

Letter to Shareholders



Dr Valentin Chapero 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 Chapero Rueda
Chairman of the Board



Nicolas Vanden Abeele
CEO