
- Two positions in non-listed companies
- Five positions in associations, non-profit organizations, and pension funds

## Mandates outside the Ascom Group of members of the Executive Board as of 31 December 2022

	Positions in publicly traded companies	Positions in non-listed companies	Positions in associations, non-profit organizations and pension funds
Nicolas Vanden Abeele	Belysse NV, Waregem (Belgium), Member of the Board	–	–
Dominik Maurer	–	SpreadYourWingZ GmbH; Teltow (Germany), Partner	–

### f) Employment agreements with members of the Executive Board

According to Article 20c of the Articles of Association, employment agreements with members of the Executive Board that form the basis of the compensation for the respective members are entered into for a fixed term of not more than one year or an indefinite term with a termination period of not more than 12 months as per the end of each calendar month.

All members of the Executive Board comply with this regulation.

## 4. Approval Mechanism

### a) Statutory approval mechanism

According to Article 20e of the Articles of Association, the General Meeting votes annually, separately and in a binding manner on the maximum total amounts proposed by the Board of Directors for:

- The compensation of the Board of Directors for the year of office following the ordinary General Meeting until the next ordinary General Meeting
- The fixed compensation of the Executive Board for the next fiscal year (1 January to 31 December) following the ordinary General Meeting
- The variable and other compensation of the Executive Board (including the allocation of equity securities, conversion rights, option rights or other rights with equity securities as underlying) for the same approval period.

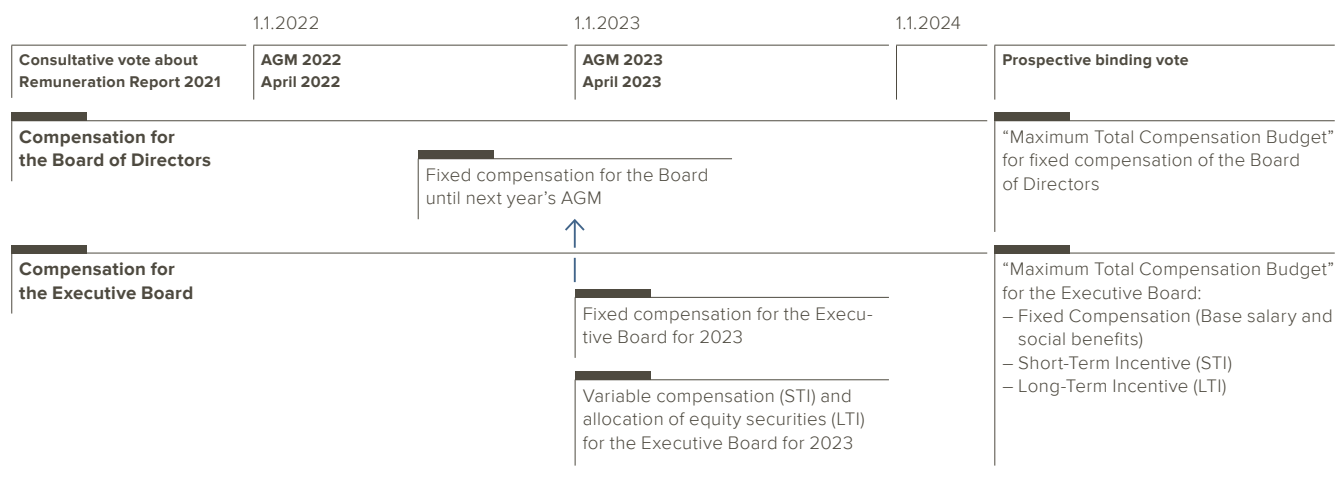
In addition, the Board of Directors submits the Remuneration Report for the business year prior to the Annual General Meeting for a consultative vote.

According to Article 735a of the Swiss Code of Obligations, in the event that the general meeting votes prospectively on the remuneration of the executive board, the articles of association may provide for an additional amount for the remuneration of persons newly appointed as members of the executive board after the vote. The additional amount may only be used if the total amount of remuneration for the executive board agreed by the general meeting is not sufficient to remunerate the new members until the next vote of the general meeting. The general meeting does not vote on the additional amount used.

Article 20e Sector 3 of the Articles of Association states that such an additional amount is only available within the following limits: for the CEO an amount which is not more than 20% higher than the compensation of its predecessor and for a member of the Executive Board an amount which is not more than 20% higher than the amount available on average for members of the Executive Board (excl. the CEO) for the Approval Period.

According to Article 20e of the Articles of Association, the Company is entitled to compensate recoverable claims, which a newly appointed member of the Board of Directors or member of the Executive Board would have had toward his or her previous employer or principal, if this member had not changed the company. The recoverability of the claims must be examined by an independent expert.

## Ascom Compensation Approval Mechanism



## b) Level of decision authority

Type of compensation	Compensation & Nomination Committee	Full Board of Directors	Annual General Meeting
<b>Compensation Board of Directors</b>			
Maximum compensation for the Board of Directors for the period until the next Annual General Meeting	Recommendation	Proposal to the Annual General Meeting <sup>1</sup>	Approval
Individual compensation for the members of the Board of Directors in the reporting year	Proposal	Approval <sup>1</sup>	–
<b>Compensation Executive Board</b>			
Maximum compensation for the members of the Executive Board (fixed compensation, variable compensation, long-term incentive) for the fiscal year following the Annual General Meeting	Recommendation	Proposal to the Annual General Meeting	Approval
Individual compensation for the CEO (fixed compensation, variable compensation, long-term incentive) in the reporting year	Review, recommendation	Approval	–
Individual compensation (fixed compensation, variable compensation, long-term incentive) for the members of the Executive Board (without CEO) in the reporting year	Review of the CEO recommendation	Approval	–

<sup>1</sup> In any case of potential conflict of interest, the respective member of the Board of Directors shall abstain from voting.



### c) Approvals of the Annual General Meeting 2022

The shareholders approved the following maximum amounts for future compensations at the Annual General Meeting 2022:

- Board of Directors: maximal amount of CHF 700,000 (for six members) for the period from the Annual General Meeting 2022 until the Annual General Meeting 2023 (subject to additional employer contributions to governmental social insurances to the extent they constitute or increase pension benefits for the beneficiaries); approved with a majority of 99.1%.
- Executive Board (for two members) for the business year 2023:
  - Maximal amount of CHF 1,200,000 as fixed compensation (including contributions to pension funds and other social benefits and subject to additional employer contributions to governmental social insurances to the extent they constitute or increase pension benefits for the beneficiaries); approved with a majority of 99.0%.
  - Maximal amount of CHF 1,200,000 as variable compensation (short-term incentive); approved with a majority of 93.8%.
  - Maximal amount of CHF 500,000 as long-term incentive; approved with a majority of 87.9%.

The Annual General Meeting 2022 approved the Remuneration Report 2021 with a majority of 90.1% in a consultative non-binding vote.

## II. REMUNERATION IN FISCAL YEAR 2022

### 1. Board of Directors

#### a) Remuneration in fiscal year 2022 (audited information)

Members of the Board of Directors were paid a gross remuneration totaling CHF 700,000 in fiscal year 2022 (2021: CHF 700,000).

in CHF	2022 Gross remuneration including employee contributions to the Swiss social insurances	2022 Employer contributions to the Swiss social insurances (AHV/IV/ALV)	2021 Gross remuneration including employee contributions to the Swiss social insurances	2021 Employer contributions to the Swiss social insurances (AHV/IV/ALV)
Dr Valentin Chaperro Rueda (Chairman)	200,000	9,710	200,000	12,020
Jürg Fedier	100,000	4,410	100,000	4,410
Nicole Burth Tschudi	100,000	6,400	100,000	6,400
Laurent Dubois	100,000	6,400	100,000	6,400
Michael Reitermann	100,000	–	100,000	–
Dr Andreas Schönenberger	100,000	6,400	100,000	6,400
Total	700,000	33,320	700,000	35,630

- According to Swiss law, the Company paid Swiss social insurance (AHV/IV/ALV) employer contributions for the members of the Board. These payments do not represent an additional remuneration for the members of the Board as they do neither constitute nor increase Swiss social insurance pension benefits due to the actuarial cap.
- No member of the Board of Directors received any additional remuneration as defined by Article 734a of the Swiss Code of Obligations.
- No remuneration was made to parties closely related to the Board of Directors.
- No members of the Board of Directors or closely related parties were granted any loans by the Company nor do such loans exist.

According to Article 20e of the Articles of Association, expense recovery is no compensation. The Company reimburses the members of the Board of Directors for all necessary expenses, also in form of lump sum expense recoveries within the amount accepted by the tax authorities. According to the Remuneration Regulations for Members of the Board (Annex 1 to the Organization Regulations), the annual lump sum expense recovery amounts to CHF 20,000 for the Chairperson and to CHF 4,000 for a regular Board member.

## b) Compliance with the decisions of the Annual General Meeting

According to the Articles of Association, the shareholders approved the following maximum amounts for future compensations at the Annual General Meeting 2022: CHF 700,000 for the Board of Directors (six members) for the period from the Annual General Meeting 2022 until the Annual General Meeting 2023.

The remuneration amounting to CHF 700,000 paid to the six members of the Board of Directors in the period between the Annual General Meeting 2021 and the Annual General Meeting 2022 is in line with the approval of the Annual General Meeting 2021.

## 2. Executive Board

### a) Members of the Executive Board in 2022

In 2022, the Executive Board consisted of the following members:

- Nicolas Vanden Abeele, CEO (since 1 February 2022)
- Dominik Maurer, CFO
- Jeannine Pilloud, CEO (until 25 January 2022)

In 2021, the Executive Board consisted of four members including:

- Jeannine Pilloud, CEO (until 25 January 2022)
- Dominik Maurer, CFO
- Claes Ödman, COO / Head of Global Functions (until 9 February 2021)
- Francis Schmeer, Chief Sales Officer / Head of Rest of World (until 9 February 2021)

### b) Compensation Executive Board 2022 (audited information)

in CHF	Base salary	Variable salary component (STI)	Miscellaneous	Pension contributions	LTI <sup>3</sup>	Total
CEO (since 1 February 2022)	458,333 <sup>1</sup>	257,760	43,884 <sup>2</sup>	39,618	300,000 <sup>4</sup>	1,099,595
CFO	304,850 <sup>1</sup>	93,453	0	38,661	144,000 <sup>4</sup>	580,964
Former CEO (until 25 January 2022)	384,380 <sup>1,5</sup>	123,958 <sup>1,5</sup>	0	42,282 <sup>5</sup>	0	550,620
<b>Total Executive Board in 2022</b>	<b>1,147,563<sup>1</sup></b>	<b>475,171</b>	<b>43,884</b>	<b>120,561</b>	<b>444,000</b>	<b>2,231,179</b>

<sup>1</sup> Including the statutory employee contributions paid to the Swiss social insurance.

<sup>2</sup> Allocation contributions of CHF 39,653 and flight fares (home leave) of CHF 9,653

<sup>3</sup> Weighted average fair value of the PSU units at grant (1 PSU = CHF 6.07) assuming full achievement of all performance-related targets.

<sup>4</sup> The amount disclosed corresponds to the fair value at grant date for the whole vesting period (until 30 June 2023). However, the effective remuneration will correspond in maximum to the adjusted vesting period (pro rata temporis until the end of the working contract).

<sup>5</sup> The amount paid to the former CEO in 2022 was in compliance with the commitments set down in the employment contract

### c) Compensation Executive Board 2021 (audited information)

in CHF	Base salary	Variable salary component (STI)	Miscellaneous	Pension contributions	LTI <sup>4</sup>	Total
Former CEO (until 25 January 2022)	550,000 <sup>1</sup>	187,425 <sup>1</sup>	–	64,442	225,000 <sup>5</sup>	<b>1,026,867<sup>7</sup></b>
CFO	304,850 <sup>1</sup>	98,124 <sup>1</sup>	–	38,216	144,000 <sup>5</sup>	<b>585,190</b>
Former COO / Head of Global Functions						
– in charge (until 9 February 2021)	26,215 <sup>2</sup>	–	85 <sup>3</sup>	7,996	–	<b>34,296</b>
– period after resignation (10 February to 31 December 2021)	246,421 <sup>2</sup>	–	798 <sup>3</sup>	75,158	–	<b>322,377</b>
Former Chief Sales Officer / Head of Rest of World						
– in charge (until 9 February 2021)	35,938 <sup>1</sup>	–	–	4,628	–	<b>40,566</b>
– period after resignation (10 February to 31 August 2021)	194,062 <sup>1</sup>	–	100,000 <sup>6</sup>	24,991	–	<b>319,053</b>
<b>Total Executive Board in 2021</b>	<b>1,357,486</b>	<b>285,549</b>	<b>100,883</b>	<b>215,431</b>	<b>369,000</b>	<b>2,328,349</b>

<sup>1</sup> Including the statutory employee contributions paid to the Swiss social insurance.

<sup>2</sup> SEK 2,562,372 in total (1 SEK = 0.1064 CHF).

<sup>3</sup> Contributions to medical benefit plans.

<sup>4</sup> Weighted average fair value of the PSU units at grant (1 PSU = CHF 15.49) assuming full achievement of all performance-related targets.

<sup>5</sup> The amount disclosed corresponds to the fair value at grant date for the whole vesting period (until 30 June 2024). However, the effective remuneration will correspond in maximum to the adjusted vesting period (pro rata temporis until the end of the working contract).

<sup>6</sup> This includes the contractual obligations to compensate the outstanding vacations days as well as the STI 2021.

<sup>7</sup> System of CEO compensation as of 1 January 2021 see Annual Report 2020, p. 51 ([www.ascom.com/investors/reports-and-presentations/](http://www.ascom.com/investors/reports-and-presentations/)).

According to Swiss law, the Company paid the following Swiss social insurance (AHV/IV/ALV) employer contributions for the members of the Executive Board (audited information):

in CHF	Employer contributions to the Swiss social insurances (AHV/IV/ALV)	
	2022	2021
CEO (since 1 February 2022)	28,112	–
CFO	22,988	25,854
Former CEO (until 25 January 2022)	37,826	47,195
Former COO / Head of Global Functions <sup>1</sup> (in charge until 9 February 2021)	–	–
Former Chief Sales Officer / Head of Rest of World (in charge until 9 February 2021)	–	21,120
<b>Total</b>	<b>88,926</b>	<b>94,169</b>

<sup>1</sup>In 2021, the Company paid for the former COO/ Head of Global Functions employer contributions of CHF 35,918 to the Swedish social insurances.

These Swiss social insurance employer contributions do not represent an additional remuneration for the members of the Executive Board as they neither constitute nor increase Swiss social insurance pension benefits due to the actuarial cap.

