ascom

Annual Report 2021

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

	2021[1]	2020	2019	2018	2017
Dividend (CHF per share)	0.20	–	–	0.45	0.45
Average annual share price (CHF)	14.5	9.8	11.9	19.2	19.6
Dividend yield (%)	1.4%	N/A	N/A	2.3%	2.3%

[1] Proposal to the Annual General Meeting.

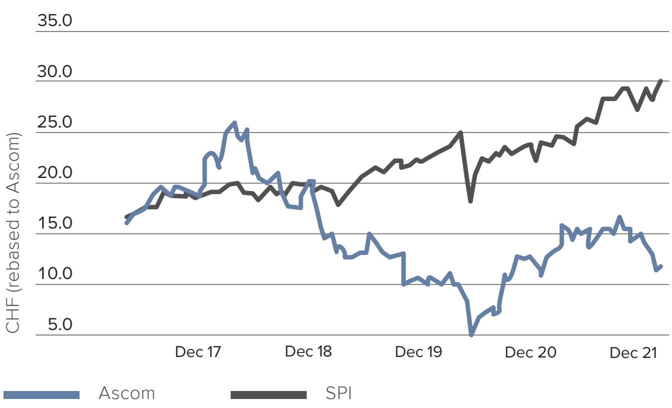
291.5m

Net revenue

Share information

	2021	2020
Share price at 31.12. in CHF	11.76	13.10
Market capitalization at 31.12. in CHFm	423.4	471.6
Nominal value per share in CHF	0.50	0.50

Share price performance 2017 to 2021



342.3m

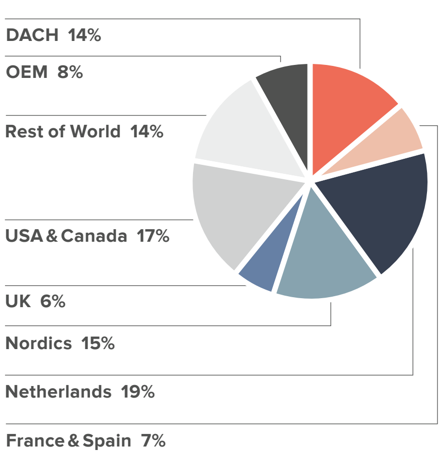
Incoming orders

A technology company operating worldwide

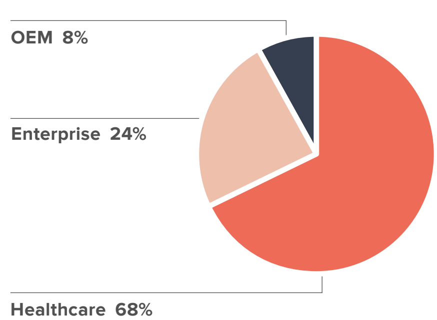
1,300
employees around the globe

18
operating businesses worldwide

Revenue by region



Revenue by segment



Annual Report 2021

Letter to Shareholders

Dr Valentin Chapero Rueda
Chairman of Ascom

Dear Shareholders,

Ascom looks back to a challenging financial year 2021, which we closed with solid results in line with our communicated guidance. The results have been achieved despite a sizeable negative impact resulting from the ongoing component shortage:

- Net revenue of CHF 291.5 million, reflecting an increase of 3.7% (2.7% at constant currencies)
- EBITDA increased to CHF 28.7 million (2020: CHF 24.9 million) and EBITDA margin improved to 9.8% (2020: 8.9%)
- Strong growth of incoming orders (+4.9% at constant currencies) and order backlog (+CHF 40.5 million)
- Net profit improved to CHF 13.5 million (2020: CHF 6.5 million) and earnings per share more than doubled to CHF 0.38 (2020: CHF 0.18)
- Strong balance sheet with a net cash position of CHF 29.5 million and a further improved equity ratio of 41.1% as of 31 December 2021 (35.0% as of year-end 2020)

Ascom aims to become a global leader in Real-Time Communication and Collaboration

The 2021 financial results represent another steppingstone in the development of our Company toward becoming the leader in the real-time communication and collaboration space. We made good progress in the continuous evolution of our product and services mix while delivering enhanced value to our customers. The market environment remains difficult, but we are confident that the improvements implemented and our clear focus to reduce our significant order backlog will drive a positive business development also in 2022.

The pandemic has added to the growing interest in developing a more efficient and less stressful working environment for healthcare delivery and for demanding enterprise workplaces. The interest in sophisticated state-of-the-art digital workflow, communication and signaling solutions is increasing substantially. Ascom is in the unique position to offer a broad solutions portfolio combining devices, software and services to tangibly address these quickly evolving customer needs in an efficient manner. We aim to become a global leader in Real-Time Communication and Collaboration in the Acute Care, Long-Term Care, and Enterprise segments.

Our commitment to delivering the best integrated solutions in healthcare and enterprise has led us to transform Ascom from a strongly product-focused company to a solutions and service oriented organization. This process is far from finished but it will drive our growth and will allow us to become a relevant partner to many customers who are also looking to improve and transform the way they execute their processes with measurable results.

To achieve our goals, we have launched strategic initiatives of which one is the streamlining and standardization of Ascom's offering tailored to market and customer needs while continuously innovating technological building blocks. Another key element is the harmonization and expansion of a dedicated partner program to create a partner ecosystem. The third key element is the development of our employees. We foster a culture of innovative thinking and solutions creation and complement our teams with the best talents. Ascom has a long history in mission-critical communication and is well positioned to address the continuously increasing need for innovative communications solutions from healthcare and enterprise customers.

Nicolas Vanden Abeele appointed as new CEO

Over the last two years we have stabilized our business, reorganized the Company's organization and re-engineered internal business processes. To lead and implement the next stage of our strategy the Board of Directors appointed Nicolas Vanden Abeele as new CEO of Ascom as of 1 February 2022. He is an internationally successful leader with extensive multi-market experience and deep commercial, operational, and technological expertise. Based on his broad experience and his successful professional track record, he will continue to strengthen the market position of Ascom in communication, collaboration, and workflow orchestration while improving the financial performance of the Company.

Ascom is committed to sustainability

We are convinced that the inclusion of sustainability criteria is an important success factor for our business activities. ESG (environmental, social and governance) issues are becoming more relevant in employer branding and in Ascom's daily business, as customers are increasingly evaluating their suppliers' strategic approach to ESG criteria as part of their tendering and procurement processes.

We have worked toward a structured standardized sustainability reporting. In 2021 for the first time, we have compiled our Sustainability Report with reference to the Global Reporting Initiative (GRI) standards.

Mid-term guidance reiterated

Looking ahead to the 2022 financial year, we are confident that we will continue to develop Ascom successfully. Over the past two years, we have laid the foundations to accelerate organic growth while also strengthening our balance sheet structure.

We are confident to achieve our mid-term guidance as communicated last year. 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.

KPMG proposed as new Statutory Auditors

The Board of Directors has been consistently renewed over the last years and all current members will stand for re-election for another one-year term of office.

The Board of Directors has decided to re-tender the audit mandate since PricewaterhouseCoopers AG has acted as Statutory Auditor of the Company for a long period. After careful examination, the Board of Directors is proposing KPMG as the new Statutory Auditor to the Annual General Meeting 2022.

A word of thanks

On behalf of my colleagues on the Board of Directors, I would like to thank all our employees and management teams worldwide for the strong dedication and hard work to having achieved our main targets in 2021. The Board of Directors also thanks the former CEO Jeannine Pilloud, who left Ascom at the end of January 2022, for her successful services during challenging times and for her contribution to the transformation of the Company.

I would like to thank our customers and business partners for the constructive collaboration and ongoing loyalty to Ascom. We are grateful for the continued trust of our valued shareholders. Your support enables us to implement our common vision for the further development of Ascom.

Sincerely,

Dr Valentin Chapero Rueda
Chairman of the Board of Directors

CEO Interview

"We want to accelerate the transformation to become a software-centric solutions company in the Acute Care, Long-term Care and Enterprise segments."

