

Letter to Shareholders

Dear Shareholders

Ascom looks back on an overall successful year with profitable growth. After a strong first half-year 2023 with double-digit revenue growth, performance in the second half-year was lower due to a softening macro-economic environment.

The most important achievements of 2023 are:

- Net revenue of CHF 297.3 million (2022: CHF 297.4 million), reflecting an increase of 5.5% at constant currencies and a flat development at actual currencies
- Improved EBITDA of CHF 30.1 million (2022: CHF 23.9 million) with an EBITDA margin of 10.1% (2022: 8.0%)
- Strong increase in Group profit to CHF 17.4 million (2022: CHF 11.0 million) with earnings per share of CHF 0.48 (2022: CHF 0.31)
- The net cash position rose to CHF 24.7 million (2022: CHF 16.6 million) with a solid equity ratio of 39.9% (2022: 36.4%)

Strategy execution on track

Ascom's mission is to "Bring data to life" in mission-critical and life-saving environments in Healthcare and Enterprise, by delivering the right information to the right hands at the right time to allow for better informed decisions. In doing so, Ascom enables better outcomes for its customers and their patients. The markets in which Ascom operates have a strong need for critical communication and collaboration solutions, in order to digitalize operations, to improve workflow efficiency, and to enable a better delivery of care.

With its scalable and modular software platforms, alarm notification solutions, mobility solutions, and wearables and sensors, Ascom ensures the best possible delivery of care for its customers – anywhere and anytime. The Ascom Healthcare Platform closes digital information gaps in all care pathways of a hospital, be it the general ward, operating rooms, intensive care units, or emergency departments. Through its Medical Device Integration, Clinical Surveillance and Smart Alarm Filtering solutions, Ascom powers a substantial amount of critical alerts and alarms per year in a high number of hospitals worldwide.

Ascom focuses on profitable growth, which is built on four strategic pillars:

- **Focus on growth:** We have gained traction with our Healthcare and Enterprise platforms offering significant value to our customers. We have expanded our distribution and delivery capabilities, and continued to invest in our clinical and consultative sales teams. In the first half of 2023, we achieved a good revenue growth of 10.3% at constant currencies. Our growth rate softened in the second half due to macro-economic headwinds and a slow down in customer purchasing behavior.
- **Strategy execution:** Ascom made further progress to become the leading enabling platform across the Healthcare and Enterprise industries, enabling our customers to digitalize and improve the efficiency of their operations through Ascom's critical communication and collaboration solutions. We continued the development efforts in platform convergence and integrated solutions which will be launched in the course of 2024 and 2025. This will allow us to further simplify our portfolio, substantially increase our productivity and offer our customers better performance with reduced complexity.
- **Operational excellence:** In order to improve operational excellence, we are constantly working on improving processes while reducing our cost base. The cost reduction program "Shape-up" was successfully implemented in 2023 resulting



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

in an improved cost base for 2024. Of course, Ascom will focus on further efficiency gains in 2024 and 2025.

- **Sustainability:** Ascom further increased its efforts in sustainability, especially in environmental and social areas. We expanded and improved carbon measurements, invested in emission-neutral cloud solutions and more energy-efficient facilities, and defined an ambitious roadmap to further reduce our carbon footprint in the coming years. Our people and talent development initiatives resulted in a measurable improvement in our employee satisfaction. We are pleased to submit a state-of-the-art Sustainability Report in accordance with Art. 964a ff. of the Swiss Code of Obligations to our shareholders.

Increased dividend payment due to a higher Group profit

Group profit in 2023 increased significantly to CHF 17.4 million (2022: CHF 11.0 million) and earnings per share (EPS) rose to CHF 0.48 (2022: CHF 0.31). Ascom has a solid equity story focusing on long-term profitable growth and creating value for all stakeholders. The Board of Directors is proposing an increased dividend of CHF 0.30 per share to the Annual General Meeting 2024 representing a payout of about 62% of Group profits.

Positive outlook

Ascom is in an attractive market environment, and digitalization in the healthcare industry will continue to progress. We are confident to strengthen our competitiveness, grow our business and benefit from the significant opportunities ahead.

For the fiscal year 2024, Ascom targets a mid-single digit revenue growth at constant currencies and aims to achieve an EBITDA margin of around 11%.

Ascom aims for a high single-digit revenue growth at constant currencies by 2027, and an annual improvement of the EBITDA margin of about 100bp per year until 2027.

Changes in the Board of Directors and Management

Dr Andreas Schönenberger will not stand for re-election as a Board member at the upcoming Annual General Meeting. The Board of Directors thanks him for his valuable contributions over the last four years.

The Board of Directors proposes electing Dr Monika Krüsi as a new Board member at the upcoming Annual General Meeting. Monika Krüsi is an experienced Board member with a strong track record in the industry.

Dominik Maurer has decided to leave as the CFO of the Ascom Group after the Annual Media Conference 2024. His successor will be announced shortly. Dominik Maurer has played an important role in the transformation of Ascom, and the Board of Directors thanks him for this contribution over the past years.

Note of appreciation

2023 has been a positive, albeit sometimes challenging, year for all of us. We would like to express our appreciations to all our customers, suppliers, and business partners for their support and long-standing partnership with Ascom. A special thank goes to all our employees for their commitment and hard work, which made it possible that important milestones were met throughout the year. Finally, dear valued shareholders, we would like to express our sincere gratitude for your continued trust and support.

Sincerely,



Dr Valentin Chapero Rueda
Chairman of the Board



Nicolas Vanden Abeele
CEO