According to Article 20e of the Articles of Association, expense recovery does not count as compensation. The Company reimburses the members of the Executive Board for all necessary expenses, also in form of car allowances and other lump sum expense recoveries within the amount accepted by the tax authorities.

#### **d) Short-term incentive (performance-related variable compensation)**

##### **▪ Payout opportunities 2022**

- The CEO had for fiscal year 2022 a target potential of 80% of the base salary on fully achieving all targets. In cases where the targets set are exceeded, the CEO is paid a higher variable salary component (performance-related part) up to a maximum of twice the target potential corresponding to 160% of the basic salary.
- The CFO had for fiscal year 2022 a target potential of 49.2% of his base salary on fully achieving all targets. In cases where the targets set are exceeded, he is paid a variable salary component (performance-related part) up to a maximum of twice the target potential.
- Performance-related variable compensation (short-term incentive) cannot exceed the double amount of the fixed compensation of a member of the Executive Board according to Article 20b Section 3 of the Articles of Association.

##### **▪ Performance-related targets 2022 (STI)**

The Board of Directors set the performance targets for 2022 with the aim to incentivize profitable growth of the Group.

The performance-related variable compensation for the members of the Executive Board in 2022 was linked to the achievement of the following measurable quantitative targets (incl. weighting):

- Net revenue (40%)
- EBITDA (40%)
- Qualitative targets (20%)

The Board of Directors set measurable qualitative targets for 2022 to strengthen the performance of the Company. The CEO was measured on specific targets to shape up the Company, to sharpen the strategy in particular in the software business, and to strengthen the sales organization. The CFO got measurable specific targets with regard to working capital improvement, IT and ERP.

Measurable target achievement in 2022:

- CEO: overall 64.44%
  - Financial targets: 44.44% (out of 80%)
  - Individual targets: 20% (out of 20%)
- CFO: overall 62.24%
  - Financial targets: 44.44% (out of 80%)
  - Individual targets: 17.8% (out of 20%)

The variable salary component for the two active members of the Executive Board amounted to CHF 351,213 (2021: CHF 285,549).

## **e) Long-term incentive (Performance Stock Units plan)**

### **▪ Payout opportunities for PSU plan 2022**

- The CEO has a target grant level amounting to CHF 300,000 (equals 60% of his base salary) which is translated into PSUs. In cases where the performance targets set are exceeded, the vesting is limited to a maximum of twice the granted number of PSUs corresponding to 120% of the base salary (neglecting potential share price movements).
- The CFO has a target grant level amounting to between CHF 144,000 (equals 47.2% of his base salary) which is translated into PSUs. In cases where the performance targets set are exceeded, the vesting is limited to a maximum of twice the granted number of PSUs corresponding to between 94.4% of the base salary (neglecting potential share price movements).
- The translation of the CHF target amounts into PSUs is based on the fair value of a PSU which is calculated by an external expert following the relevant accounting standards and is set at CHF 6.07 at grant date for PSU plan 2022.
- On 30 June 2022, the CEO received 49,430 PSUs with a fair value of CHF 300,000 at grant, while the CFO received 23,730 PSUs with a fair value of CHF 144,000 at grant.
- The amount corresponds to the fair value at grant date for the whole vesting period (until 30 June 2025).

### **▪ Performance-related targets for the 2022 PSU plan (LTI)**

The Ascom long-term incentive 2022 (PSU plan 2022) runs for a period of three years with a vesting date defined at 30 June 2025. The target achievement is based on Ascom's three-year Total Shareholders Return (TSR) measured relative to the SPI EXTRA Index as performance indicator.

For the annual grant and the corresponding performance target the vesting curve is defined prior to the grant date focusing on generating symmetrical incentives for performance below and above the target performance level and allowing for a realistic performance-related chance to realize vesting.

The relative TSR target is approved by the Board of Directors, following a thorough outside-in approach conducted by an independent external advisor. Investors' return expectations on market value, stock risk profile, investment projections and current profitability levels were taken as a starting point, using multifactor valuation models and statistical analyses in order to establish an appropriate link between payouts under the PSU plan and the value created for investors. The results of the outside-in approach were assessed against historical company performance, as well as equity analysts' expectations and strategic plan as suggested by management, to reinforce the Board's confidence in the overall quality and robustness of the targets.

The vesting curves for the 2022 PSU plan are illustrated in the table below:

Vesting Multiple		Performance target (2022-2024)	Interpretation
		Relative TSR	
Minimum	0%	≤ 45 p.p.	If the minimum is not exceeded, the respective Vesting Multiple will be set to 0% and no PSUs will vest
Target	100%	= 0 p.p.	If the target is achieved, the respective Vesting Multiple will be set to 100% and all PSUs will vest with a multiple of 100%
Maximum	200%	≥ 45 p.p.	If the maximum is achieved or exceeded, the respective Vesting Multiple will be set to 200% and all PSUs will vest with a multiple of 200%

Furthermore, information regarding the target achievement under the long-term incentive plan and realization of the granted PSUs vesting based on the performance period ending in the current reporting year is provided in the following paragraphs.

#### **f) Total compensation of the members of the Executive Board**

The total compensation in 2022 for all members of the Executive Board amounted to CHF 2,231,179 (2021: CHF 2,328,349) including the payments made to the former CEO Jeannine Pilloud of CHF 550,620.

#### **g) Highest compensation**

The highest total remuneration within the Ascom Group was paid to the CEO (since 1 February 2022) with a total amount of CHF 1,099,595. The cash remuneration paid to the CEO in 2022, consisting of the basic salary and the variable component (STI), amounted to CHF 716,093.

The total remuneration paid to the (former) CEO in 2021 amounted to CHF 1,026,867.

#### **h) Additional payments (audited information)**

No members of the Executive Board received any additional payments as defined by Article 734a of the Swiss Code of Obligations, nor were any payments made to parties closely related to the Executive Board.

The Company granted no members of the Executive Board or closely related parties any loans, nor do such loans exist.

#### **i) Severance payments (audited information)**

Contracts of employment with members of the Executive Board provide for no special severance payment. The period of notice for members of the Executive Board is maximal 12 months.

In the event of a takeover and a delisting of the Company, the following rules will be applied for the beneficiaries of the Performance Stock Unit plans: PSUs shall vest with immediate effect at the date of the change of control. The vesting multiple of the PSUs is 1.00, the number of PSUs to be vested shall be adjusted pro rata to reflect the length of service.

#### **j) Compliance with the decisions of the Annual General Meeting 2021**

The shareholders approved the following maximum amounts for future compensations at the Annual General Meeting 2021 for four members of the Executive

Board for fiscal year 2022:

- CHF 1,200,000 as fixed compensation (including contributions to pension funds and other social benefits)
- CHF 1,200,000 as variable compensation (short-term incentive)
- CHF 500,000 as long-term incentive

The Annual General Meeting 2021 approved a total amount of CHF 2,900,000 for the compensation of the Executive Board in 2022. Due to the appointment of a new CEO as of 1 February 2022, an additional amount of CHF 550,000 (base salary of the former CEO) may be added according to Article 735a Swiss Code of Obligations and Article 20e Section 3 of the Articles of Association.

The total compensation paid to the Executive Board in 2022 of CHF 2,231,179 is in line with the adapted amount of CHF 3,450,000 as approved by the Annual General Meeting 2021 (including additional amount of CHF 550,000 due to the CEO change).

### Reported compensation of the Executive Board during fiscal year 2022 compared to the amount approved by shareholders at the Annual General Meeting 2021

In CHF	Executive Board compensation earned during FY 2022	Maximum amount approved by shareholders at the 2021 AGM	Amount within the amount approved by shareholders at the 2021 AGM and compensation ratio
Fixed compensation (including contribution to pension funds and other social benefits) <sup>1</sup>	1,312,008 <sup>2</sup>	1,750,000 <sup>3</sup>	Yes 75.0%
Variable compensation (STI)	475,171	1,200,000	Yes 39.6%
Long-term incentive (LTI)	444,000	500,000	Yes 88.8%
<b>Total compensation Executive Board<sup>1</sup></b>	<b>2,231,179</b>	<b>3,450,000</b>	<b>Yes 64.7%</b>

<sup>1</sup> Including miscellaneous and pension contributions

<sup>2</sup> Including the compensation of the former CEO of CHF 426,655

<sup>3</sup> Including an additional amount of CHF 550,000 (base salary of former CEO) due to the appointment of a new CEO according to Article 735a Swiss Code of Obligations and Article 20e Section 3 of the Articles of Association

The corresponding reporting of the Executive Board compensation 2023 approved by the Annual General Meeting 2022 as well as the reporting of the compensation ratio will be disclosed in the Remuneration Report 2023.

### 3. Former members of the Executive Board (audited information)

Jeannine Pilloud (former CEO until 25 January 2022) was paid in 2022 an amount of CHF 550,620 (including CHF 42,282 for pension contributions) in compliance with the commitments set down in her employment contract. Moreover, the Company paid an employer contribution of CHF 37,826 to the Swiss social insurance according to Swiss law.

No former members of the Executive Board or parties closely related to them received any payments or loans from the Company in 2022.

## III. SHARE OWNERSHIP

### 1. Board of Directors (as of 31 December 2022)

All members of the Board of Directors and closely related parties, in total: 287,309 shares.

	Shares
Dr Valentin Chaperon Rueda, Chairman	181,594
Nicole Burth Tschudi	5,000
Laurent Dubois	51,825
Jürg Fedier	12,400
Michael Reitermann	34,490
Andreas Schönenberger	2,000
<b>Total Board of Directors</b>	<b>287,309</b>

No members of the Board of Directors or closely related parties hold any conversion or option rights.

### 2. Executive Board (as of 31 December 2022)

All members of the Executive Board and closely related parties, in total: 31,700 shares.

	Shares
Nicolas Vanden Abeele, CEO	25,000
Dominik Maurer, CFO	6,700
<b>Total Board of Directors</b>	<b>31,700</b>

The members of the Executive Board hold the following conversion rights based on the provisions of the Performance Stock Units (PSU) plans 2020, 2021, and 2022:

	PSU 2020	PSU 2021	PSU 2022	Total
Nicolas Vanden Abeele, CEO	–	–	49,430	49,430
Dominik Maurer, CFO	17,520	9,300	23,730	50,550
<b>Total Executive Board</b>				<b>99,980</b>

No members of the Executive Board or closely related parties hold any other conversion or option rights.



### 3. Share allotment in 2022

Ascom Holding AG allotted no shares in 2022.

## IV. LONG-TERM INCENTIVE PLANS

### 1. Performance Stock Units (PSU) plan 2019

The Ascom long-term incentive 2019 (PSU plan 2019) ran for a period of three years with a vesting date defined on 31 May 2022. The target achievement is based on two performance indicators:

- Three-year fully diluted weighted cumulative Earnings per Share (EPS)
- Ascom's three-year Total Shareholders Return (TSR) measured relative to the SPI EXTRA Index

The fair value of a PSU (based on the PSU plan 2019) was calculated by an external expert and set at CHF 9.71 at grant date.

On 18 June 2019, the Board of Directors awarded to 51 members of the Senior Management 153,562 PSUs. Out of this number, 90,437 PSUs were forfeited between 2019 and 2021. Thus, 63,125 PSUs would have qualified for share conversion.

Ascom performed over this period below benchmark and achieved the following performance during 2019 – 2021:

Performance Target	Performance realized during 2019–2021	Vesting multiple per KPI
Relative TSR	-82.82 p.p.	0%
EPS	0.25 CHF	0%

The vesting multiple for the PSU plan 2019 is therefore 0 and no shares were allocated to the beneficiaries of this plan.

### 2. Performance Stock Units (PSU) plan 2020

The Ascom long-term incentive 2020 (PSU plan 2020) runs for a period of three years with a vesting date defined at 30 June 2023. The target achievement is based on two performance indicators:

- Three-year fully diluted weighted cumulative Earnings per Share (EPS)
- Ascom's three-year Total Shareholders Return (TSR) measured relative to the SPI EXTRA Index

The fair value of a PSU (based on the PSU plan 2020) was calculated by an external expert and set at CHF 6.85 at grant date.

On 1 July 2020, the Board of Directors awarded to 46 members of the Senior Management 221,650 PSUs. Out of this number, 72,650 PSUs were forfeited during 2020 and 2021. Out of the remainder of 149,000 PSUs, another 25,555 PSUs were forfeited in 2022. Thus, 123,445 PSUs may qualify for share conversion.

Ascom achieved the following performance during 2020 – 2022:

Performance Target	Performance realized during 2020–2022	Vesting multiple per KPI
Relative TSR	-28.26 p.p.	0%
EPS	0.31 CHF	10%

The vesting multiple for the PSU plan 2020 is therefore 10% and 12,345 shares may be allocated to the beneficiaries of this plan at the vesting date.

### 3. Performance Stock Units (PSU) plan 2021

The Ascom long-term incentive 2021 (PSU plan 2021) runs for a period of three years with a vesting date defined on 30 June 2024. The target achievement is based on two performance indicators:

- Three-year fully diluted weighted cumulative Earnings per Share (EPS)
- Ascom's three-year Total Shareholders Return (TSR) measured relative to the SPI EXTRA Index

The fair value of a PSU (based on the PSU plan 2020) was calculated by an external expert and set at CHF 15.49 at grant date.

On 30 June 2021, the Board of Directors awarded to 49 members of the Senior Management 85,870 PSUs. Out of this number, 8,270 PSUs were forfeited during 2021 and another 19,080 PSUs were forfeited during 2022. Thus, 58,520 PSUs may qualify for share conversion.

### 4. Performance Stock Units (PSU) plan 2022

The Ascom long-term incentive 2022 (PSU plan 2022) runs for a period of three years with a vesting date defined on 30 June 2025. The target achievement is based on only one performance indicator: Ascom's three-year Total Shareholders Return (TSR) measured relative to the SPI EXTRA Index as performance indicator.

The fair value of a PSU (based on the PSU plan 2022) was calculated by an external expert and set at CHF 6.07 at grant date.

On 30 June 2022, the Board of Directors awarded to 49 members of the Senior Management 215,370 PSUs. Out of this number, 9,560 PSUs were forfeited during 2022. Thus, 205,810 PSUs may qualify for share conversion.

### 5. Performance Stock Units held as of 31 December 2022

	Vesting date	Performance indicators	Number of outstanding PSUs	Maximum of conversion shares
2020	30.06.2023	EPS/TSR	123,445	12,345
2021	30.06.2024	EPS/TSR	58,520	117,040
2022	30.06.2025	TSR	205,810	411,620

As of 31 December 2022, there are 387,775 outstanding PSUs related to the PSU plans 2020, 2021 and 2022 which may be converted into maximal 541,005 shares according to the PSU plans. Given the achieved vesting multiple of 10%, maximal 12,345 shares may be converted according to the PSU plan 2020.