Nicolas Vanden Abeele
CEO of Ascom

You joined Ascom per 1 February 2022. What are your first impressions?
Ascom operates in very attractive Healthcare and Enterprise markets which technology is going to fundamentally transform in the years to come. This provides untapped potential and business opportunities for Ascom as it has a unique market position to capitalize on these trends and changing markets to become a global leader in Real-time Communication and Collaboration in Acute Care, Long-term Care and Enterprise. With Ascom's strong brand name and expertise we will play a major role in shaping this new ecosystem.

You built up a broad management background in technological companies during your career. How will Ascom profit from your expertise?
I spent most of my career in the technology sector transforming and growing businesses through sales acceleration and business innovation, and further driving digitalization of my customers. In my various jobs, performance enhancement and operational excellence were really key. I like to lead and motivate great teams to go the extra mile and generate success. Furthermore, I had the opportunity to work and live in many places around the world besides Europe; for example, the Americas, China, and Singapore. It gives me a great understanding of international markets and an agility which I can leverage with Ascom.

What are your priorities in 2022?
First of all, we need to accelerate profitable growth and sharpen our go-to-market approach to execute Ascom's strategy. Secondly, leveraging and enhancing our strategic bets into our core markets will be key to further elevate Ascom's impact and success in the market. Furthermore, in view of our changing markets, leveraging and enhancing our talent pool and sharpening our culture and values as an agile and result-driven company will definitely make the difference.

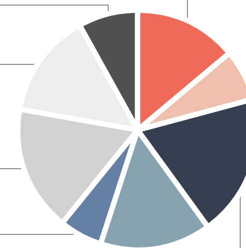
Ascom is transforming itself into a solutions company. What are your main pillars in this process?
We want to accelerate the transformation to become a software-centric solutions company in Acute Care, Long-term Care and Enterprise. Ascom has a unique position in the market with its portfolio breadth, and the integration of devices, software and services that enables it to offer a differentiated solution to its customers. Customer-centricity is key in everything we do: understanding and then addressing the needs early on will provide our customers best-in-class return of their investment with the solutions we deliver.

Where do you see Ascom in the coming years?
I see Ascom as a trusted partner to all our customers and a global leader in Real-time Communication and Collaboration in Acute Care, Long-term Care, Enterprise. We will be a company that exploits the potential that wearables and other applications will bring to the digitalization of care. I look forward to bringing Ascom to its next chapter of growth and transformation, and elevate further its impact and success globally, creating value for all its stakeholders.

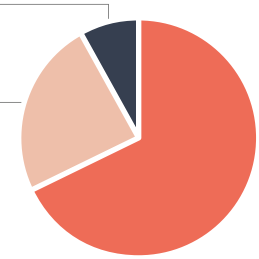
Performance Report 2021

Ascom achieved solid results in 2021 despite the negative impact of component shortage. In line with the communicated guidance, Ascom achieved a low single-digit revenue growth and an EBITDA margin of 9.8% for fiscal year 2021.

Revenue by region



Revenue by segment



Revenue growth in line with guidance

Ascom achieved solid revenue growth in 2021, despite the ongoing challenges related to the global Covid-19-pandemic and the world-wide shortage of components. In total, net revenue increased by 3.7% and came to CHF 291.5 million (2020: CHF 281.0 million), including a positive currency effect of CHF 3.0 million. At constant currencies, revenue growth was at 2.7%.

The most successful areas in 2021 with double-digit revenue growth (at constant currencies) were UK, France & Spain, and the OEM business. Moreover, the Nordics and the Netherlands showed solid revenue growth rates as well. While USA & Canada showed a slight revenue increase, the DACH region as well as Rest of World declined mainly due to Covid-19 related challenges also in the Enterprise sector.

Revenue split by market segment showed a strong Healthcare sector reflecting 68% to total revenue (2020: 67%). The Enterprise sector accounted for 24% (2020: 27%) and the OEM business was at 8% (2020: 6%). Revenue from Software & Solutions increased slightly during 2021, while recurring revenue accounted for 25.0% of total revenue (2020: 24.6%). The service business accounted in fiscal year 2021 for 38% (2020: 41%). Software & Solutions as well as the service business were heavily impacted by Covid-19 induced restrictions at customer sites.

Strong incoming orders and continuing high order backlog

In 2021, incoming orders were strong and further increased to CHF 342.3 million, representing an increase of 6.2% in 2021 (4.9% at constant currencies). The order backlog rose significantly to CHF 256.1 million (2020: CHF 215.6 million) and includes long-term contracts in a magnitude of about 48% of the total order backlog which will be relevant to revenue in 2023 and beyond. Converting the remaining order backlog into revenue during 2022 will be an important target in the new business year.

Significant order growth was seen in particular in the Nordics, in France & Spain as well as in the OEM region. The growth also includes a multi-million Swiss Franc order based on a multi-year frame contract in the Global Distribution / Partner business (former OEM).

Improved operational profitability with an EBITDA margin of 9.8%

In 2021, gross profit increased compared to the previous year and reached CHF 136.7 million (2020: CHF 133.3 million) with a gross margin of 46.9% (2020: 47.4%). The gross margin was affected by higher freight cost, increased prices for components on spot markets, and a different product mix due to the component shortage. Overall functional costs declined slightly to CHF 119.8 million (2020: CHF 121.1 million) despite higher investments in marketing and sales compared to the previous year.

Due to the higher volume and the lower functional costs, EBITDA increased to CHF 28.7 million (2020: CHF 24.9 million) and the EBITDA margin improved from 8.9% to 9.8%. EBIT increased to CHF 15.8 million compared to CHF 11.0 million in the previous year and the EBIT margin improved to 5.4% (2020: 3.9%), also due to a lower amount for depreciation and amortization of CHF 12.9 million in 2021 (2020: CHF 13.9 million).

Financial result and income taxes

Ascom closed fiscal year 2021 with a positive net financial result of CHF 1.4 million (2020: CHF –3.2 million). Profit before income tax increased to CHF 17.2 million (2020: CHF 7.8 million). Despite higher income taxes in 2021, Ascom ended fiscal year 2021 with a higher Group profit of CHF 13.5 million (2020: CHF 6.5 million), which is mainly attributable to the improved operating results. Earnings per share increased to CHF 0.38 (2020: CHF 0.18).

Strong net cash position and increase of the equity ratio to 41.1%

During fiscal year 2021, Ascom generated positive cash flow from operating activities of CHF 11.6 million (2020: CHF 45.1 million). The decrease compared to the previous year mainly resulted from a higher balance of trade receivables as well as higher inventories and work in progress due to component shortage.

Cash flow from investing activities of CHF 5.2 million (2020: CHF –10.0 million) was mainly driven by receiving 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 amounted to CHF –19.0 million (2020: CHF –21.1 million) and reflects the repayment of outstanding long-term borrowings of CHF 19.0 million (31.12.2020: CHF 19.0 million).

Ascom's balance sheet structure is comfortably strong. As of 31 December 2021, total assets amounted to CHF 194.7 million (31.12.2020: CHF 203.1 million). Within current assets, cash and cash equivalents were at CHF 29.5 million (31.12.2020: CHF 31.8 million). The net cash position as of 31 December 2021 increased strongly and amounted to CHF 29.5 million (31.12.2020: CHF 12.8 million). Ascom had no outstanding borrowings as of 31 December 2021.

Shareholders' equity stood at CHF 80.0 million (31.12.2020: CHF 71.1 million), which represents an increase in the equity ratio to a level of 41.1% compared to 35.0% as of year-end 2020.

Dominik Maurer
CFO

Strategic journey toward a solutions company

Communication and collaboration solutions form the centerpiece of Ascom's value proposition to facilitate and optimize communication processes in complex working environments.

With Ascom's longstanding history in mission-critical communication, the company is well positioned to address growing demand for communications solutions from Healthcare and Enterprise customers. In step with technological change, Ascom pursues a clear strategic focus for further revenue growth and a strong market position in a competitive and promising market.