The total of the outstanding contingent conversion shares corresponds to 1.50% of the total share capital of the Company.



# Report of the Statutory Auditor

To the General Meeting of Ascom Holding AG, Baar, ZG

## Report on the Audit of the Remuneration Report

### Opinion

We have audited the Remuneration Report of Ascom Holding AG (the Company) for the year ended 31 December 2022. The audit was limited to the information on remuneration, loans and advances pursuant to Art. 14-16 of the Ordinance against Excessive Remuneration in Listed Companies Limited by Shares (Verordnung gegen übermässige Vergütungen bei börsenkotierten Aktiengesellschaften, VegüV) in the tables marked "audited information" on pages 69 to 71 and pages 74 and 76 of the Remuneration Report.

In our opinion, the information on remuneration, loans and advances in the attached Remuneration Report complies with Swiss law and Art. 14-16 VegüV.

### Basis for Opinion

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

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

### Other Matter

The Remuneration Report of Ascom Holding AG for the year ended 31 December 2021 was audited by another auditor who expressed an unmodified opinion on this report on 28 February 2022.

### Other Information

The Board of Directors is responsible for the other information. The other information comprises the information included in the annual report but does not include the tables marked "audited information" on pages 69 to 71 and pages 74 and 76 in the Remuneration Report, the consolidated financial statements, the financial statements and our auditor's reports thereon.

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



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

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

#### **Board of Directors' Responsibilities for the Remuneration Report**

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

#### **Auditor's Responsibilities for the Audit of the Remuneration Report**

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

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

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

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



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

KPMG AG

Toni Wattenhofer  
Licensed Audit Expert  
Auditor in Charge

Ronny Heer  
Licensed Audit Expert

Zug, 1 March 2023

Enclosure:  
- Remuneration Report

KPMG AG, Landis + Gyr-Strasse 1, CH-6302 Zug

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# Financial statements 2022

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## **Ascom Holding AG**

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# Consolidated balance sheet

## Assets

CHFm	Note	31.12.2022	%	31.12.2021	%
Cash and cash equivalents		26.6		29.5	
Trade receivables	4	69.4		65.2	
Other short-term receivables	5	2.9		8.2	
Inventories and work in progress	6	37.6		27.7	
Prepayments and accrued income	7	18.8		16.8	
<b>Current assets</b>		<b>155.3</b>	77.0	<b>147.4</b>	75.7
Property, plant and equipment	8	6.4		5.4	
Intangible assets	9	30.1		31.4	
Financial assets	10	10.0		10.5	
<b>Non-current assets</b>		<b>46.5</b>	23.0	<b>47.3</b>	24.3
<b>Total assets</b>		<b>201.8</b>	100.0	<b>194.7</b>	100.0

## Liabilities and shareholders' equity

CHFm	Note	31.12.2022	%	31.12.2021	%
Trade payables		16.6		18.0	
Other liabilities	12	14.6		14.1	
Provisions	13	1.9		3.1	
Customer prepayments and deferred revenue	15	33.3		28.4	
Accrued liabilities	16	23.5		25.4	
<b>Current liabilities</b>		<b>89.9</b>	44.5	<b>89.0</b>	45.7
Borrowings	11	10.0		–	
Other liabilities	33	0.7		–	
Provisions	13	27.8		25.7	
<b>Non-current liabilities</b>		<b>38.5</b>	19.1	<b>25.7</b>	13.2
<b>Total liabilities</b>		<b>128.4</b>	63.6	<b>114.7</b>	58.9
Share capital	17	18.0		18.0	
Capital reserves		15.8		15.8	
Own shares	17	(0.7)		(0.1)	
Retained earnings		40.3		46.3	
<b>Shareholders' equity</b>		<b>73.4</b>	36.4	<b>80.0</b>	41.1
<b>Total liabilities and shareholders' equity</b>		<b>201.8</b>	100.0	<b>194.7</b>	100.0

The notes on pages 88 to 113 are an integral part of the consolidated financial statements.



# Consolidated income statement

CHFm	Note	2022	%	2021	%
Net revenue	18	297.4	100.0	291.5	100.0
Cost of sales	13, 19	(161.3)		(154.8)	
<b>Gross profit</b>		<b>136.1</b>	<b>45.8</b>	<b>136.7</b>	<b>46.9</b>
Marketing and sales	13, 19	(73.8)		(70.9)	
Research and development	13, 19	(26.7)		(29.2)	
Administration	13, 19	(20.8)		(19.7)	
Other operating income	20	0.1		0.1	
Other operating expenses	20	(1.0)		(1.2)	
<b>Operating result (EBIT)</b>		<b>14.0</b>	<b>4.7</b>	<b>15.8</b>	<b>5.4</b>
Financial income	21	2.1		2.9	
Financial expenses	21	(1.2)		(1.5)	
<b>Profit before income tax</b>		<b>14.9</b>	<b>5.0</b>	<b>17.2</b>	<b>5.9</b>
Income tax	22	(3.9)		(3.7)	
<b>Group profit for the period<sup>1</sup></b>		<b>11.0</b>	<b>3.7</b>	<b>13.5</b>	<b>4.6</b>

<sup>1</sup> Attributable to the owners of the parent.

## Earnings per share in CHF

	Note	2022	2021
Basic	23	0.31	0.38
Diluted	23	0.30	0.37

## Additional information – non-GAAP measures

CHFm	2022	%	2021	%
EBITDA <sup>1</sup>	23.9	8.0	28.7	9.8

<sup>1</sup> Earnings before interest, income tax, depreciation and amortization (EBITDA) as a subtotal includes the operating result (EBIT) before deduction of depreciation and impairment of property, plant and equipment as well as amortization and impairment of intangible assets. As defined, EBIT and EBITDA do not include the impact of non-operating or extraordinary results. In 2022, operating depreciation and amortization amounted to CHF 9.9 million (previous year: CHF 12.9 million).

The notes on pages 88 to 113 are an integral part of the consolidated financial statements.

# Consolidated statement of changes in equity

	Attributable to owners of the parent							
	Capital reserves				Retained earnings			
CHFm	Share capital <sup>1</sup>	Own shares <sup>1</sup>	Share premium	Other capital reserves	Currency translation adjustments	Goodwill offset	Other retained earnings	Total shareholders' equity
Balance at 1.1.2021	18.0	(0.1)	1.1	14.9	(12.9)	(54.9)	105.0	71.1
Group profit for the period	–	–	–	–	–	–	13.5	13.5
Currency translation adjustments	–	–	–	–	(4.4)	–	–	(4.4)
Goodwill offset with equity <sup>2</sup>	–	–	–	–	–	–	–	–
Share-based payments <sup>3</sup>	–	–	–	(0.2)	–	–	–	(0.2)
Purchase of own shares	–	–	–	–	–	–	–	–
Disposal of own shares	–	–	–	–	–	–	–	–
Dividends paid	–	–	–	–	–	–	–	–
Balance at 31.12.2021	18.0	(0.1)	1.1	14.7	(17.3)	(54.9)	118.5	80.0
Group profit for the period	–	–	–	–	–	–	11.0	11.0
Currency translation adjustments	–	–	–	–	(8.2)	–	–	(8.2)
Goodwill offset with equity <sup>2</sup>	–	–	–	–	–	(1.6)	–	(1.6)
Share-based payments <sup>3</sup>	–	–	–	–	–	–	–	–
Purchase of own shares	–	(0.6)	–	–	–	–	–	(0.6)
Disposal of own shares	–	–	–	–	–	–	–	–
Dividends paid	–	–	–	–	–	–	(7.2)	(7.2)
Balance at 31.12.2022	18.0	(0.7)	1.1	14.7	(25.5)	(56.5)	122.3	73.4

<sup>1</sup> Refer to note 17.

<sup>2</sup> Refer to note 9.

<sup>3</sup> Refer to note 24.

Non-distributable statutory and legal reserves of Ascom Holding AG: CHF 3.6 million (previous year: CHF 3.6 million).

The notes on pages 88 to 113 are an integral part of the consolidated financial statements.

# Consolidated statement of cash flows

CHFm	Note	2022	2021
Group profit for the period		11.0	13.5
+ Depreciation of property, plant and equipment	8	1.5	1.9
+ Amortization of intangible assets	9	8.4	11.0
+/- Share-based payments	24	–	(0.2)
+/- Addition/(release) of provisions	13	5.2	2.2
+/- Adjustment for other non-cash items		(3.9)	(3.4)
+/- Change in inventory and work in progress		(13.5)	(5.7)
+/- Change in trade receivables		(7.5)	(12.4)
+/- Change in trade payables		0.2	1.9
+/- Change in other receivables and prepayments		(1.7)	(3.8)
+/- Change in accrued and other short-term liabilities and deferred income		3.9	1.5
– Interest income	21	(0.1)	(0.4)
+ Interest expenses	21	0.6	0.8
+ Interest received		0.1	0.2
– Interest paid		(0.1)	(0.1)
+/- Income tax (benefits)/expenses	22	3.9	3.8
+/- Income tax (paid)/received		2.2	0.8
<b>Cash flow from operating activities</b>		<b>10.2</b>	<b>11.6</b>
– Purchase of property, plant and equipment	8	(3.1)	(2.5)
+ Proceeds from disposal of property, plant and equipment		–	0.9
– Purchase of intangible assets	9	(10.3)	(9.2)
– Acquisition of a subsidiary or business, net of cash acquired	33	(1.1)	–
+ Repayment of financial assets		0.5	16.0
<b>Cash flow from investing activities</b>		<b>(14.0)</b>	<b>5.2</b>
+/- Proceeds from/(repayment of) long-term borrowings		10.0	(19.0)
– Purchase of own shares	17	(0.6)	–
– Dividends paid		(7.2)	–
<b>Cash flow from financing activities</b>		<b>2.2</b>	<b>(19.0)</b>
+/- Foreign currency translation differences on cash and cash equivalents		(1.3)	(0.1)
<b>Increase/(decrease) in cash and cash equivalents</b>		<b>(2.9)</b>	<b>(2.3)</b>
+ Cash and cash equivalents at 1.1.		29.5	31.8
<b>Cash and cash equivalents at 31.12.</b>		<b>26.6</b>	<b>29.5</b>

The notes on pages 88 to 113 are an integral part of the consolidated financial statements.

# Notes to the consolidated financial statements

## 1. GENERAL INFORMATION

Ascom is a global solutions provider focused on healthcare ICT and mobile workflow solutions. The vision of Ascom is to close digital information gaps allowing for the best possible decisions – anytime and anywhere. Ascom's mission is to provide mission-critical, real-time solutions for highly mobile, ad hoc, and time-sensitive environments. Ascom uses its unique product and solutions portfolio and software architecture capabilities to devise integration and mobilization solutions that provide truly smooth, complete and efficient workflows for healthcare as well as for industry, security and retail sectors.

Ascom is headquartered in Baar (Switzerland), has operating businesses in 19 countries and employs 1,345 people worldwide. Ascom Holding AG, the parent company of the Group, is a public limited company and its registered shares (symbol ASCN) are listed on the SIX Swiss Exchange in Zurich (Switzerland).

## 2. SUMMARY OF THE GENERAL GROUP ACCOUNTING POLICIES

### 2.1 Basis of preparation

The consolidated financial statements of Ascom Holding AG comply with Swiss law and have been prepared based on the individual financial statements of each Group company. These are based on historical cost, except as disclosed in the accounting policies below, and in accordance with the entire existing guidelines of Swiss GAAP FER (Generally Accepted Accounting Principles FER/FER = Fachempfehlungen zur Rechnungslegung = Accounting and reporting recommendations). Furthermore, the consolidated financial statements comply with the provisions of the listing rules of the SIX Swiss Exchange and are presented in Swiss francs (CHF). The accounting policies have been applied consistently by all Group companies. A summary of the significant accounting policies is provided below. The annual financial closing date for the Group and the individual Group companies is 31 December.

### 2.2 Changes in accounting policy and disclosures

There were no changes in 2022.

### 2.3 Use of judgments and estimates

In preparing these consolidated financial statements, management has made judgments, estimates and assumptions that affect the application of the Group's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognized prospectively.

Information about judgments made in applying accounting policies that have the most significant effects on the consolidated financial statements and information about uncertainties related to assumptions and estimates that have the potential risk of resulting in a significant adjustment, are included in the following notes:

- Note 9 – recognition of internally generated intangible assets: whether the Group has met the criteria for capitalization of internally generated development costs relating to the design and testing of new or improved products.
- Note 9 – measurement of intangibles: key assumptions and estimates underlying valuation and recoverability of intangible assets from acquisitions and capitalized internally generated intangible assets, including related forecasted cash flows.
- Note 14 – measurement of pension liabilities related to certain pension plans: key actuarial assumptions, including discount rate, future salary or pension increases and average life expectancy, as well as plan assets performance and funded status.
- Notes 13 and 28 – recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of net future outflow of cash, including discount rates.
- Note 22 – recognition and measurement of the provision for income tax and recognition of deferred income tax assets: availability of qualified future taxable profit against which tax loss carry-forwards can be used.

## 2.4 Consolidation

The consolidated financial statements cover Ascom Holding AG and all subsidiaries over which the Group has control. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases. Profits or losses from disposal of subsidiaries are recorded in profit or loss, including the effect of recycling of any goodwill previously offset against equity. The list of the consolidated Group companies is included in note 33. Percentages of the Group's interest in share capital correspond to percentages in voting rights held.

The Group uses the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair value of assets transferred, liabilities assumed and equity interests issued by the Group, including the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs are capitalized and allocated to goodwill. Pursuant to a purchase price allocation, identifiable assets acquired, liabilities assumed as well as any contingent assets and liabilities are measured initially at their fair value at the acquisition date.

Intercompany transactions, balances and unrealized gains or losses on transactions between Group companies are eliminated.

## 2.5 Foreign currency translation

All assets and liabilities of foreign entities are translated into Swiss francs (CHF), the Group's reporting currency, at the exchange rates prevailing on 31 December. Income, expenses and cash flows of foreign entities are translated at average exchange rates for the year. Upon disposal of a foreign operation, accumulated currency translation adjustments are recognized in the income statement.