In 2021, Ascom defined a clear strategic direction and identified fields of action to align the company's organization and to achieve the formulated mid-term growth targets. Our commitment to growth is being driven by shifting our portfolio toward comprehensive software-centered solutions, proximity to the customer, and effective exploitation of the addressable markets.

"We are transforming Ascom from a product to a solutions company, with software and clinical expertise as our competitive differentiators, while building on our longstanding history in mobility and communications systems."

Dr Valentin Chapero Rueda
Chairman of Ascom

Ambition to be a leader in Real-time Communication and Collaboration

Ascom's mission is to provide critical information to the right person, in the right place, at the right time to take the right decision. Our ambition is to become a leader in the Real-time Communication and Collaboration market. Ascom already provides competitive solutions for communication and collaboration. Based on this existing expertise and on its mission, Ascom continues to drive its business transformation from products to solutions, focusing on providing software development and deployment as well as services and consultancy.

Modular solutions

The modular design of Ascom's solutions allows adaptations according to market and customer requirements encompassing technology, product, and service elements. Our solutions capture any event (triggered either manually or automatically) which is being processed by our own software platform based on predefined workflows, the event is sent to output devices to trigger required actions or displayed for monitoring purposes. The open and modular approach of the solutions has the design potential to include further innovative components such as Software as a Service (SaaS), cloud enablement, wearables, or artificial intelligence/self-learning technology.

Our solutions range from simple to complex and can be easily tailored and scaled to customer needs. Ascom will therefore strengthen its role as a trusted advisor and deploy and support solutions in collaboration with customers and partners. Ascom's advantage is its global presence, a large installed base, and a comprehensive service framework to facilitate solutions advisory and customer care.

Figure 1: Ascom's simplified solution framework in the main market segments

Well-balanced initiatives to achieve transformation

To meet our transformational goals, Ascom has started a group-wide transformation program with global and regional strategic initiatives.

A key element is the streamlining and standardization of Ascom's offerings based on market and customer needs. One of the main pillars of this change in offerings is the harmonization of the two software suites Digistat and Unite to further enhance the customer experience in terms of design and functionality. Another important foundation is the strengthening of our service framework with the key ability to integrate our solutions into a heterogenous environment. All this will ensure customer centricity and competitiveness.

Harmonizing and scaling up a dedicated partner program to form an ecosystem for partners is another key element of the strategic initiatives, given the vital role that partners play in Ascom's business. The focus lies on further improving collaboration with partners, sharing best practices and knowledge, as well as facilitating the co-creation of offerings to make it easier to do business with Ascom. For example, Ascom will harmonize the different regional partner programs on a global scale and enable our partners to sell our full portfolio. Only by doing so, will we be able to achieve our growth targets.

Employees as enablers will be key to the transformation and are a major success factor in this strategic process. Ascom is therefore putting a strong emphasis on the skills and competences initiative. We will support our employees in the transformation toward the new strategic focus by building up new skills and complement our teams with the best talents. This is crucial for the development of a culture that promotes creation and innovation.

A lighthouse project with a leading German university hospital

Ascom and Deutsche Telekom deliver mobile communication and alarm management solutions to the University Hospital Bonn.

Valerio Signorelli, Managing Director of Ascom DACH, gives an insight into the lighthouse project at University Hospital Bonn and how Ascom supports it as a long-term partner together with Deutsche Telekom.

With 8,300 employees, 38 clinics and 31 institutes, the University Hospital Bonn (UKB) is one of the largest employers in the city of Bonn. 350,000 outpatients, 50,000 inpatients as well as 40,000 emergency patients are treated there every year, making the UKB one of the largest academic hospitals in Germany. The UKB offers a wide range of high-performance medicine and has a very good reputation as well as a high degree of international recognition. In addition, it is nationally and internationally successful in research and teaching in all areas.

The optimization of mobile on-site communication solutions for care workflows and team collaboration was the primary objective of the project. Dieter Padberg, CIO/IT Director UKB, points out: "The UKB has worked very closely with Deutsche Telekom and Ascom to develop a campus-wide solution for mobile communication and alarm management that really fits our needs."

"The UKB has worked very closely with Deutsche Telekom and Ascom to develop a campus-wide solution for mobile communication and alarm management that really fits our needs."

Dieter Padberg
CIO/IT Director UKB

Leading-edge solution for the University Hospital Bonn

Due to the university hospital's location on a large campus with numerous buildings and stand-alone facilities, highly available Wi-Fi and mobile networks used to be a significant challenge. The handover between the Wi-Fi and the mobile network caused disruptions in the staff's communication and collaboration workflows. For critical workflows such as alarm management and patient-centered care coordination, a more reliable solution was therefore needed. As part of the joint project, Deutsche Telekom set up a campus-wide mobile in-house solution with a private access point name (APN) network to offer optimal mobile network coverage on the campus. We also optimized carrier-prioritization on its purpose-built smartphone Myco 3 to minimize handover challenges and to reliably support critical workflows. In addition to that, we worked closely with a Mobile Device Management (MDM) provider to facilitate the rollout and the management of the Myco 3 devices.

Digitization of care workflows is a journey and starts with highly available mobile communication solutions

A highly available mobile communication solution across the entire campus of the university hospital is the basis for additional care workflow solutions. In addition, the Ascom Myco 3 is a key element in UKB's digitization journey, as Dieter Padberg highlights: "Myco 3 is a mobile multifunctional tool which is used at UKB to support caregivers in their daily workflows, mobile communication, and critical applications."

Besides its own applications, Ascom established a very broad ecosystem of complementary partners, which are integrated into the Ascom Healthcare Platform to offer customers a high range of interoperability with different applications. With our Myco & Friends ecosystem initiative centered around application partners, we integrate numerous software vendors with complementary value propositions to the Ascom Healthcare Platform. Customers such as UKB can then benefit from the integration and interoperability of their applications by using the Ascom solutions suite. For example, UKB relies on HPM software from CLINARIS GmbH for bed management, an application partner from the Myco & Friends ecosystem. The professional barcode scanner in the Myco 3 is used to identify beds and obtain and display information on the device about their location, condition, and hygiene level, making it a multifunctional tool for caregivers.

A lighthouse project builds on a trusted partnership

Due to the size and complexity of this project, it was also an exciting learning curve for everyone involved. The project at UKB demonstrates the capabilities of Ascom's solutions to integrate into complex ICT settings and the agility to optimize customer environments together with key partners based on demanding customer needs. A tight integration into an existing MDM, a Mobile Network, Wi-Fi, and PBX systems needed to be established in order to deliver a highly available, easy-to-manage and easy-to-use solution for the UKB.

As the project and the partnership evolve, it is planned to integrate further individual application solutions, to integrate and connect medical devices for alarm management, and further to develop the system toward 5G. Complex projects like these can only be realized in a trusted long-term partnership. We are confident that we have, and continue to, demonstrate a responsible and collaborative approach in the partnership with the UKB. The first steps and a solid foundation have already been laid with this project, and we are looking forward to continuously extending the solution in line with our mission to close digital information gaps allowing for the best possible decisions – anytime and anywhere.

Project UKB in short

Ascom and Deutsche Telekom deliver mobile communication and alarm management solutions to the University Hospital Bonn. The order includes several thousand Ascom Myco 3 smartphones and lays the foundation to build on further value propositions with the Ascom Healthcare Platform. With Myco 3, the UKB has a mobile multifunctional tool to support caregivers in their daily workflows for mobile communication and critical applications. The project at the UKB demonstrates the capabilities of Ascom's solutions to integrate into complex ICT-settings and the agility to optimize customer environments together with key partners based on demanding customer needs.

Sustainability Report 2021

Management Statement

As an internationally active technology group, responsible and sustainable business practices are fundamental to Ascom's corporate strategy and culture. They are integrated into Ascom's daily operations and form the basis for the Company's revised Sustainability Directive of January 2021, which applies to all employees of the Ascom Group.

Since 2010, 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 and has identified eight of the seventeen Sustainable Development Goals (SDGs), to which the Company can contribute and have an impact on. The SDGs form one of the main cornerstones of sustainability reporting.

In 2021, the second year of the global Covid-19 pandemic, Ascom maintained intensive dialog with all stakeholders and engaged in targeted dialog to better understand their concerns.

Environmental, Social, and Governance (ESG) issues are gaining relevance in Ascom's day-to-day business. Both existing and new customers are increasingly assessing their suppliers' strategic approach to Environmental, Social and Governance issues as part of their bidding and procurement processes. Ascom's proximity to customers and focus on defined ESG priorities helped sales teams to win various contracts in 2021 where the strategic handling of ESG issues was an important criterion in the customer's decision.

In accordance with the Sustainability Directive, Ascom has worked toward a structured standard for sustainability reporting and initiated the Sustainability Report in 2021 with reference to the Global Reporting Initiative (GRI) Standards. Ascom's GRI Content Index can be found on page 22.

Ascom made good progress in 2021. The Company has a clear ambition to further pursue the chosen approach, to close the gaps in 2022, and to continue to define additional targets in ESG areas.

WE SUPPORT
UN GLOBAL COMPACT

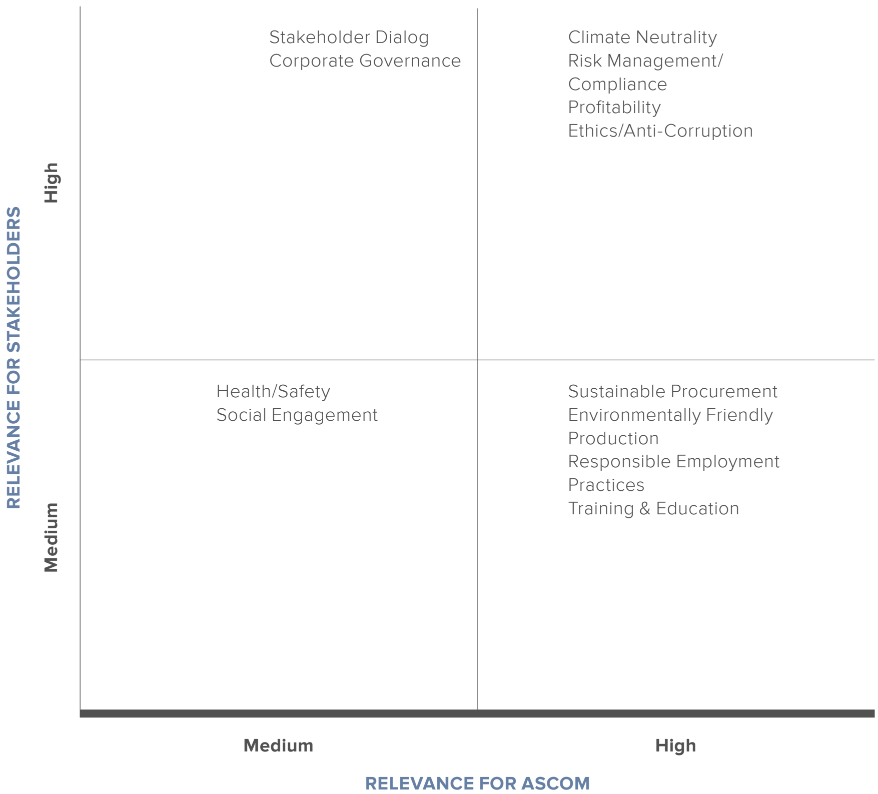
Our Environmental, Social and Governance (ESG) activities

In 2021, Ascom is reporting for the first time in accordance with the guidelines of the Global Reporting Initiative (GRI) and according to the GRI Standards. A full list of applicable GRI topics and disclosures can be found in the GRI content index on page 22 of this report.

We at Ascom take our responsibility as a comprehensive solution provider seriously and have aligned our business with the UN Sustainable Development Goals (SDGs), focusing on eight SDGs, which we believe are most relevant for us and where we can have an impact.

- Good Health and Well-Being (SDG No 3)
- Quality Education (SDG No 4)
- Gender Equality (SDG No 5)
- Decent Work and Economic Growth (SDG No 8)
- Industry Innovation and Infrastructure (SDG No 9)
- Reduced Inequalities (SDG No 10)
- Responsible Consumption and Production (SDG No 12)
- Climate Action (SDG No 13)

Materiality Matrix



The materiality matrix illustrates the relevance of topics from both a stakeholder perspective (customers, employees, suppliers, shareholders, investors, financial analysts, media), and the Company's perspective and is reviewed regularly. Together with the UN SDGs, it supports Ascom in effectively targeting the most important economic, environmental, and social topics for the Company.

ENVIRONMENTAL

Ascom focuses on sustainable growth and value creation based on innovation and quality management. From the responsible sourcing of raw materials to energy-efficient offices, from rigorous compliance standards to recycling programs, Ascom strives to minimize its environmental impact. Therefore, sustainability plays an integral role in the development and design of Ascom's innovative products and solutions, which also enable customers to further reduce their own environmental footprint.

Ascom's focus on sustainability also drives the scope of its international standard certifications. In 2021, the Company received further external certifications that once again underscored Ascom's status as a best-in-class service provider.

Our achievements and dedication to environmental sustainability can be recognized through our external reporting. 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. In the year under review, we were in the top five percent of companies rated. Similarly, since 2010 Ascom has reported to the Carbon Disclosure Project (CDP), achieving a C score in 2021. 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. In addition, according to the Swiss media platforms Bilanz and Le Temps we were again ranked "Klimabewusstes Unternehmen 2022" (Climate Conscious Company 2022).

Emissions

Switzerland has committed to halving its greenhouse gas emissions by 2030 compared to 1990 levels, and the Swiss Federal Council has decided to set an even more ambitious target of reducing Switzerland's net carbon emissions to zero by 2050, which is in line with other countries, that have submitted long-term strategies to the UN Climate Change Secretariat. Ascom supports these targets and has already started to record and reduce its CO_2 emissions in recent years.

Ascom maintains no manufacturing sites of its own and works with partners. In alignment with Ascom's Sustainability Directive, we are continuously striving to reduce our total carbon emissions resulting from our operations and products sold. Energy-powered hardware is the area that offers the greatest potential to make a real impact in reducing the carbon footprint of products. Therefore, we consider environmental aspects in research and development to ensure products and hardware are as energy-efficient as possible. To reduce the lifecycle impact of products, we target the following areas: energy efficiency, product lifespan (through durability, repairability, compatibility and recyclability), use of recycled materials, and substituting harmful chemicals.

Year	Net revenue (CHFm)	CO_2e kg	CO_2e kg per CHF	% change CO_2e kg
2017	309.7	69,427,651	0.22	–4.0%
2018[1]	318.5	74,534,127	0.23	+7.4%
2019	282.9	67,712,161	0.24	–9.2%
2020[2]	281.0	61,771,932	0.22	–8.8%
2021	291.5	63,300,077	0.22	+2.5%

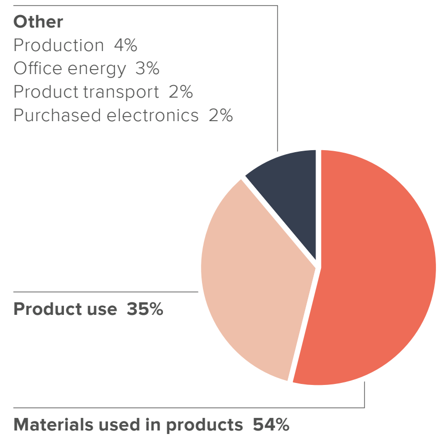
[1] CO_2e emissions for 2018 were adjusted due to a thorough review conducted every five years.
[2] Covid-19 pandemic meant fewer products shipped which reduced CO_2 emissions significantly in 2020.