Applicable exchange rates for Ascom's major foreign currencies are as follows:

### Foreign currency translation

CHF	ISO code	Unit	31.12.2022	Average 2022	31.12.2021	Average 2021
Euro	EUR	1	0.985	1.004	1.033	1.080
US dollar	USD	1	0.923	0.952	0.912	0.912
Swedish krona	SEK	1	0.089	0.095	0.101	0.106
Pound sterling	GBP	1	1.110	1.177	1.230	1.254

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). Goodwill and fair value adjustments from the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the rate prevailing on the acquisition date. Transactions in foreign currencies are accounted for at the average exchange rates of the prior month, as an approximation of the exchange rate at the transaction date. Gains and losses resulting from the settlement of such transactions and from the conversion of monetary assets and liabilities denominated in foreign currencies are recognized in profit or loss.

## 2.6 Revenue recognition

Net revenue includes all sales of goods and services after deduction of any sales reductions including discounts, rebates, returns and value-added tax.

Revenue from sale of goods is recognized when benefits and risks as well as the authority to dispose of the property have been assigned to the purchaser in accordance with the contractual terms. Goods sold to customers include hardware and software.

Services rendered to customers include consulting, commissioning and installation services, as well as after-sales support, repair and maintenance services. Revenue from services is generally recognized when the service has been performed. In case of long-term service contracts revenue is recognized over the service period outlined in the contracts.

For qualifying long-term projects the group applies the percentage-of-completion method (PoC). The respective calculation is based either on the units completed compared to the total number of contracted units, or if this approach is not applicable, on the costs incurred compared to the total costs to complete.

## 2.7 Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less.

## 2.8 Trade receivables

Trade receivables are recognized at their nominal value less any allowance for doubtful debts, which is recognized when it becomes probable that the receivable is not fully realizable. The amount of the allowance is the receivable at nominal value less the amount of the expected realization. The valuation effect is recorded in marketing and sales expenses.

## 2.9 Other current assets

Other short-term receivables, prepayments and accrued income are stated at nominal value less impairment, if any.

## 2.10 Inventories and work in progress

Inventories are stated at the lower of purchase or manufacturing cost or net realizable value. Net realizable value is the estimated selling price in the normal course of business, less estimated cost of completion and estimated selling cost. Manufacturing cost includes direct material and production costs as well as material and production overheads. The inventory cost is determined using the FIFO (First In – First Out) cost method. Purchase discounts are treated as a purchase price reduction. Value adjustments are made for obsolete and slow-moving items. Work in progress on long-term contracts is recognized according to the stage of completion of the contract (percentage-of-completion method). Allowances are recorded to cover anticipated losses as soon as these are identified.

## 2.11 Property, plant and equipment

Property, plant and equipment is recorded at acquisition or production cost (i.e. historical cost) less accumulated depreciation. Land is valued at cost and is not depreciated. Depreciation on property, plant and equipment is calculated using the straight-line method based on the estimated useful life as shown in the following table:

	Useful life in years
Buildings	20–40
Installations	7–10
Production equipment, measuring and test equipment, IT hardware, furniture	3–5
Tools and demo equipment	3

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when they can be measured reliably and it is probable that future economic benefits associated with such costs will flow to the Group. The carrying amount of the replaced part is derecognized. All other repairs and maintenance are charged to profit or loss during the financial period in which they incur. All gains or losses arising from the disposal of property, plant and equipment are included in the income statement.

## 2.12 Intangible assets

Intangible assets other than goodwill are recorded at acquisition or production cost less accumulated amortization. Acquired customer relations are capitalized using the excess-earning method for valuation of the existing customers at acquisition date. Technology and trademarks are capitalized using the relief from royalty method for valuation. The amortization charge is calculated on a straight-line basis over the period of its estimated useful economic life as shown in the following table:

	Useful life in years
Customer relations	10
Technology	5–7
Internally generated intangibles	3–5
Other (trademarks, licenses and software)	3–5

Intangible assets not ready for use are carried at cost less any accumulated impairment losses.

Goodwill resulting from acquisitions (the excess of the purchase price over the net fair value of the acquired assets, liabilities and equity interests) is offset in equity against retained earnings at the date of acquisition. The consequences of a theoretical capitalization and amortization of goodwill are explained in note 9. If the purchase price contains contingent elements that are dependent on future results (e.g. earn-out), a liability is recognized in the balance sheet at the date of acquisition based on an estimate of the earn-out payment expected to be paid at the agreed future date. Changes in this estimate during the earn-out period or differences between the recorded liability and the final settlement are recognized as a goodwill offset within equity.

All research costs are charged to profit or loss as incurred. Costs incurred on development projects (relating to the design, development and testing of major new products, major product improvements or software platforms and significant applications) are recognized as internally generated intangibles, when specific criteria are fulfilled regarding technical feasibility, commitment of resources and recoverability through future economic benefits. Development costs that cannot be capitalized are charged to profit or loss in the period in which they occur.

## 2.13 Financial assets

Financial assets mainly comprise loans to third parties, deferred tax assets and pension assets. Loans and pension assets are initially recorded at actual value and subsequently measured at amortized cost less valuation adjustments. Information related to deferred tax assets is presented in note 2.22.

## 2.14 Impairment of assets

All non-current assets are tested for impairment when indicators exist that the carrying amount of the asset might exceed its recoverable amount. Where the carrying amount of an asset is higher than the recoverable amount, the asset is impaired to its recoverable amount. The recoverable amount is the higher of an asset's fair value less disposal cost and value in use. Intangible assets not yet available for use are not subject to amortization and are therefore tested for impairment at least once a year. As goodwill is fully offset against equity at the date of acquisition, an impairment of goodwill will not affect income, but will only be disclosed in the notes to the consolidated financial statements (refer to note 9). Impairment tests are performed based on discounted cash flows at the level of the corresponding cash-generating units, representing the lowest level at which such assets are evaluated for recoverability.



## **2.15 Derivative financial instruments**

Due to the global nature of its activities, the Group is exposed to foreign exchange risk. The related risk management is described in note 26. The Group may hedge expected future foreign currency cash flows by executing forward contracts. These derivative financial instruments are recognized at fair value at the trade date.

## **2.16 Equity**

Registered shares are classified as equity. Own shares, expenses for equity-settled share-based payments, realized gains or losses from disposals of own shares as well as costs relating to capital increases and decreases are recorded in equity. Dividends are charged to equity in the period in which they are approved. The share premium represents the excess of the issued share capital over its nominal value.

## **2.17 Borrowings and borrowing costs**

Borrowings are initially recorded at actual value, net of transaction costs incurred and subsequently measured at amortized cost. They include mainly bank loans and are classified as current if they are settled within 12 months, and there is no unconditional right to extend the settlement to at least 12 months after the balance sheet date. Borrowing costs directly attributable to a material acquisition, development or production of an internally generated asset that necessarily takes a substantial period of time to get ready for its intended use or sale (i.e. qualifying asset), are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

## **2.18 Pension benefit obligations**

There are various pension plans in existence within the Group which are individually aligned with local conditions in their respective countries. They are financed either by means of contributions to legally independent pension or insurance funds, or by recognition as liabilities in the balance sheet of the respective Group companies. An economic obligation is recognized as a liability if the requirements for the recognition of a provision are met under Swiss GAAP FER. An economic benefit is capitalized provided that the Company is entitled to such benefit in the future, for example, to offset future Group pension expenses. Freely available employer contribution reserves are capitalized.

Employees of Swiss Group companies are insured as part of a multi-employer pension fund, an independent separate legal entity under Swiss Law ("Gemeinschaftsstiftung") financed by contributions from participating employers and employees. An economical obligation or a benefit from the Swiss pension scheme is determined from the pension fund financial statements prepared on the basis of Swiss GAAP FER 26 "Accounting of Pension plans" and recognized in the balance sheet accordingly. The provision for pension plans of foreign subsidiaries, which are not organized as independent legal entities, is determined based on the local valuation methods in effect.

## **2.19 Provisions and contingent liabilities**

Provisions are made when there is a present legal or constructive obligation as a result of a past event, when it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the effect of the time value of money is material, provisions are measured at the present value of the expenditures expected to be required to settle the obligation in the future. The increase in the provision due to passage of time is recognized as interest expense. For costs that are expected to arise in connection with site closures, the disposal of companies or business units and restructuring, provisions are made at the time of the decision of approved measures. For onerous contracts, provisions are provided if the unavoidable costs of meeting the

obligation exceed the economic benefit to be received. If an outflow of resources to settle an obligation is not probable, a contingent liability is disclosed. Contingent liabilities and other off-balance sheet commitments are evaluated at each reporting date, also taking into account any guaranteed considerations from other parties (e.g. insurance coverage).

## 2.20 Leases

A lease is an agreement whereby the lessor conveys to the lessee in return for a payment, or series of payments, the right to use an asset for an agreed period of time.

### a) Lessee accounting

Leases in which a significant portion of the risks and rewards of ownership are transferred from the lessor to the lessee are classified as finance leases. The leased assets are carried at cost not higher than the minimal lease payments and depreciated along with other property, plant and equipment (see note 2.11). The corresponding leasing obligations are shown as liabilities. Leasing payments are allocated accordingly as either capital repayments or interest expenses. Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease.

### b) Lessor accounting

When assets are leased out under a finance lease, the present value of the net minimum lease payments is recognized as a receivable under financial assets. The difference between the gross receivable (gross investment in leases) and the present value of the net minimum lease payments is recognized as unearned interest income. Each lease installment is allocated between the receivable and interest income. When assets are leased out under an operating lease, the asset is included in the balance sheet based on the nature of the asset. Operating lease income is recognized in profit or loss over the term of the lease on a straight-line basis.

## 2.21 Share-based payments

Selected members of Ascom's senior management receive remuneration in the form of share-based remunerations pursuant to share matching plans and Performance Stock Unit ("PSU") plans.

### a) Share matching plans

The beneficiaries of share matching plans get the opportunity to buy company shares at market price as investment shares up to a certain amount. They have to keep the investment shares over a defined period in order to benefit from the plan. Beneficiaries receive 35% of the number of their investment shares as matching shares after a three-year vesting period for free if they are still employed with Ascom at this point in time. As an additional performance-related part, beneficiaries may receive up to 115% of the number of their investment shares as matching shares, provided that defined mid-term profitability targets are achieved. As a maximum, the Company will honor each investment share with one matching share.

The cost of matching shares is measured initially at fair value at grant date, taking into consideration a deduction for the dividend yield as well as expected fluctuation of the plan participants. The initial fair value is recognized as expense over the vesting period, together with a corresponding increase in other capital reserves in equity (for equity-settled instruments) or in other provisions (for cash-

settled instruments). Ascom revises its estimates of the number of instruments expected to vest, based on the best available estimate of the outcome of the non-market-vesting conditions (the Group EBITDA margin and the cumulated average growth rate of the net revenue) at the end of each reporting period, with changes recognized in personnel expenses.

b) Performance Stock Unit ("PSU") plans

The PSU plan foresees annual issuance of Performance Stock Units ("PSUs"). One PSU represents the conditional right to receive a fraction between 0% and 200% of an Ascom share subject to the fulfillment of certain vesting conditions. Vesting of the PSUs occurs on the third anniversary of the respective date of grant. Vesting conditions are both the achievement of performance targets as well as an untermi-nated contractual relationship with the Company. Performance targets are represented by equally weighted three-year net income fully diluted Earnings per Share ("EPS") and three-year relative Total Shareholder Return ("TSR") measured against the Swiss Performance Index Extra ("SPI EXTRA") and expressed as a percentage point difference. The award forfeits fully or partly if employment ceased before the vesting date.

The cost of PSUs is measured initially at fair value at grant date and recognized as expense over the vesting period, together with a corresponding increase in other capital reserves in equity. As no cash settlement is foreseen, no subsequent measurement takes place.

## 2.22 Income tax

Income tax is recorded based on the period to which it properly relates. Deferred income tax is recorded in full using the liability method. Deferred income tax assets and liabilities arise on temporary differences between carrying amounts of assets and liabilities for Group purposes and their related tax values. The tax rates and laws enacted or substantively enacted at the balance sheet date are used to determine deferred income tax. Deferred income tax assets result from tax loss carry-forwards, tax credits as well as temporary valuation differences of assets and liabilities. They are recognized to the extent that realization through future taxable profits is probable. Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current income tax assets against current income tax liabilities and when the deferred income tax relates to the same tax authority.

## 2.23 Definition of non-GAAP measures

Earnings before interest and income tax (EBIT) correspond to the operating result. Earnings before interest, income tax, depreciation and amortization (EBITDA) as a subtotal includes EBIT before deduction of depreciation and impairment of property, plant and equipment as well as amortization and impairment of intangible assets. As defined, EBIT and EBITDA do not include the impact of non-operating or extraordinary results.

### 3. SEGMENT INFORMATION

Ascom Group consists of one single business unit, the purpose of which is to use its unique product and solutions portfolio and software architecture capabilities to devise integration and mobilization solutions that provide digitalized, complete and efficient workflows for healthcare as well as for industry, security and retail sectors.

Due to the unity and strategic focus of the business on healthcare ICT, the top management (Group Executive Board) and the management structure of the Ascom Group are organized by functions. The allocation of financial resources of the Group by the Board of Directors and the Group Executive Board is decided centrally and by function. Research and development of the whole range of products and solutions is carried out centrally, while sales are carried out regionally with central support. Distribution and services are managed within central global functions. Accordingly, regional sales subsidiaries are responsible for the sale and delivery of the whole range of products, services and solutions in their sales area, supported by global R&D, global Supply Chain and global Services, as well as central marketing and administrative functions. The Company's risks and opportunities vary by region and are impacted and supported by local regulatory requirements, most notably in healthcare. Accordingly, the financial management and allocation of Company resources by the Group Executive Board is primarily based on regional market and net revenue developments.

Segment reporting is therefore reflecting Ascom's business as one single reportable segment. The allocation of incoming orders and net revenue is disclosed below based on the regional sales structure.

#### Allocation of incoming orders and net revenue

CHFm	Incoming orders		Net revenue	
	2022	2021	2022	2021
DACH	60.1	56.7	48.6	42.2
France & Spain	21.5	22.5	20.9	19.6
Netherlands	54.2	54.5	49.1	55.3
Nordics	45.9	49.9	43.4	44.5
UK	19.1	17.3	16.0	17.5
USA & Canada	58.6	53.9	54.8	49.7
Rest of World	53.6	39.9	44.1	40.9
OEM (Original Equipment Manufacturer)	22.7	47.6	20.5	21.8
<b>Total</b>	<b>335.7</b>	<b>342.3</b>	<b>297.4</b>	<b>291.5</b>

#### 4. TRADE RECEIVABLES

CHFm	31.12.2022	31.12.2021
Receivables from third parties <sup>1</sup>	71.8	67.5
Less allowance for doubtful debts	(2.4)	(2.3)
<b>Total</b>	<b>69.4</b>	<b>65.2</b>

<sup>1</sup> This line item includes CHF 4.5 million (previous year: CHF 8.8 million) of trade receivables arising from customer projects using the percentage-of-completion method.