Overview of CO_2 by emission scope[1]

Scope	2019 (in CO_2e in tons)	2020 (in CO_2e in tons)[2]	2021 (in CO_2e in tons)
1 – Direct emissions	57	75	77
2 – Indirect emissions	2,325	2,120	2,184
3 – All other indirect emissions	65,330	59,527	61,039
Total	67,712	61,722	63,300

[1] Scope definitions in line with the GHG Protocol Corporate Accounting and Reporting Standard for greenhouse gas emissions.
[2] Covid-19 pandemic meant fewer products shipped which reduced CO_2 emissions significantly in 2020.

Carbon footprint of Ascom



Product energy demand and longevity

For all new products in development, Ascom stipulates in its Main Requirement Specification (MRS) process that current product generations must consume less power than the preceding product generation when used in an equivalent reference configuration. This was achieved for the new DECT mobility handset Ascom d83, despite increasing the number of features available. Additionally, in 2021 Ascom started the migration program for patient systems to migrate existing teleCARE M systems to teleCARE IP, which requires just 5 volts instead of 24 volts. The migration is due to be completed by the end of 2022.

Product durability to maximize the usage phase and the product lifespan is a priority for Ascom. Quality and durability are also featured in a new product's MRS process, which encompasses specifically selected materials to ensure Ascom's stringent product requirements are met. Accelerated Lifetime Testing (ALT) is applied as a development tool in the development and production process. Under ALT we examine how climate, drop, tumble, bend, vibration, and chemicals affect a product to find potential faults and to ensure maximum durability. As an example, we estimate the lifespan of Ascom handsets to be at least seven years based on 24/7 availability. We also leverage software updates to extend functionality, upgrade security, and fix bugs.

The longevity of products is also enhanced by the compatibility of our new portfolio with older products. For instance, Ascom's handset rack chargers are backward compatible, i.e., after a customer's upgrade to a new handset, the existing charging accessory works with the new hardware. This reduces waste for both Ascom and its customers and takes customer and environmental concerns into account. Moreover, service support by Ascom is simplified and enhanced through hardware compatibility.

Ascom also offers a repair service for mobile devices and other infrastructure if issues occur after the initial support process. In 2021, Ascom repaired over 93,000 items, which is an increase of 2% compared to 2020 and saved 1,124 tons of CO_2e in total, assuming device replacement in each service case. Ascom considers easily repairable features in its product design process and strives to make the product range as modular as possible. At the end of the product-lifecycle, main parts can be quickly disassembled at a recycling center.

Ascom has 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 85% in 2021, while Finland and Sweden recorded an average of 87% in 2021.

Material adaption and reduction of packaging materials

Ascom aims to minimize emissions from materials used without compromising the business needs of customers. We have changed from viewing emissions from a single product perspective to an overall solution perspective. For example, we aim to reduce the requirements for additional servers when adding software to our solution platforms. One of the environmental targets in 2021 achieved was to run the Ascom Unite platform on the same server as the Ascom Digistat Software Suite. We reduced the five-server requirement for our customers down to three servers. Our customers benefit from reduced energy consumption and less used space for the server hardware on site.

Within Ascom we work to ensure that primary product packaging is as environmentally friendly as possible without sacrificing protection for our products. The outer product packaging across all product lines is cardboard. In all new products for which we are developing the packaging, we require at least 70% packaging content from recycled sources. Our goal is to ensure that 100% of our products use 70% to 100% recycled cardboard in their packaging. Ascom has worked on replacing foam and polystyrene padding from most primary packaging with closely molded cardboard. This also applies to all tertiary packaging, since Ascom hubs stopped the use of Styrofoam to ship products from the first quarter of 2021.

Energy efficiency

In our operations we maintain practices to minimize energy usage by retrofitting technology and promoting energy efficiency. As sites are renovated, aspects of the building are reviewed together with the landlords to identify potential opportunities in energy efficiency. Ascom recently renovated offices in Morrisville (NC) in the United States, where lighting was changed to LEDs with motion sensors.

Although energy consumption from our facilities accounts for only 3% of our total carbon footprint, it is still an area where we strive to exert our influence. We promote usage of renewable energy wherever possible, considering, however, that Ascom’s influence depends on whether sites are owned or leased.

Electronic manufacturing services (EMS)

Within its supply chain process, Ascom tracks energy consumption from electronic manufacturing services (EMS) suppliers, recording Ascom’s share of total activity. Ascom requires all Class 1 and Class 2 suppliers, which includes EMS suppliers, to have ISO 14001 or a similarly recognized certification. Class 1 and Class 2 suppliers make up 92% of Ascom’s supplied materials.

Waste management

Ascom’s Sustainability Directive highlights waste management objectives. We take these overarching objectives further and develop targets or performance indicators on waste disposal in some of our regions, which are mainly certified to ISO 14001. The Ascom site in Utrecht (NL) maintains a ban on the procurement of single-use plastics. In 2021, the site achieved an overall reduction of waste by 35% compared with the previous year's volumes. Ascom’s main office in Gothenburg (SWE) once again met the target of delivering no more than 1% of waste to landfill in 2021.

Ascom fully complies with all relevant legal requirements for the management of electronics and packaging that it delivers to national markets, and it participates fully in the fee structure required for electronics and packaging to aid in the safe disposal and recycling of waste.

Supply chain management

Responsible supply chain management at Ascom is based on strong partnerships with our suppliers. With outsourced manufacturing, close engagement with our suppliers is vital to meet our commitments to customers on time and with minimal environmental impact. We follow a structured supplier policy, maintain a preferred supplier list, and conduct due diligence on our first-tier suppliers before they are classified as preferred suppliers. A Sustainability Amendment forms an integral part of our contracts with all first-tier suppliers, requiring their confirmation that no part of their business operations contradicts our supplier policy, and that they adhere to all applicable laws and regulations and to the key principles of the UN Global Compact when conducting business with Ascom. In particular, Ascom does not tolerate any form of child labor.

Innovation

During the innovation process for new products, Ascom has a standard procedure in place that requires written ESG information from business partners through an ESG questionnaire. This standardized ESG template is an integral part of the innovation process when selecting new suppliers, developers, or manufacturers for new products and considers ESG areas of Environmental (e.g., energy consumption for new products), Social (e.g., labor practices) and Governance (e.g., anti-corruption).

Compliance with environmental laws and regulations

As in previous years, no fines or non-monetary sanctions were imposed on Ascom for non-compliance with local or international environmental laws or regulations in 2021.

ISO management system standards

Ascom strives to ensure that it is working toward internationally recognized standards in various areas of its activity. The most widely held certification within the Ascom Group is ISO 9001 for Quality Management System. Our commitment to quality in our products, solutions, and services is firm, since professionals in sectors such as healthcare, rely on us for mission-critical communication solutions.

In 2021, the main R&D sites of Ascom were re-certified under ISO 13485 Medical Devices. Ascom also started the transition from the certification of its medical devices under the Medical Device Directive (MDD) to the Medical Device Regulation (MDR). Ascom has already received MDR product certification for its Medical Device Software, Digistat Care, a class IIb product.

Key sites have also been selected for external ISO 14001 Environmental Management certification including our two biggest sales and service sites in Gothenburg (SWE) and Utrecht (NL), along with our distribution hub in Herrljunga (SWE). The Ascom environmental management system is well established and was implemented 12 years ago in the Swedish facility. Our environmental management system provides the framework for Ascom to manage our environmental impact, comply with all applicable legal and other requirements, and ensure continuous improvement. As of the end of 2021, the majority of Ascom employees work at an ISO 14001 certified site.

In 2021, we continued to increase our certification scope, with the Ascom UK site implementing and gaining external certification ISO 14001 and for ISO/IEC 27001. ISO/IEC 27001 is the leading international standard for information security, defining the specifications for an Information Security Management System (ISMS). The ISO 14001 and ISO/IEC 27001 certifications clearly indicate to customers, partners, and suppliers that the Ascom UK site has adopted internationally certified best practices for information security and environmental management. Moreover, the Ascom UK site became the first location within the Ascom Group to receive ISO/IEC 20000-1 International IT Service Management (ITSM) certification.

Externally certified ISO management system standards

Type of certification	Number of sites[1]	Year of initial certification
ISO 9001 – Quality management	24	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

[1] Some sites are certified to several standards.