The Group does not hold any collateral as security for trade receivables.

#### 5. OTHER SHORT-TERM RECEIVABLES

CHFm	31.12.2022	31.12.2021
Income tax and other tax receivables	2.5	7.0
Other receivables	0.1	0.8
Finance leases	0.3	0.4
<b>Total other short-term receivables</b>	<b>2.9</b>	<b>8.2</b>

#### 6. INVENTORIES AND WORK IN PROGRESS

CHFm	31.12.2022	31.12.2021
Raw materials and components	3.1	3.6
Work in progress	13.0	11.3
Finished goods and goods for resale	25.6	16.5
Inventory allowance	(4.1)	(3.7)
<b>Total</b>	<b>37.6</b>	<b>27.7</b>

#### 7. PREPAYMENTS AND ACCRUED INCOME

CHFm	31.12.2022	31.12.2021
Prepayments	4.4	5.2
Accrued income <sup>1</sup>	14.4	11.6
<b>Total</b>	<b>18.8</b>	<b>16.8</b>

<sup>1</sup> This line item includes CHF 14.1 million (previous year: CHF 11.3 million) of accrued income arising from customer projects using the percentage-of-completion method.

## 8. PROPERTY, PLANT AND EQUIPMENT

CHFm	Land and buildings	Machines, installations and equipment	Equipment under construction	Other	Total
<b>Cost</b>					
<b>Balance at 1.1.2021</b>	<b>3.0</b>	<b>18.3</b>	<b>1.2</b>	<b>16.6</b>	<b>39.1</b>
Additions	0.2	0.7	1.2	0.4	2.5
Disposals	(0.1)	(4.6)	–	(5.3)	(10.0)
Reclassifications	–	1.1	(1.3)	0.2	–
Currency translation adjustments	(0.2)	(0.7)	(0.1)	(0.6)	(1.6)
<b>Balance at 31.12.2021</b>	<b>2.9</b>	<b>14.8</b>	<b>1.0</b>	<b>11.3</b>	<b>30.0</b>
Additions	0.1	1.3	1.4	0.3	3.1
Disposals	–	(0.1)	–	–	(0.1)
Acquisition of a subsidiary or business	–	0.1	–	–	0.1
Reclassifications	–	0.4	(0.8)	0.4	–
Currency translation adjustments	(0.3)	(1.2)	(0.2)	(1.1)	(2.8)
<b>Balance at 31.12.2022</b>	<b>2.7</b>	<b>15.3</b>	<b>1.4</b>	<b>10.9</b>	<b>30.3</b>
<b>Accumulated depreciation and impairment</b>					
<b>Balance at 1.1.2021</b>	<b>(1.5)</b>	<b>(16.1)</b>	<b>–</b>	<b>(15.4)</b>	<b>(33.0)</b>
Depreciation charge	(0.2)	(1.0)	–	(0.7)	(1.9)
Disposals	0.1	3.8	–	5.2	9.1
Currency translation adjustments	0.1	0.6	–	0.5	1.2
<b>Balance at 31.12.2021</b>	<b>(1.5)</b>	<b>(12.7)</b>	<b>–</b>	<b>(10.4)</b>	<b>(24.6)</b>
Depreciation charge	(0.1)	(0.9)	–	(0.5)	(1.5)
Disposals	–	0.1	–	–	0.1
Currency translation adjustments	0.1	1.0	–	1.0	2.1
<b>Balance at 31.12.2022</b>	<b>(1.5)</b>	<b>(12.5)</b>	<b>–</b>	<b>(9.9)</b>	<b>(23.9)</b>
<b>Net carrying amount at 31.12.2021</b>	<b>1.4</b>	<b>2.1</b>	<b>1.0</b>	<b>0.9</b>	<b>5.4</b>
<b>Net carrying amount at 31.12.2022</b>	<b>1.2</b>	<b>2.8</b>	<b>1.4</b>	<b>1.0</b>	<b>6.4</b>

## 9. INTANGIBLE ASSETS

CHFm	Customer relations	Acquired technology	Internally generated intangibles	Acquired software	Other	Total
<b>Cost</b>						
<b>Balance at 1.1.2021</b>	<b>7.5</b>	<b>5.2</b>	<b>54.6</b>	<b>26.2</b>	<b>10.2</b>	<b>103.7</b>
Additions	–	–	7.0	–	2.2	9.2
Disposals	–	–	–	(3.3)	–	(3.3)
Reclassification	–	–	–	4.9	(4.9)	–
Currency translation adjustments	(0.1)	(0.2)	(3.8)	(1.7)	(0.7)	(6.5)
<b>Balance at 31.12.2021</b>	<b>7.4</b>	<b>5.0</b>	<b>57.8</b>	<b>26.1</b>	<b>6.8</b>	<b>103.1</b>
Additions	–	–	7.5	–	2.8	10.3
Disposals	–	–	–	(0.3)	–	(0.3)
Acquisition of a subsidiary or business	–	–	–	0.6	–	0.6
Reclassification	–	–	–	0.7	(0.7)	–
Currency translation adjustments	(0.2)	(0.4)	(7.5)	(3.2)	(0.5)	(11.8)
<b>Balance at 31.12.2022</b>	<b>7.2</b>	<b>4.6</b>	<b>57.8</b>	<b>23.9</b>	<b>8.4</b>	<b>101.9</b>
<b>Accumulated amortization and impairment</b>						
<b>Balance at 1.1.2021</b>	<b>(5.6)</b>	<b>(4.4)</b>	<b>(34.3)</b>	<b>(19.5)</b>	<b>(4.7)</b>	<b>(68.5)</b>
Amortization charge	(0.7)	(0.4)	(5.8)	(3.6)	(0.5)	(11.0)
Disposals	–	–	–	3.3	–	3.3
Currency translation adjustments	0.1	0.2	2.6	1.3	0.3	4.5
<b>Balance at 31.12.2021</b>	<b>(6.2)</b>	<b>(4.6)</b>	<b>(37.5)</b>	<b>(18.5)</b>	<b>(4.9)</b>	<b>(71.7)</b>
Amortization charge	(0.6)	(0.4)	(4.4)	(2.5)	(0.5)	(8.4)
Disposals	–	–	–	0.3	–	0.3
Currency translation adjustments	0.2	0.4	4.8	2.3	0.3	8.0
<b>Balance at 31.12.2022</b>	<b>(6.6)</b>	<b>(4.6)</b>	<b>(37.1)</b>	<b>(18.4)</b>	<b>(5.1)</b>	<b>(71.8)</b>
<b>Net carrying amount at 31.12.2021</b>	<b>1.2</b>	<b>0.4</b>	<b>20.3</b>	<b>7.6</b>	<b>1.9</b>	<b>31.4</b>
<b>Thereof acquired</b>	<b>1.2</b>	<b>0.4</b>	<b>–</b>	<b>7.6</b>	<b>1.9</b>	<b>11.1</b>
<b>Thereof generated internally</b>	<b>–</b>	<b>–</b>	<b>20.3</b>	<b>–</b>	<b>–</b>	<b>20.3</b>
<b>Net carrying amount at 31.12.2022</b>	<b>0.6</b>	<b>–</b>	<b>20.7</b>	<b>5.5</b>	<b>3.3</b>	<b>30.1</b>
<b>Thereof acquired</b>	<b>0.6</b>	<b>–</b>	<b>–</b>	<b>5.5</b>	<b>3.3</b>	<b>9.4</b>
<b>Thereof generated internally</b>	<b>–</b>	<b>–</b>	<b>20.7</b>	<b>–</b>	<b>–</b>	<b>20.7</b>

Internally generated intangibles comprise capitalized development costs.

Other intangibles comprise acquired trademarks and licenses.

Goodwill from acquisitions is offset against the Company's equity at the acquisition date. The theoretical amortization is based on the straight-line method over a useful life of five years. The theoretical capitalization of the goodwill would affect the result of the consolidated financial statements as follows:

CHFm	2022	2021
<b>Acquisition cost</b>		
As of 1 January	33.6	33.9
Additions from acquisitions	1.6	–
Liquidation of a subsidiary or business	–	–
Disposal of a subsidiary or business	–	–
Reversal of earn-out	–	–
Translation adjustment	(1.2)	(0.3)
<b>As of 31 December</b>	<b>34.0</b>	<b>33.6</b>
<b>Accumulated amortization</b>		
As of 1 January	(33.6)	(33.9)
Additions	(0.1)	–
Liquidation of a subsidiary or business	–	–
Disposal of a subsidiary or business	–	–
Translation adjustment	1.1	0.3
<b>As of 31 December</b>	<b>(32.6)</b>	<b>(33.6)</b>
<b>Theoretical book values, net</b>		
As of 1 January	–	–
<b>As of 31 December</b>	<b>1.4</b>	<b>–</b>

#### Theoretical effect on income statement

CHFm	2022	2021
Operating result	14.0	15.8
Theoretical amortization goodwill	(0.1)	–
Theoretical operating result incl. amortization goodwill	13.9	15.8
Group profit for the period	11.0	13.5
Theoretical amortization goodwill	(0.1)	–
Theoretical Group profit for the period incl. amortization goodwill	10.9	13.5

#### Theoretical effect on balance sheet

CHFm	2022	2021
Equity according to balance sheet	73.4	80.0
Theoretical capitalization net book value goodwill	1.4	–
Theoretical equity incl. net book value goodwill	74.8	80.0
Equity as % of balance sheet total	36.4%	41.1%
Theoretical equity incl. net book value goodwill as % of balance sheet total (incl. goodwill)	36.8%	41.1%



## 10. FINANCIAL ASSETS

CHFm	31.12.2022	31.12.2021
Deferred income tax assets	6.8	6.3
Pension-related assets	1.9	2.4
Finance leases	0.3	0.6
Other financial assets	1.0	1.2
<b>Total non-current portion</b>	<b>10.0</b>	<b>10.5</b>

Detailed information related to deferred income tax assets and pension-related assets are provided in notes 22 and 14, respectively.

Future minimum lease payments under finance lease contracts together with the present value of the net minimum lease payments are as follows:

CHFm	Within 12 months	Between 1 and 5 years	Later	Total 31.12.2022
Gross investment in leases	0.3	0.3	–	0.6
Unearned interest income	–	–	–	–
<b>Present value of the net minimum lease payments</b>	<b>0.3</b>	<b>0.3</b>	<b>–</b>	<b>0.6</b>

CHFm	Within 12 months	Between 1 and 5 years	Later	Total 31.12.2021
Gross investment in leases	0.5	0.6	–	1.1
Unearned interest income	–	–	–	–
<b>Present value of the net minimum lease payments</b>	<b>0.5</b>	<b>0.6</b>	<b>–</b>	<b>1.1</b>

## 11. BORROWINGS

The Group has syndicated revolving credit facilities in the amount of CHF 40.0 million with four Swiss banks at variable interest rates with an option to fix the interest rate monthly for a maximum period of 12 months. Additionally, the Group has a CHF 20.0 million credit facility with the same bank consortium to finance large projects. The Group also has an uncommitted guarantee line of CHF 5.0 million with a Swiss bank. At 31 December 2022, Ascom used the cash lines as shown in the table below:

CHFm	31.12.2022	31.12.2021
Current	–	–
Non-current	10.0	–
<b>Total borrowings</b>	<b>10.0</b>	<b>–</b>

The final maturity of the Group's credit facilities is 19 November 2024. The credit facility includes two financial covenants: a debt service ratio (calculated as the ratio of net debt and outstanding bank guarantees to EBITDA) and an equity ratio (calculated as the ratio of shareholders' equity to total assets). The financial covenants are fully complied with. More details are disclosed in note 26.5.

## 12. OTHER LIABILITIES (CURRENT)

CHFm	31.12.2022	31.12.2021
Income tax liabilities	2.3	1.2
VAT and other tax liabilities	6.3	6.7
Personnel-related liabilities	5.8	5.9
Derivative financial instruments	0.1	0.1
Other liabilities	0.1	0.2
<b>Total</b>	<b>14.6</b>	<b>14.1</b>

## 13. PROVISIONS

CHFm	Restructuring	Deferred tax liabilities	Employee benefit obligation	Other provisions	Total
<b>Balance at 1.1.2021</b>	<b>2.5</b>	<b>4.3</b>	<b>21.3</b>	<b>3.0</b>	<b>31.1</b>
Additions	0.5	1.3	0.7	1.3	3.8
Increase in present value	–	–	0.6	–	0.6
Utilization	(1.9)	–	(0.3)	(1.2)	(3.4)
Release of unused amounts	(0.4)	(0.6)	(0.3)	(0.3)	(1.6)
Currency translation adjustments	–	(0.3)	(1.3)	(0.1)	(1.7)
<b>Balance at 31.12.2021</b>	<b>0.7</b>	<b>4.7</b>	<b>20.7</b>	<b>2.7</b>	<b>28.8</b>
Additions	–	2.2	4.0	0.6	6.8
Increase in present value	–	–	0.5	–	0.5
Utilization	(0.4)	–	(0.4)	(1.0)	(1.8)
Release of unused amounts	(0.3)	(0.5)	(0.7)	(0.1)	(1.6)
Acquisition of a subsidiary or business	–	0.1	–	–	0.1
Currency translation adjustments	–	(0.6)	(2.4)	(0.1)	(3.1)
<b>Balance at 31.12.2022</b>	<b>–</b>	<b>5.9</b>	<b>21.7</b>	<b>2.1</b>	<b>29.7</b>

### Expected settlement

CHFm	Restructuring	Deferred tax liabilities	Employee benefit obligation	Other provisions	Total
Within 12 months	0.7	–	–	2.4	3.1
Later	–	4.7	20.7	0.3	25.7
<b>Balance at 31.12.2021</b>	<b>0.7</b>	<b>4.7</b>	<b>20.7</b>	<b>2.7</b>	<b>28.8</b>
Within 12 months	–	–	–	1.9	1.9
Later	–	5.9	21.7	0.2	27.8
<b>Balance at 31.12.2022</b>	<b>–</b>	<b>5.9</b>	<b>21.7</b>	<b>2.1</b>	<b>29.7</b>

On 16 December 2019, the Board of Directors of Ascom Holding AG approved the restructuring program. This program comprised mainly personnel-related restructuring charges impacting all functions within the organization and has been completed in 2022. The restructuring charges/releases to the operating result are included in the following table.

CHFm	2022	2021
Restructuring included in cost of sales (release)	0.3	–
Restructuring included in marketing and sales (release)	–	0.2
Restructuring included in administration (charge)	–	(0.3)
<b>Total</b>	<b>0.3</b>	<b>(0.1)</b>

For detailed descriptions related to deferred taxes, refer to note 22.

Provisions for employee benefit obligations include the economical pension obligations (refer to note 14) as well as provisions for other long-term employee benefits. The discount rate used in the calculation for certain foreign pension plans is the most important parameter and any changes can strongly impact the valuation of the pension liability. In 2022, the range of the applied discount rate varies between 3.70% and 4.87% (previous year: 0.80%–1.75%), which corresponds to local market conditions.

Other provisions comprise mainly obligations arising from asserted and unasserted claims or disputes in the normal course of Ascom's business operations, provisions for warranties and provisions for environmental costs relating to non-operating premises.

## 14. PENSION BENEFIT OBLIGATIONS

### Economical benefit/economical obligation and pension benefit expenses

CHFm	Economical part of the organization					Pension benefit expenses within personnel expenses		
	(Surplus) / deficit 31.12.2022	31.12.2022	31.12.2021	Change to prior-year period or recognized in the current result of the period	CTA 2022	Contributions concerning the business period	2022	2021
Pension plans without surplus/deficit	–	–	–	–	–	(12.7)	12.7	8.8
Pension plans with surplus	(1.9)	(1.9)	(2.4)	0.2	0.3	–	0.5	1.8
Pension plans with deficit	0.4	0.4	0.6	(0.2)	–	–	(0.2)	(0.2)
Pension plans without own assets	19.2	19.2	18.0	3.4	(2.2)	(0.3)	3.2	0.2
<b>Total</b>	<b>17.7</b>	<b>17.7</b>	<b>16.2</b>	<b>3.4</b>	<b>(1.9)</b>	<b>(13.0)</b>	<b>16.2</b>	<b>10.6</b>
	(Surplus) / deficit 31.12.2021	31.12.2021	31.12.2020	Change to prior-year period or recognized in the current result of the period	CTA 2021	Contributions concerning the business period	2021	2020
Pension plans without surplus/deficit	–	–	–	–	–	(8.8)	8.8	8.2
Pension plans with surplus	(2.4)	(2.4)	(0.9)	(1.5)	–	–	1.8	0.6
Pension plans with deficit	0.6	0.6	0.8	(0.2)	–	–	(0.2)	0.1
Pension plans without own assets	18.0	18.0	18.6	0.6	(1.2)	(0.2)	0.2	0.3
<b>Total</b>	<b>16.2</b>	<b>16.2</b>	<b>18.5</b>	<b>(1.1)</b>	<b>(1.2)</b>	<b>(9.0)</b>	<b>10.6</b>	<b>9.2</b>

## 15. CUSTOMER PREPAYMENTS AND DEFERRED REVENUE

CHFm	31.12.2022	31.12.2021
Customer prepayments <sup>1</sup>	32.6	28.2
Deferred revenue	0.7	0.2
<b>Total</b>	<b>33.3</b>	<b>28.4</b>

<sup>1</sup> This line item includes CHF 11.8 million (previous year: CHF 9.6 million) of customer prepayments arising from customer projects using the percentage-of-completion method.

## 16. ACCRUED LIABILITIES

CHFm	31.12.2022	31.12.2021
Personnel-related accruals	15.0	16.9
Accrued liabilities arising from long-term contracts (PoC)	1.8	1.0
Other accrued expenses	6.7	7.5
<b>Total</b>	<b>23.5</b>	<b>25.4</b>

## 17. SHARE CAPITAL AND OWN SHARES

### Composition of share capital

CHFm	Number 31.12.2022	Amount 31.12.2022	Number 31.12.2021	Amount 31.12.2021
Registered shares nom. CHF 0.50	36,000,000	18.0	36,000,000	18.0
Number of registered shareholders	4,740		4,319	

The total authorized number of ordinary shares is 36,000,000 of which 35,909,225 are outstanding at 31 December 2022 (previous year: 35,994,225). Each outstanding share grants the owner one vote at the Annual General Meeting of the shareholders. All shares issued by the company were fully paid in.

### Own shares

	Number of shares 2022	Amount 2022 (CHFm)	Average trans- action price (CHF)	Number of shares 2021	Amount 2021 (CHFm)	Average trans- action price (CHF)
<b>Balance at 1.1.</b>	<b>5,775</b>	<b>0.1</b>	<b>8.91</b>	<b>7,155</b>	<b>0.1</b>	<b>8.91</b>
Additions	85,000	0.6	7.98	–	–	–
Disposals	–	–	–	(1,380)	–	8.91
<b>Balance at 31.12.</b>	<b>90,775</b>	<b>0.7</b>	<b>8.04</b>	<b>5,775</b>	<b>0.1</b>	<b>8.91</b>

## 18. NET REVENUE

Net revenue comprises sale of hardware and software, rendering of professional services delivered in connection with customer projects as well as after-sales support, repair and maintenance services. The table below provides additional information for long-term contracts applying the percentage-of-completion method:

CHFm	2022	2021
Contract revenue recognized in the reporting period	29.6	30.9

## 19. PERSONNEL EXPENSES

The following personnel expenses are included in cost of sales, marketing and sales, research and development as well as administration expenses:

CHFm	2022	2021
Wages and salaries	(106.0)	(105.6)
Social security and pension costs	(29.4)	(23.5)
Other personnel expenses	(8.7)	(8.5)
<b>Total<sup>1</sup></b>	<b>(144.1)</b>	<b>(137.6)</b>

<sup>1</sup> Own employees. This line item includes income from release of unused provision for restructuring costs of CHF 0.3 million (previous year expense of CHF 0.1 million), see note 13.

## 20. OTHER OPERATING INCOME AND EXPENSES

CHFm	2022	2021
Other operating income	0.1	0.1
<b>Total other operating income</b>	<b>0.1</b>	<b>0.1</b>
Amortization of intangible assets from acquisition <sup>1</sup>	(1.0)	(1.1)
Other operating expenses	–	(0.1)
<b>Total other operating expenses</b>	<b>(1.0)</b>	<b>(1.2)</b>

<sup>1</sup> This line item exclusively contains amortization of intangible assets initially capitalized due to a purchase price allocation at acquisition date.

## 21. FINANCIAL INCOME AND EXPENSES

CHFm	2022	2021
<b>Financial income</b>		
Interest income	0.1	0.4
Net foreign exchange gains	2.0	1.9
Other financial income	–	0.6
<b>Total</b>	<b>2.1</b>	<b>2.9</b>
<b>Financial expenses</b>		
Interest expenses	(0.6)	(0.8)
Other financial expenses	(0.6)	(0.7)
<b>Total</b>	<b>(1.2)</b>	<b>(1.5)</b>
<b>Financial income/(expenses), net</b>	<b>0.9</b>	<b>1.4</b>

## 22. INCOME TAX

CHFm	2022	2021
Current income tax charge	(3.0)	(2.1)
Adjustments in respect of current income tax of previous years	–	0.4
Deferred income tax	(0.9)	(2.0)
<b>Total income tax</b>	<b>(3.9)</b>	<b>(3.7)</b>

The following reconciliation explains the difference between the expected and the actual income tax charge:

### Analysis of income tax rate

CHFm	2022	2021
<b>Profit before income tax</b>	<b>14.9</b>	<b>17.2</b>
Weighted-average expected income tax rate	19.5%	18.0%
Expected income tax	(2.9)	(3.1)
Utilization of previously unrecognized tax loss carry-forwards	0.3	0.4
Effect from recognition of previous years' tax losses	0.2	–
Effect of non-recognized current-year tax losses	(0.8)	(1.2)
Adjustments in respect of current income tax of previous years	–	0.4
Effect of income/(expenses) taxed with a different rate or not taxed	(0.2)	(0.3)
Effect of expiry/impairment of capitalized tax losses/tax credits	(0.3)	–
Other effects from temporary differences	(0.2)	0.1
<b>Total income tax</b>	<b>(3.9)</b>	<b>(3.7)</b>

The total weighted-average expected income tax rate of 19.5% (previous year: 18.0%) is calculated using the expected tax rates, based on earnings before income tax of the individual Group companies in each jurisdiction. These rates vary significantly and, accordingly, changes in the relative contribution of individual Group companies to total Group earnings before income tax may impact the weighted-average expected income tax rate.

The deferred income tax assets and liabilities pertain to the following line items of the balance sheet:

CHFm	31.12.2022	31.12.2021
Intangible assets	(2.8)	(2.8)
Inventories and work in progress	1.0	0.8
Tax loss carry-forwards and tax credits	4.1	4.2
Other assets and liabilities	(1.4)	(0.6)
<b>Total</b>	<b>0.9</b>	<b>1.6</b>
Recognized as deferred income tax assets	6.8	6.3
Recognized as deferred income tax liabilities	(5.9)	(4.7)

Tax losses amounting to CHF 14.2 million (previous year: CHF 15.5 million) are recognized for Group companies which incurred losses and where future tax benefits are expected and supported by projected future profits.

Tax loss carry-forwards which are not recognized amount to CHF 279.9 million (previous year: CHF 288.3 million) and expire in the following years:

CHFm	31.12.2022	31.12.2021
Within 12 months	45.7	–
Between 1 and 5 years	–	44.2
Later	234.2	244.1

## 23. EARNINGS PER SHARE

Earnings per share are calculated by dividing the Group profit for the period attributable to owners of the parent by the time-weighted number of shares outstanding during the financial year. Own shares are not considered as outstanding shares.

	2022	2021
<b>Group profit for the period attributable to owners of the parent (CHFm)</b>	<b>11.0</b>	<b>13.5</b>
Weighted-average number of outstanding shares	35,943,237	35,993,539
<b>Earnings per share from Group profit (CHF)</b>	<b>0.31</b>	<b>0.38</b>

For the purpose of calculating diluted earnings per share, the weighted-average number of ordinary shares is adjusted by the weighted-average number of ordinary shares which would be issued on the conversion of all potential dilutive share options into ordinary shares.

	2022	2021
<b>Group profit for the period attributable to owners of the parent (CHFm)</b>	<b>11.0</b>	<b>13.5</b>
Weighted-average number of outstanding shares	35,943,237	35,993,539
Adjustment for the dilutive number of outstanding share options	182,700	219,226
<b>Weighted-average number of diluted shares</b>	<b>36,125,937</b>	<b>36,212,765</b>
<b>Diluted earnings per share from Group profit (CHF)</b>	<b>0.30</b>	<b>0.37</b>

## 24. SHARE-BASED PAYMENTS

### Ascom Share Matching plan 2018

In 2013, the Board of Directors decided to introduce a share matching plan for Ascom senior management as a long-term incentive instead of options plans. Last share matching plan comes from 2018 and vested in 2021 when 3,952 investment shares have qualified for 1,380 matching shares allotted to the remaining seven participants. There are no outstanding share matching plans as of 31 December 2022.

## Ascom Performance Stock Unit (“PSU”) plan 2019, 2020 and 2021

In 2019, the Board of Directors decided to introduce a Performance Stock Unit (“PSU”) plan for Ascom senior management as a long-term incentive instead of share matching plans. The following table shows the development of outstanding PSUs:

	Number of PSUs 2022	Number of PSUs 2021	Number of PSUs 2020
<b>PSU outstanding at 1.1.</b>	<b>289,725</b>	<b>331,132</b>	<b>148,412</b>
Granted	215,370	85,870	221,650
Exercised	–	–	–
Forfeited	(117,320)	(127,277)	(38,930)
<b>PSU outstanding at 31.12.</b>	<b>387,775</b>	<b>289,725</b>	<b>331,132</b>

	2022	2021	2020
Resolution passed by the Board of Directors on	30.06.	30.06.	01.07.
Number of Ascom senior management members participating	49	49	46
Vesting period (years)	3.00	3.00	3.00
Fair value of PSU granted during the year (CHF)	6.07	15.49	6.85
Personnel expenses (-) /release (+) for equity-settled PSUs recognized as other capital reserves (equity) (CHFm)	–	0.2	(0.6)

## 25. TRANSACTIONS WITH RELATED PARTIES

A legally independent fund provides for Swiss pensions (see note 2.18). In 2022 and 2021, only minor lease payments were disbursed to the Swiss pension fund for premises occupied by the Group.

In 2022, there was no other transaction with related parties (previous year: nil).

## 26. RISK MANAGEMENT

As an international company, Ascom is exposed to a variety of financial and non-financial risks that are directly associated with the Group’s business operations. The Group’s overall risk management is an integral part of corporate management and the long-term corporate strategy, and is correspondingly incorporated in the overall risk and control framework of our business processes and procedures. The Board of Directors of Ascom reviews the Group-wide risk assessment annually and determines suitable measures to address the risks.

Financial risk management is carried out centrally by Group Treasury and is ensured by the relevant written principles and guidelines laid down by management and approved by the Board of Directors. The Group’s financial risk capacity and appetite for the various financial risk factors are defined in the treasury policy. The treasury policy specifies the limit architecture and thereby defines the extent to which risk exposures will be hedged, and the instruments and time frame for implementation. The treasury policy is reviewed annually and revised, as appropriate, by the Audit Committee. Transactions without underlying core business and all forms of speculation are prohibited with rare exceptions approved by the Group CFO and by the Audit Committee where required by local circumstances. Risk management also involves centrally securing comprehensive and efficient insurance protection for the Group.



### **26.1 Liquidity risk**

The objective of liquidity risk management is to ensure that sufficient financial resources are available at any point in time in order to be able, in a complete and timely manner, to fulfill all payment obligations of the Group and to secure working capital financing in the ordinary course of business. As part of its integral budgeting and forecasting process, Group Treasury monitors the planned liquidity position and centrally manages the procurement of loans for the Group. A description of available credit facilities and outstanding borrowings can be found in note 11.

### **26.2 Foreign currency risk**

Due to the global nature of its activities, the Group is exposed to foreign exchange risk. Foreign exchange gains or losses arise from transactions as well as from assets and liabilities denominated in foreign currencies (mainly EUR, USD, SEK and GBP) if these are not the entity's functional currency. Group Treasury is responsible for managing Group-wide foreign exchange transaction risk on an ongoing basis. Analyses of past and expected future cash flows in foreign currencies are regularly carried out and form the basis for hedging transactions. Respective forward contracts are stated at fair value. All hedging activities are carried out centrally by Group Treasury. The Group periodically reassesses its net foreign currency risk, evaluating the extent of natural foreign currency hedging achieved through ongoing development of Ascom's businesses. Accordingly, Group Treasury may propose to adapt the Group's hedging approach. The Group has certain investments in foreign operations whose net assets are exposed to foreign currency translation risk. These types of translation risk are currently not hedged.