In addition, to the ISO standards Ascom complies with the EU regulation on the registration, evaluation, authorization, and restriction of chemicals (REACH) and the EU directive on the restriction of hazardous substances (RoHS).

SOCIAL

Ascom aims to create sustainable value in its business activities. This goal unites all employees, who play a key role in the Company's successful sustainability strategy. We are proud of how our employees across all our global locations have given their very best to deliver high-quality customer solutions and support under demanding pandemic conditions.

We take responsibility for the well-being of our employees and promote a corporate culture of respect and mutual appreciation. Ascom is committed to equal opportunities and diversity and performance-related compensation for all our employees.

Employee diversity & training

At the end of 2021, 1,306 employees (FTE) were working at Ascom, of whom approximately 22% were female and 78% male; at the top management level (Executive Committee), 27% were female and 73% male. Most of the employees work in Western Europe as well as in the United States. The distinctly higher overall number of male employees is not unusual for technology companies.

The age distribution is 45.1 years for male and 40.3 years for female employees. As an international company looking to attract new talent in different markets, some of which have stricter requirements in relation to diversity, Ascom remains focused on gender discussion and non-discrimination. The Company pays equal remuneration for equal work and has the structure in place to ensure freedom of association and collective bargaining for its employees.

Ascom sanctions any form of discrimination of employees based on their sex, race, physical impairments, origins, sexual preferences, political opinion, and religion. Moreover, Ascom does not tolerate any form of personal harassment. Incidents of discrimination will be pursued through formal processes.

Regular performance and career development reviews

All employees receive a regular performance and career development review focusing also on behavior. Ascom promotes talent with its own learning management system (LMS), which is used for specific technical training as well as for leadership and compliance training. Around 100 managers and team leaders were trained in leadership skills to support their teams and drive transformation forward in 2021. Furthermore, Ascom's LMS is designed to provide employees with internal job perspectives to keep them motivated and engaged. Ascom's staff turnover rate in 2021 was 14.5% and is in line with companies from the technology sector.

Employee survey 2021

In 2021, the second year of the Covid-19 pandemic, Ascom put the focus on employee feedback with a Group-wide employee survey. Ascom conducted an online real-time employee survey for all staff for the first time. Five focus groups were asked to answer questions regarding post-pandemic learnings, future ways of working, leadership effectiveness, strategic direction, and employee engagement. The participation rate was high (70%), considering that some regional employees could not participate as they work off site (e.g., field technicians). During the pandemic, working from home was mandatory in almost all countries where Ascom is active, Nevertheless, productivity and quality of work remained very high. The results of the survey showed that most employees favor hybrid/fluid work models, i.e., with the option to work from home for part of the week and when possible. Furthermore, digital awareness and competency have grown over the last year when employees were working from home due to pandemic restrictions.

The survey also showed that Ascom's employees demonstrate a good understanding of Ascom's new strategy and that they are fully committed to this transformation. To foster strategic change, several initiatives at global and regional level were launched during 2021 to enhance collaboration across departments and communication (top-down approach and bottom-up). The employee survey will be repeated on a regular basis to track development and improvements.

Dedicated staff conferences during pandemic

Staff conferences were held to improve the information flow and foster an open and fair feedback culture. Initiated because of the pandemic-related lockdown in spring 2020, when physical meetings were impossible, Ascom has continued to hold semi-annual online staff conferences. Two events held in 2021 were very well attended by our employees, each attracting around 800 participants. With a primary focus on transformation and its impact on the organization, the level of interest of employees was very high. Employees were encouraged to ask questions, which were partially addressed live as well as in writing after the event. All questions and answers from this anonymized Q&A were made available to all employees on the intranet along with a recording of the event.

In the second half of 2021, many pandemic-related restrictions were gradually eased, allowing the CEO to hold on-site town hall meetings in most countries where Ascom is active. The CEO visited many offices during the fourth quarter of 2021 to give staff a better understanding of the transformation and its requirements and to address specific questions in personal meetings.

Internal communication at Group level continued to be impacted by the Covid-19 pandemic, particularly in the first half of 2021. As a result, the CEO sent regular Covid-19 update newsletters to all employees, addressing topics such as maintaining customer proximity, dealing with supply shortages, and protecting their own health. Over the course of the year, the need for these updates diminished as the entire organization adjusted very well to the new conditions. General concerns around the pandemic abated, resulting in fewer requests to Ascom's internal Covid-19 hotline. Covid-related absences also remained relatively low throughout the year.

Ascom supports UNICEF

Support for charitable institutions is a longstanding tradition at Ascom. We continued our support for UNICEF in 2021 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.

UNICEF SUPPORTER

GOVERNANCE

Good corporate governance is a top priority for Ascom, its Executive Management, and its Board of Directors. As a listed, publicly traded international company, Ascom is committed to good corporate governance to ensure sustainable development of the Group.

The information published in the Corporate Governance Report follows the SIX Swiss Exchange directives on standards relating to corporate governance. In particular, Ascom and all its subsidiaries are committed to clear and transparent reporting.

In recent years, Ascom has achieved good rankings in independent corporate governance surveys and remains fully dedicated to a state-of-the-art governance approach. In 2021, Ascom was awarded the Qualityscore 1 by ISS ESG and was ranked 37 out of 171 publicly listed companies for corporate governance according to the corporate governance study conducted by zRating (www.inrate.com).

All Members of the Board of Directors are non-executive and independent members. No member of the Board of Directors has any significant relationship with Ascom Holding AG and its subsidiaries. The Board of Directors has 17% female and 83% male members. There has been a consitent turnover of the Board of Directors over the years. Two thirds of the Board members have a tenure of less than 5 years.

Code of Conduct forms the basis of good governance

The Ascom Code of Ethical Business Conduct (www.ascom.com/about-us/corporate-governance/directives-and-guidelines/) contains binding and worldwide principles covering all business activities in the area of anti-corruption, labor, human rights, and the environment. These principles apply to every Ascom employee worldwide. Ascom competes for contracts based on the quality and value of its products and services. Ascom does not tolerate any form of bribery and corruption, and no employee may offer or grant improper advantages to anyone.

The Code is supplemented by additional corporate directives and guidelines. In addition to the Code of Conduct, Ascom has defined six core values (leadership, innovation, growth, commitment & accountability, customer focus, we are Ascom).

The Ascom Group is governed by a system of Group Directives covering major areas such as Procurement, Sales, Finance, HR, Legal, ICT, and Communications.

Whistleblower channel

Ascom set up a whistleblowing and compliance hotline to encourage employees to report any actual or suspected misconduct through an anonymous and independent tool that allows employees to communicate in a confidential manner and using a simple form. In 2021, Ascom recorded two cases covering minor issues.

Active stakeholder dialog

Ascom is committed to active dialog with stakeholders including customers, partners, suppliers, investors, employees, public authorities, and the public. Customers, partners, and suppliers stay in regular contact with the Ascom business manager. For employees, Ascom management organizes town hall meetings, staff conferences, and conducts employee surveys on a regular basis.

As a publicly listed company, Ascom is committed to professional interaction with shareholders, analysts, and investors. To ensure the transparent and comprehensive provision of information to the financial community, Ascom organizes a twice yearly media conference and, occasionally, a capital markets day. Moreover, Ascom participates in investor conferences and roadshows.

Risk management and control

Ascom is exposed to a variety of financial and non-financial risks that are directly associated with its business operations. Risk management is an integral part of corporate management and is therefore integrated in the overall risk and control framework of the business processes. The financial risks are centrally monitored by Group Treasury. The Board of Directors reviews the Group-wide risk assessment regularly and determines suitable measures to mitigate the risks. In addition, the Board of Directors has decided to set up an internal audit department in 2022 to provide, independent, objective assurance to add value and improve the Group’s operations and systems of control.