### **26.3 Interest rate risk**

Every interest position is subject to either a cash flow interest risk (associated with floating-rate positions) or a market value risk (from fixed-interest positions). The syndicated revolving multi-currency loan facility of the Group (see note 11) is the main interest rate risk position in the balance sheet of Ascom. This risk is currently offset with cash surpluses. Accordingly, interest rate risk is currently not hedged. Financing and related interest are managed centrally by Group Treasury.

## 26.4 Credit risk

Credit risk arises from cash and cash equivalents, derivative financial instruments and deposits with banks and financial institutions, as well as credit exposure to customers, including outstanding receivables and committed transactions. Credit risk may result in a financial loss if one party in a transaction is unable or unwilling to meet its obligations. It is Ascom's objective to limit the impact of a default. Credit risk of financial counterparties is managed centrally by Group Treasury. Each Group company is responsible for analyzing the credit risk for each of their new customers and managing the quality of their trade receivables on an ongoing basis.

## 26.5 Capital risk

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for the shareholders and benefits for other stakeholders and to maintain an optimally leveraged capital structure to reduce the cost of capital. Ascom aims to maintain a stable investment grade rating level as perceived by bank partners and debt investors.

For its capital management, the Group monitors the following ratios:

CHFm	31.12.2022	31.12.2021
Net debt/(cash) including outstanding bank guarantees <sup>1</sup>	(10.4)	(25.2)
EBITDA	23.9	28.7
<b>Debt service ratio</b>	<b>(0.4)</b>	<b>(0.9)</b>
Total assets	201.8	194.7
Shareholders' equity	73.4	80.0
<b>Equity ratio</b>	<b>36.4%</b>	<b>41.1%</b>

<sup>1</sup> Borrowings and outstanding bank guarantees less cash and cash equivalents.

At 31 December 2022, outstanding bank guarantees amounted to CHF 6.2 million (previous year: CHF 4.3 million).

## 27. DERIVATIVE FINANCIAL INSTRUMENTS

Foreign currencies are purchased and forward contracts are entered into at Group level as an economic hedge against foreign currency risk. All open forward contracts are denominated in EUR/SEK.

CHFm	31.12.2022	31.12.2021
Contract volume	5.3	7.9
Positive fair value <sup>1</sup>	–	–
Negative fair value <sup>2</sup>	0.1	0.1

<sup>1</sup> Refer to note 5.

<sup>2</sup> Refer to note 12.

## 28. COMMITMENTS AND CONTINGENCIES

### a) Lease commitments – Group as lessee

The future minimum payments under non-cancellable lease obligations fall due as follows:

CHFm	Operating leases	
	31.12.2022	31.12.2021
Within 12 months	7.2	6.0
Between 1 and 5 years	12.9	9.8
Later	3.4	–
<b>Total</b>	<b>23.5</b>	<b>15.8</b>

### b) Lease commitments – Group as lessor

The Group does not have any future minimum lease receivables under non-cancellable operating leases (previous year: nil).

### c) Contingencies

Ascom is exposed to a multitude of legal risks internationally in the normal course of business. These relate particularly to risks associated with product liability, patent law, tax law, competition law and executed business acquisitions and disposal. The Company has indemnified certain purchasers of divested businesses for potential claims arising from the operations of the divested businesses. There are currently no ongoing proceedings in relation to such indemnification. Some Group companies are involved in legal proceedings. The results of currently pending and threatened lawsuits cannot be predicted with certainty which means that decisions of courts or other authorities can cause expenses that have significant consequences for the business and on future results. Wherever a reliable estimate of the financial consequences of a past event is possible and an outflow of resources is more likely than not, a corresponding provision is made. At 31 December 2022, contingent liabilities amount to CHF 6.5 million (previous year: CHF 4.8 million). There is no indication that these liabilities will lead to fulfillment payments.

## **29. PLEDGED ASSETS**

At 31 December 2022, property, plant and equipment with a total carrying amount of CHF 0.5 million (previous year: nil), financial assets of CHF 0.1 million (previous year: CHF 0.1 million), inventories with a total carrying amount of CHF 0.5 million (previous year: nil), trade receivables of CHF 0.5 million (previous year: nil), and cash and cash equivalents with a total carrying amount of CHF 0.1 million (previous year: CHF 0.1 million), were pledged.

## **30. EVENTS AFTER THE BALANCE SHEET DATE**

Since the balance sheet date, no other subsequent adjusting events have occurred that impact the 2022 consolidated financial statements.

## **31. PROPOSAL OF THE BOARD OF DIRECTORS**

For the year ended 31 December 2022, the Board of Directors proposes to the Annual General Meeting on 18 April 2023 a dividend of CHF 0.20 per share entitled to dividends. This represents a total distribution up to CHF 7.2 million. In 2022, a total dividend of CHF 7.2 million was distributed to the shareholders of Ascom Holding AG.

## **32. TIME OF RELEASE FOR PUBLICATION**

The Board of Directors approved the 2022 consolidated financial statements on 1 March 2023 and authorized them for publication at the media conference on 7 March 2023.

### 33. CONSOLIDATED COMPANIES

Country	Company	Registered office	Business activities	Share capital	Parent company	Group's interest
<b>Australia</b>	GTM Resources Pty. Ltd.	Mascot NSW	● AUD	3	Ascom Holding AG	100%
	Ascom Integrated Wireless Pty. Ltd.	Mascot NSW	■ AUD	3,000,000	GTM Resources Pty. Ltd.	100%
<b>Belgium</b>	Ascom (Belgium) NV	Zaventem	■ EUR	1,424,181	Ascom Holding AG	100%
<b>Denmark</b>	Ascom Danmark A/S	Vallensbæk	■ DKK	1,200,000	Ascom Holding AG	100%
<b>Finland</b>	Ascom Oy	Turku	■ EUR	33,638	Ascom Holding AG	100%
<b>France</b>	Ascom (France) SA	Suresnes	■ EUR	2,000,000	Ascom Holding AG	100%
	Appliware SAS <sup>1</sup>	Meylan	★ EUR	500,000	Ascom (France) SA	100%
<b>Germany</b>	Ascom Deutschland GmbH	Frankfurt a.M.	■ EUR	2,137,200	Ascom Unternehmensholding GmbH	100%
	Technologiepark Teningen GmbH	Emmendingen	– EUR	6,136,000	Ascom Unternehmensholding GmbH	94%
					Ascom Solutions AG	6%
	Ascom Unternehmensholding GmbH	Frankfurt a.M.	● EUR	5,113,000	Ascom Holding AG	100%
<b>Italy</b>	Ascom UMS S.r.l.	Scandicci	■ ★ EUR	100,000	Ascom Solutions AG	100%
<b>Malaysia</b>	Ascom (Malaysia) SDN BHD	Petaling Jaya	■ MYR	1,000,000	Ascom Holding AG	100%
<b>Netherlands</b>	Ascom (Nederland) BV	Utrecht	■ EUR	1,361,000	Ascom Solutions AG	100%
<b>Norway</b>	Ascom (Norway) AS	Oslo	■ NOK	1,250,000	Ascom Solutions AG	100%
<b>Romania</b>	Ascom Mobile Solutions Romania S.R.L.	Cluj-Napoca	★ RON	45,000	Ascom Solutions AG	100%
<b>Singapore</b>	Ascom Solutions (Singapore) Pte Ltd	Singapore	■ SGD	50,000	Ascom Solutions AG	100%
<b>Sweden</b>	Ascom (Sweden) AB	Göteborg	■ ★ SEK	96,154,000	Ascom Holding AG	100%
<b>Switzerland</b>	Ascom Holding AG	Baar	● CHF	18,000,000	n/a	100%
	Mocsa AG in Liquidation	Berne	– CHF	100,000	Ascom Holding AG	100%
	Ascom Solutions AG	Mägenwil	■ CHF	10,000,000	Ascom Holding AG	100%
<b>United Kingdom</b>	Ascom (UK) Ltd	Lichfield	■ GBP	1,000,000	Ascom Solutions AG	100%
<b>USA</b>	Ascom (US) Inc.	Morrisville NC	■ ★ USD	1	Ascom Solutions AG	100%

The following describe the various types of entities within the Group:

- Holding/Finance: This entity is a holding company and/or performs finance functions and provides management services.
- Sales: This entity performs sales, installation, maintenance and marketing activities.
- ★ Research and Development: This entity performs research and development activities.
- Other: This entity is dormant or in liquidation.

<sup>1</sup> In July 2022, Ascom acquired the French software developer Appliware, which provides the software solutions Ofelia and Mercury for mainly long-term care and enterprise customers. The purchase price of CHF 3.0 million has been paid in cash of CHF 2.4 million and includes a contingent consideration of up to CHF 0.6 million payable in two years after the acquisition date, upon achievement of agreed revenue targets and retention of key employees. The difference between the purchase price and net assets acquired resulted in a goodwill of CHF 1.6 million. Apart from the acquisition of Appliware SAS, there have been no other changes in the scope of consolidated companies compared to prior year.



# Statutory Auditor's Report

To the General Meeting of Ascom Holding AG, Baar

## Report on the Audit of the Consolidated Financial Statements

### Opinion

We have audited the consolidated financial statements of Ascom Holding AG and its subsidiaries (the Group), which comprise the consolidated balance sheet as at 31 December 2022 and the consolidated statement of income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements (pages 84 to 113) give a true and fair view of the consolidated financial position of the Group as at 31 December 2022, and its consolidated results of operations and its consolidated cash flows for the year then ended in accordance with Swiss GAAP FER and comply with Swiss law.

### 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 Consolidated Financial Statements" section of our report. We are independent of the Group in accordance with the provisions of Swiss law, together with 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.

### Key Audit Matters



#### REVENUE RECOGNITION FROM SALES OF GOODS AND SERVICES

Key audit matters are those matters that, in our professional judgment, 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.

KPMG AG  
Zug, 1 March 2023



## REVENUE RECOGNITION FROM SALES OF GOODS AND SERVICES

### Key Audit Matter

Consolidated net revenue from sales of goods and services in the financial year 2022 amounted to CHF 297.4 million.

Revenue from sales of goods is recognized when benefits and risks as well as the authority to dispose of the property have been assigned to the purchaser in accordance with the contractual terms. For qualifying long-term projects the group applies the percentage-of-completion method (PoC). Revenue from services is generally recognized when the service has been performed. In case of long-term service contracts revenue is recognized over the service period outlined in the contracts.

Net revenue is a key performance indicator to assess business performance and therefore a key area of internal goal setting and external expectations. These expectations may put pressure on management to achieve set targets, leading to an increased risk in terms of recognizing revenue in the proper period.

Accordingly, we focused our audit in the area on the existence of revenue transactions and their recognition in the correct period.

Based on the above-described considerations, we determined revenue recognition to be a key audit matter.

### Our response

As part of our audit, we assessed the appropriateness of the accounting policies applied to revenue recognition.

We gained an understanding of the revenue recognition processes, we identified key controls in the area of revenue recognition, and we evaluated their existence (design and implementation).

Our audit procedures included, amongst others, the following:

- On a sample basis, we reconciled sales transactions before and after the reporting date with delivery notes or other documents evidencing transfer of benefits and risks and assessed whether revenue pertaining to these transactions was recognized in the correct period.
- On a sample basis, we inspected service contracts, including long-term service contracts, and assessed whether the corresponding revenue was recognized in the correct period.
- We selected a sample of long-term projects, inspected the underlying contracts and analyzed the margin and percentage of completion. In addition, we discussed these projects with management and verified that the percentage of completion was correctly calculated and, hence, revenue was recognized in the correct period.
- On a sample basis, we reconciled the accounts receivable balances as at the reporting date with third-party confirmations or, alternatively, with delivery documents and/or incoming payments.

In addition to the above-described audit procedures, we analyzed journal entries that meet our high-risk criteria and assessed whether they are indicative of fraudulent revenue recognition.

For further information on revenue recognition refer to the following:

- Note 2.6 Revenue recognition
- Note 3 Segment information
- Note 18 Net revenue



### **Other Matter**

The consolidated financial statements of Ascom Holding AG for the year ended 31 December 2021 were audited by another auditor who expressed an unmodified opinion on those statements on 28 February 2022.

### **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 consolidated financial statements, the stand-alone financial statements of the company, the compensation report and our auditor's reports thereon.

Our opinion on the consolidated 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 consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated 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 Consolidated Financial Statements**

The Board of Directors is responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with Swiss GAAP FER and the provisions of Swiss law, and for such internal control as the Board of Directors determines is necessary to enable the preparation 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 responsible for assessing the Group'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 Group 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 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 consolidated financial statements.

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

- 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, 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 Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made.





- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group'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 Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with the Board of Directors or its relevant committee, we determine those matters that were of most significance in the audit of the 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.

### Report on Other Legal and Regulatory Requirements

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

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

KPMG AG

Toni Wattenhofer  
Licensed Audit Expert  
Auditor in Charge

Ronny Heer  
Licensed Audit Expert

Zug, 1 March 2023

KPMG AG, Landis + Gyr-Strasse 1, CH-6302 Zug

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# Summary of key financial data

CHFm	2022	2021	2020	2019	2018
Incoming orders	335.7	342.3	322.4	315.5	329.6
Order backlog <sup>1</sup>	276.5	256.1	215.6	177.5	149.6
Net revenue	297.4	291.5	281.0	282.9	318.5
EBITDA	23.9	28.7	24.9	0.8	39.0
EBITDA in % of net revenue	8.0	9.8	8.9	0.3	12.2
Earnings before interest and income tax (EBIT)	14.0	15.8	11.0	(13.4)	26.6
EBIT in % of net revenue	4.7	5.4	3.9	(4.7)	8.4
Personnel expenses	(144.1)	(137.6)	(137.6)	(144.7)	(136.9)
Depreciation, amortization and impairment <sup>5</sup>	(9.9)	(12.9)	(13.9)	(14.2)	(12.4)
Group profit for the period	11.0	13.5	6.5	0.5	21.4
Net cash flow from operating activities	10.2	11.6	45.1	2.9	20.0
Capital expenditures on property, plant and equipment	3.1	2.5	1.8	1.7	2.8
Capital expenditures on intangible assets	10.3	9.2	8.9	14.7	8.6
Research and development expenditures <sup>2</sup>	(29.2)	(29.8)	(31.4)	(34.7)	(33.2)
Balance sheet total <sup>1</sup>	201.8	194.7	203.1	214.2	218.4
Shareholders' equity <sup>1</sup>	73.4	80.0	71.1	63.2	83.2
Shareholders' equity in % of balance sheet total <sup>1</sup>	36.4	41.1	35.0	29.5	38.1
Net cash or (net debt) <sup>1,3</sup>	16.6	29.5	12.8	(21.8)	1.2
Gearing in % <sup>4</sup>	13.6	–	26.7	63.3	24.0
Dividends paid/distribution of share premium	7.2	–	–	16.2	16.2
Number of employees (FTE) <sup>1</sup>	1,345	1,306	1,282	1,292	1,246

<sup>1</sup> At 31 December.