GRI CONTENT INDEX

The Ascom Sustainability Report 2021 has been prepared in accordance with the GRI Standards: Core Option

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

2016*, 2018*, and 2020* 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 2021 page
GRI 102: 2016*	**General Disclosures**		
	Organizational profile		
102-1	Name of the organization	Ascom Holding AG	
102-2	Activities, brands, products, and services	Corporate profile	Front inside cover
102-3	Location of headquarters	Zugerstrasse 32 I CH-6340 Baar	116
102-4	Location of operations	Worldwide contacts	116
102-5	Ownership and legal form	Stock listed company, registered shares listed on SIX Swiss Exchange	27–29
102-6	Markets served	Segment information	Front inside cover; 82
102-7	Scale of the organization	Operations worldwide	Front inside cover
102-8	Information on employees and other workers	Sustainability Report Summary of Key Financial Data	19 104
102-9	Supply chain	Sustainability Report	17
102-10	Significant changes to the organization and its supply chain	No significant changes in Ascom's supply chain 2021	
102-11	Precautionary Principle or approach	Sustainability Report Remuneration Report Financial Statement	21 51 79
102-12	External initiatives	Sustainability Report	12–14
	Strategy		
102-14	Statement from senior decision-maker	Letter to Shareholders Management Statement	2 12
102-15	Key impacts, risks and opportunities	Customer Success	9
	Ethics and integrity		
102-16	Values, principles, standards, and norms of behavior	Sustainability Report Corporate Governance Report Code of Conduct Sustainability Directive	20, 21 27
102-17	Mechanisms for advice and concerns about ethics	Sustainability Report Sustainability Directive	21
	Governance		
102-18	Governance structure	Corporate Governance Report Sustainability Report Sustainability Directive	27, 32, 41 21
102-19	Delegating authority	Corporate Governance Report Sustainability Directive	39
102-20	Executive-level responsibility for economic, environmental and social topics	Management Statement Sustainability Directive	12
102-21	Consulting stakeholders on economic, environmental and social topics	Contacts	116
102-22	Composition of highest governance body and its committees	Corporate Governance Report	33
102-23	Chair of the highest governance body	Corporate Governance Report	33
102-24	Nominating and selecting the highest governance body	Corporate Governance Report	33

GRI-Standard	Title	Location of content	Annual Report 2021 page
102-25	Conflicts of interest	Corporate Governance Report Sustainability Report Code of Conduct	33, 37 21
102-26	Role of highest governance body in setting purpose, values, and strategy	Corporate Governance Report Sustainability Directive	32, 36, 37
102-27	Collective knowledge of the highest governance body	Corporate Governance Report	32
102-28	Evaluating the performance of highest governance body's performance	Corporate Governance Report	40, 41
102-29	Identifying and managing economic, environmental and social impacts	Letter to Shareholders Sustainability Report Sustainability Directive	2, 3 12, 13, 21
102-30	Effectiveness of risk management processes	Corporate Governance Report	41
102-31	Review of economic, environmental, and social topics	Sustainability Report Sustainability Directive	14
102-32	Highest governance body's role in sustainability reporting	Management Statement Sustainability Directive	12
102-33	Communicating critical concerns	Sustainability Report	21
102-34	Nature and total number of critical concerns	Whistle blowing service is anonymous at Ascom	21
102-35	Remuneration policies	Remuneration Report	50–57
102-36	Process for determining remuneration	Remuneration Report	56
102-37	Stakeholders' involvement in remuneration	Remuneration Report	56
102-38	Annual total compensation ratio	Remuneration Report	63, 64
102-39	Percentage increase in annual total compensation ratio	Remuneration Report	64
	Stakeholder engagement		
102-40	List of stakeholder groups	Sustainability Report	14
102-42	Identifying and selecting stakeholders	Sustainability Report	14
102-43	Approach to stakeholder engagement	Corporate Governance Report Sustainability Report	48 21
102-44	Key topics and concerns raised	Management Statement Sustainability Report materiality matrix Sustainability Report	12 14 21
	Reporting practice		
102-45	Entities included in the consolidated financial statements	Corporate Governance Report	27, 28
102-46	Defining report content and topic boundaries	Sustainability Report materiality matrix	14
102-47	List of material topics	Sustainability Report materiality matrix	14
102-48	Restatements of information	No restatements of information in 2021	
102-49	Changes in reporting	In accordance with GRI “Core” Option	
102-50	Reporting period	1 January 2021–31 December 2021	
102-51	Date of most recent report	Annual Report 2021 published 8 March 2022	
102-52	Reporting cycle	Annual	
102-53	Contact point for questions regarding the report	Contacts	116
102-54	Claims of reporting in accordance with the GRI Standards	Disclosure information	
102-55	GRI content index	Sustainability Report	22
102-56	External assurance	No external assurance in 2021	
	Management Approach		
103-1	Explanation of the material topic and its boundary	Letter to Shareholders Management Statement Sustainability Report Sustainability Directive	2,3 12 14, 17, 21

GRI-Standard	Title	Location of content	Annual Report 2021 page
GRI 200: 2016*	**Economic Topics**		
GRI 201	**Economic Performance**		
201-1	Direct economic value generated and distributed	Shareholder Return Performance Report	Front inside cover 5
201-2	Financial implications and other risks/opportunities due to climate change	Sustainability Directive	
201-3	Defined benefit plan obligations and other retirement plans	Remuneration Report Financial Statement	53–55 79
201-4	Financial assistance received from government	During 2021, Ascom did not receive any government assistance	
GRI 202	**Market Presence**		
202-2	Proportion of senior management hired from the local community	Corporate Governance Report	42, 43
GRI 203	**Indirect Economic Impacts**		
203-2	Significant indirect economic impacts	Customer Success Management Statement Sustainability Report	9 12 14
GRI 205	**Anti-Corruption**		
205-1	Operations assessed for risks related to corruption	Sustainability Report Sustainability Directive Code of Conduct	21
205-2	Communication and training about anti-corruption policies and procedures	Sustainability Report Sustainability Directive	21
205-3	Confirmed incidents of corruption and actions taken	None	
GRI 206	**Anti-competitive Behavior**		
206-1	Legal actions for anti-competitive behavior, anti-trust and monopoly practices	None	
GRI 300: 2016*	**Environmental Topics**		
GRI 301	**Materials**		
301-1	Materials used by weight or volume	Sustainability Report Sustainability Directive	16, 17
301-2	Recycled input materials used	Sustainability Report	16, 17
301-3	Reclaimed products and their packaging materials	Sustainability Report	16, 17
GRI 302	**Energy**		
302-1	Energy consumption within the organization	Sustainability Report Sustainability Directive	17
302-2	Energy consumption outside of the organization	Sustainability Report	16
302-3	Energy intensity	Sustainability Report Sustainability Directive	16, 17
302-4	Reduction of energy consumption	Sustainability Report	16, 17
302-5	Reductions in energy requirements of products and services	Sustainability Report Sustainability Directive	16
GRI 305	**Emissions**		
305-1	Direct (Scope 1) GHG emissions	Sustainability Report	15
305-2	Energy indirect (Scope 2) GHG emissions	Sustainability Report	15
305-3	Other indirect (Scope 3) GHG emissions	Sustainability Report	15
305-4	GHG emissions intensity	Sustainability Report	15
305-5	Reduction of GHG emissions	Sustainability Report Sustainability Directive	15