<sup>2</sup> Research and development costs excluding depreciation, amortization, impairment and capitalized costs.

<sup>3</sup> Cash and cash equivalents less borrowings.

<sup>4</sup> Borrowings/shareholders' equity.

<sup>5</sup> Excludes depreciation, amortization and impairment from non-operating result.

# Balance sheet

## Assets

CHF 1,000	31.12.2022	31.12.2021
Cash and cash equivalents	7,333	15,659
Other current receivables		
Group companies	5,177	4,284
Third parties	24	80
Prepaid expenses current	493	272
<b>Total current assets</b>	<b>13,027</b>	<b>20,295</b>
Financial assets		
Group companies	17,999	8,834
Prepaid expenses non-current	143	316
Investments in Group companies	403,913	403,913
<b>Total non-current assets</b>	<b>422,055</b>	<b>413,063</b>
<b>Total assets</b>	<b>435,082</b>	<b>433,358</b>

## Liabilities and shareholders' equity

CHF 1,000	31.12.2022	31.12.2021
Other current liabilities		
Group companies	601	829
Third parties	580	540
Accrued expenses	7,785	5,958
<b>Total current liabilities</b>	<b>8,966</b>	<b>7,327</b>
Non-current interest-bearing liabilities		
Group companies	53,070	56,525
Third parties	10,000	–
Non-current provisions	764	771
<b>Total non-current liabilities</b>	<b>63,834</b>	<b>57,296</b>
Share capital	18,000	18,000
Legal reserve from capital contribution	1,123	1,123
Other legal reserve	5,400	5,400
Retained earnings		
Results carried forward	337,064	340,167
Profit for the period	1,425	4,096
Treasury shares held by Ascom Holding AG	(730)	(51)
<b>Total shareholders' equity</b>	<b>362,282</b>	<b>368,735</b>
<b>Total liabilities and shareholders' equity</b>	<b>435,082</b>	<b>433,358</b>

# Income statement

CHF 1,000	2022	2021
Other income	14,000	13,823
<b>Total ordinary income</b>	<b>14,000</b>	<b>13,823</b>
Administration expenses	(11,299)	(9,665)
Value adjustments on investments and loans	–	(365)
<b>Total operating income</b>	<b>2,701</b>	<b>3,793</b>
Financial expenses	(1,743)	(1,253)
Financial income	510	1,565
<b>Profit before tax</b>	<b>1,468</b>	<b>4,105</b>
Income taxes	(43)	(9)
<b>Profit for the period</b>	<b>1,425</b>	<b>4,096</b>

# Notes to the annual financial statements

## 1. General

Ascom Holding AG, Baar, which is listed on the SIX Swiss Exchange in Zurich (Switzerland), is the holding company of the Ascom Group. The financial statements comply with the requirements of the Swiss accounting legislation of the Swiss Code of Obligations (SCO). Ascom Holding AG is presenting consolidated financial statements according to Swiss GAAP FER. As a result, these financial statements and notes do not include additional disclosures and cash flow statement.

## 2. Accounting policies

Non-current assets, mainly investments and financial assets, are recognized at cost less necessary value adjustments. Currency differences resulting from the revaluation of loans in foreign currencies are charged to the income statement. Accrued expenses are recorded for unrealized net currency gains. The valuation of investments in Group companies is performed according to a group assessment as opposed to at individual Group company level. Current assets are valued at nominal value less necessary value adjustments. Liabilities are valued at nominal value. Effects from foreign currencies are charged to the income statement. Provisions are made to cover general business risks of the Group. Derivative financial instruments are used for hedging purposes. These instruments are valued at fair value.

Treasury shares are initially recognized at cost, deducted from equity and are valued at historical acquisition value without subsequent valuation adjustment. Gains or losses related to the disposal of treasury shares are recorded in the income statement.

Investment income consists mainly of a dividend paid by Group companies and is recognized on approval's date of the Annual General Meeting.

## 3. Contingent liabilities

Outstanding parent and bank guarantees in respect of third parties total CHF 21.8 million (previous year: CHF 20.3 million).

## 4. Investments

Direct and indirect investments are listed in note 33 of the consolidated financial statements.

## 5. Pledged assets

At 31 December 2022, no directly held assets are pledged (previous year: nil).

## 6. Foreign currencies

The exchange rates used for balance sheet items are the rates prevailing on 31 December; the exchange rates used for transactions conducted during the course of the year and for items in the profit and loss statement are closing rates of the previous corresponding month.

## 7. Number of full-time equivalents

The number of full-time equivalents exceeded 10, but did not exceed 50 on an annual average basis.

## 8. Treasury shares

Treasury shares held by Ascom Holding AG (Swiss Code of Obligations Art. 659) have developed as follows:

	Number of shares 2022	Amount 2022 (CHFm)	Average trans-action price (CHF)	Number of shares 2021	Amount 2021 (CHFm)	Average trans-action price (CHF)
<b>Balance at 1.1.</b>	<b>5,775</b>	<b>0.1</b>	<b>8.91</b>	<b>7,155</b>	<b>0.1</b>	<b>8.91</b>
Additions	85,000	0.6	7.98	–	–	–
Disposals	–	–	–	(1,380)	–	8.91
<b>Balance at 31.12.</b>	<b>90,775</b>	<b>0.7</b>	<b>8.04</b>	<b>5,775</b>	<b>0.1</b>	<b>8.91</b>

## 9. Significant shareholders

The following significant shareholders (holding 5% or more of voting rights, as defined by Art. 663c of the Swiss Code of Obligations) were recorded in the share register at 31 December 2022:

- Pictet Asset Management SA, Geneva, Switzerland (8.46%).
- UBS Fund Management (Switzerland) AG, Basel, Switzerland (7.24%).

This does not cover shares, which are not registered in the share register (dispo shares). Dispo shares amounted to 25.94% as of 31 December 2022 (previous year: 30.33%).

In accordance with the disclosure announcements made, the following parties are regarded as significant shareholders as defined by Art. 663c of the Swiss Code of Obligations:

Announcement date	Shareholder	% of voting rights held in Ascom securities
03.11.2020	Luxempart S.A., Leudelange, Luxemburg	4.07%
12.02.2021	Veraison SICAV, Zurich, Switzerland	4.85%
02.06.2022	UBS Fund Management (Switzerland) AG, Basel, Switzerland	8.94%
06.07.2022	Teslin Capital Management BV, Maarsbergen, The Netherlands	3.00%
31.08.2022	Credit Suisse Funds AG, Zurich, Switzerland	5.19%
26.10.2022	Pictet Asset Management SA Direction de Fonds, Geneva, Switzerland	8.58%

There are no known shareholders' agreements. Additional details are disclosed in the first chapter of the Corporate Governance Report (refer to page 39).

## 10. Participations

Number of participations which were held by members of the Board of Directors	Shares <sup>1</sup>	Shares <sup>1</sup>
	2022	2021
Dr Valentin Chapero Rueda, Chairman	181,594	76,994
Nicole Burth Tschudi	5,000	–
Laurent Dubois	51,825	7,500
Jürg Fedier	12,400	4,400
Michael Reitermann	34,490	31,490
Andreas Schönenberger	2,000	–
<b>Total Board of Directors</b>	<b>287,309</b>	<b>120,384</b>

<sup>1</sup> Acquired by the Board members from the market.

Number of participations which were held by members of the Executive Board	Shares	Shares
	2022	2021
Nicolas Vanden Abeele, CEO	25,000	–
Dominik Maurer, CFO	6,700	6,700
Jeannine Pilloud, former CEO	–	15,973
<b>Total Executive Board</b>	<b>31,700</b>	<b>22,673</b>

No members of the Executive Board and no members of the Board of Directors or closely related parties hold any conversion or option rights. Additional details are disclosed in section III of the Remuneration Report (refer to pages 76 to 77).

### Shares or options on shares for members of the Board of Directors and employees

In 2022, no options on shares were allocated to members of the Board of Directors or to employees (previous year: nil). The following information relates to the allocation of shares:

	Quantity	Value	Quantity	Value
CHF 1,000	Shares 2022		Shares 2021	
Allocated to members of the Board	–	–	–	–
Allocated to employees	–	–	1,380	12
<b>Total</b>	<b>–</b>	<b>–</b>	<b>1,380</b>	<b>12</b>

## 11. Events after the balance sheet date

Since the balance sheet date, no subsequent adjusting events have occurred that impact the 2022 financial statements.

## 12. Time of release for publication

The Board of Directors approved the 2022 statutory financial statements on 1 March 2023 and authorized them for publication at the media conference on 7 March 2023.

# Comments on the financial statements

## Assets

Investments include shares in Group companies amounting to CHF 403.9 million (previous year: CHF 403.9 million).

In the year under review, the loans to Group companies are mainly denominated in GBP, AUD, DKK and EUR.

Other current receivables from Group companies consist mainly of short-term receivables denominated in EUR, SEK, USD, CHF and NOK.

## Liabilities and equity

In the year under review, total loans from Group companies decreased by CHF 3.5 million.

Bank loans comprise amounts drawn under available revolving loan facilities in an aggregate amount of CHF 60.0 million denominated in CHF. The final maturity date of the loan facilities is 19 November 2024.

Accrued expenses are mainly related to net unrealized foreign exchange gains.

## Income statement

Other income comprises mainly trademark and management fees charged to Group companies of CHF 13.9 million (previous year: CHF 13.6 million).

Administration expenses include mainly personnel-related costs in amount of CHF 8.0 million (previous year: CHF 6.7 million) and external consulting services.

Financial expenses consist mainly of interest of CHF 0.5 million paid to banks and Group companies (previous year: CHF 0.5 million), as well as bank charges of CHF 0.5 million (previous year: CHF 0.5 million) and foreign exchange losses mainly on loans, cash and other current receivables/liabilities of CHF 0.6 million (previous year gains recorded under financial income: CHF 0.2 million).

Financial income consists mainly of interest income from loans to Group companies of CHF 0.5 million (previous year: CHF 0.4 million). Prior year financial income included interest income from the subordinated vendor loan of 0.4 million and gain from early repayment of the subordinated vendor loan of CHF 0.6 million.

## Profit for the period

In 2022, Ascom Holding AG records a net profit of CHF 1.4 million (previous year: net profit of CHF 4.1 million), while Ascom Group records a consolidated net profit of CHF 11.0 million (previous year: consolidated net profit of CHF 13.5 million).



# Proposal for the appropriation of retained earnings 2022

CHF 1,000	2022
Retained earnings from previous year	344,263
Distribution of dividends in 2022	(7,198)
Profit for the period	1,425
<b>Retained earnings at 31.12.2022</b>	<b>338,490</b>
Distribution of CHF 0.20 per share entitled to dividends	(7,200)
Balance to be carried forward	331,290



# Statutory Auditor's Report

To the General Meeting of Ascom Holding AG, Baar

## Report on the Audit of the Financial Statements

### Opinion

We have audited the financial statements of Ascom Holding AG (the Company), which comprise the balance sheet as at 31 December 2022, 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 119 to 125) 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, together with 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.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. We have determined that there are no key audit matters to communicate in our report.

### Other Matter

The financial statements of Ascom Holding AG for the year ended 31 December 2021 were audited by another auditor who expressed an unmodified opinion on those statements on 28 February 2022.

### 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 consolidated financial statements, the stand-alone financial statements of the Company, the compensation 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.

KPMG AG  
Zug, 1 March 2023



### **Board of Directors' Responsibilities for the Financial Statements**

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

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

### **Auditor's Responsibilities for the Audit of the Financial Statements**

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

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

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



## Report on Other Legal and Regulatory Requirements

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

We further confirm that the proposed appropriation of available earnings complies with Swiss law and the Company's articles of incorporation. We recommend that the financial statements submitted to you be approved.

KPMG AG

Toni Wattenhofer  
Licensed Audit Expert  
Auditor in Charge

Ronny Heer  
Licensed Audit Expert

Zug, 1 March 2023

KPMG AG, Landis + Gyr-Strasse 1, CH-6302 Zug

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# Key financial data on the share capital

CHF	2022	2021	2020	2019	2018
<b>Dividend/distribution per share</b>					
Registered shares CHF 0.50	0.20	–	–	0.45	0.45
<b>Equity per share<sup>1,2</sup></b>					
Registered shares CHF 0.50	2.04	2.22	1.97	1.76	2.31
<b>Earnings per share<sup>1,2</sup></b>					
Registered shares CHF 0.50	0.31	0.38	0.18	0.01	0.60
<b>Share price (high/low of the period under review)<sup>3</sup></b>					
Registered shares CHF 0.50	12.70/5.63	16.82/11.32	13.28/4.48	14.94/9.56	25.70/12.42
<b>Taxable values<sup>1</sup></b>					
Registered shares CHF 0.50	7.43	11.76	13.10	10.52	13.58
<b>Number of shares<sup>1</sup></b>					
Registered shares CHF 0.50	36,000,000	36,000,000	36,000,000	36,000,000	36,000,000
<b>Of which own shares<sup>1</sup></b>					
Registered shares CHF 0.50	90,775	5,775	7,155	21,723	38,110

<sup>1</sup> At 31 December.

<sup>2</sup> Based on the consolidated financial statements.

<sup>3</sup> Closing price.

# Dates and contacts

## Important dates

### 18 April 2023

Annual General Meeting  
Theater Casino, Zug

### 08 August 2023

2023 Half-Year Results Conference  
Restaurant Metropol, Zurich

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## Declaration of forward-looking statements

This Annual Report contains forward-looking statements relating to Ascom. Because these forward-looking statements are subject to risks and uncertainties, the reader is cautioned that actual future results may differ from those expressed in or implied by the statements, which constitute projections of possible developments. All forward-looking statements are based only on data available to Ascom at the time of preparing the Annual Report.

The complete 2022 Annual Report of the Ascom Group is available in English only and can be viewed online at: [www.ascom.com/Investor-Relations/Financial-information/Reports-and-presentations.html](http://www.ascom.com/Investor-Relations/Financial-information/Reports-and-presentations.html)

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