GRI-Standard	Title	Location of content	Annual Report 2021 page
GRI 306: 2020*	**Effluents and Waste**		
306-1	Waste generation and significant waste-related impacts	Sustainability Report	17
306-2	Management of significant waste-related impacts	Sustainability Report Sustainability Directive	17
306-3	Waste generated	Sustainability Report Sustainability Directive	17
306-4	Waste diverted from disposal	Sustainability Report Sustainability Directive	17
306-5	Waste directed to disposal	Sustainability Report Sustainability Directive	17
GRI 307	**Environmental Compliance**		
307-1	Non-compliance with environmental laws and regulations	During 2021, Ascom received no fines or non-monetary sanctions for non-compliance with environmental laws and/or regulations	
GRI 308	**Supplier Environmental Assessment**	Sustainability Report	
GRI 400: 2016*	**Social Topics**		
GRI 401	**Employee Engagement**		
401-1	New employee hires and employee turnover	Sustainability Report	19
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	
GRI 402	**Labor Management**		
402-1	Minimum notice periods regarding operational changes	Ascom ensures timely communication with employees and their representatives regarding both negative and positive corporate changes	
GRI 403: 2018*	**Occupational Health and Safety**		
403-1	Occupational health and safety management system	Sustainability Report Sustainability Directive	19, 20
403-6	Promotion of worker health	Sustainability Report	20
GRI 404	**Training and Education**		
404-2	Programs for upgrading employee skills and transition assistance programs	Sustainability Report	19
404-3	Percentage of employees receiving regular performance and career development reviews	Sustainability Report	19
GRI 405	**Diversity and Equal Opportunity**		
405-1	Diversity of governance bodies and employees	Sustainability Directive	
405-1	Ratio of basic salary and remuneration of women to men	Sustainability Directive	
GRI 406	**Non-discrimination**		
406-1	Incidents of discrimination and corrective actions taken	None	
GRI 407	**Freedom of Association & Collective Bargaining**		
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Sustainability Directive	
GRI 408	**Child Labor**	Sustainability Directive	
GRI 409	**Forced or Compulsory Labor**	Sustainability Directive	
GRI 410	**Security Practices**	Sustainability Directive	
GRI 411	**Rights of Indigenous Peoples**	Sustainability Directive	
GRI 412	**Human Rights Assessment**	Sustainability Directive	
GRI 414	**Supplier Social Assessment**		
414-1	New suppliers that were screened using social criteria	Sustainability Report Sustainability Directive	14, 17
414-2	Negative social impacts in the supply chain and actions taken	None	

GRI-Standard	Title	Location of content	Annual Report 2021 page
GRI 415	**Public Policy**	Sustainability Directive	
GRI 416	**Customer Health and Safety**		
416-1	Assessment of the health and safety impacts of product and service categories	Sustainability Directive	
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	None	
GRI 417	**Marketing and Labeling**		
417-1	Requirements for product and service information and labeling	Sustainability Directive	
417-2	Incidents of non-compliance concerning product and service information and labeling	None	
417-3	Incidents of non-compliance concerning marketing communications	None	
GRI 418	**Customer Privacy**		
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	None	
GRI 419	**Socioeconomic Compliance**		
419-1	Non-compliance with laws and regulations in the social and economic area	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

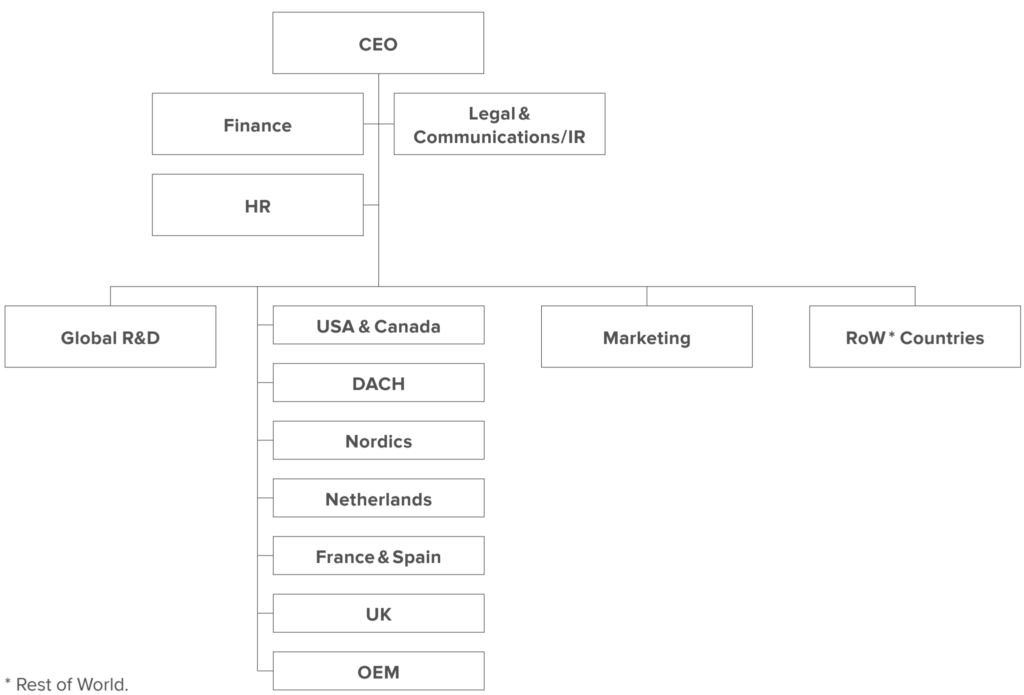
Contacts
https://www.ascom.com/about-us/who-we-are/contact-us/

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 2021.

Operating corporate structure (as of 31 December 2021)



* Rest of World.

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 2021 was CHF 423.4 million.

Unlisted Group companies

The following companies belong to the Ascom Holding AG scope of consolidation (see table on page 99).

Unlisted Group companies: Ascom Holding AG (as of 31 December 2021)

Country	Company	Registered Office		Share Capital	Parent Company	Group's Interest
Australia	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%
Belgium	Ascom (Belgium) NV	Zaventem	EUR	1,424,181	Ascom Holding AG	100%
Denmark	Ascom Danmark A/S	Vallensbæk	DKK	1,200,000	Ascom Holding AG	100%
Finland	Ascom Oy	Turku	EUR	33,638	Ascom Holding AG	100%
France	Ascom (France) SA	Suresnes	EUR	2,000,000	Ascom Holding AG	100%
Germany	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%
Italy	Ascom UMS S.r.l.	Scandicci	EUR	100,000	Ascom Solutions AG	100%
Malaysia	Ascom (Malaysia) SDN BHD	Petaling Jaya	MYR	1,000,000	Ascom Holding AG	100%
Netherlands	Ascom (Nederland) BV	Utrecht	EUR	1,361,000	Ascom Solutions AG	100%
Norway	Ascom (Norway) A/S	Oslo	NOK	1,250,000	Ascom Solutions AG	100%
Romania	Ascom Mobile Solutions Romania S.R.L.	Cluj-Napoca	RON	45,000	Ascom Solutions AG	100%
Singapore	Ascom Solutions (Singapore) Pte Ltd	Singapore	SGD	50,000	Ascom Solutions AG	100%
Sweden	Ascom (Sweden) AB	Gothenburg	SEK	96,154,000	Ascom Holding AG	100%
Switzerland	Mocsa AG in Liquidation	Berne	CHF	100,000	Ascom Holding AG	100%
	Ascom Solutions AG	Mägenwil	CHF	10,000,000	Ascom Holding AG	100%
United Kingdom	Ascom (UK) Ltd	Lichfield	GBP	1,000,000	Ascom Solutions AG	100%
USA	Ascom (US) Inc.	Morrisville NC	USD	1	Ascom Solutions AG	100%

Shareholders

Registered shareholders

As of 31 December 2021, there were 4,319 shareholders registered in the share register of Ascom Holding AG.

Share ownership as of 31 December 2021

Number of shares	Number of shareholders
1 to 100	735
101 to 1,000	2,144
1,001 to 5,000	1,148
5,001 to 10,000	138
More than 10,000	154
Total	**4,319**

Significant shareholders

The following significant shareholders exceeding a threshold of 3% of voting rights were recorded in the share register as of 31 December 2021:

- UBS Fund Management (Switzerland) AG, Basel: 8.42%
- Pictet Asset Management SA, Geneva: 6.56%
- Swisscanto Fondsleitung AG, Zurich: 3.32%
- Credit Suisse Funds AG, Zurich: 3.31%
- Veraison SICAV, Zurich: 3.06%

This does not cover shares, which are not registered in the share register (dispo shares). Dispo shares amounted to 30.33% as of 31 December 2021.

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 2021:

- UBS Fund Management (Switzerland) AG, Basel: Ascom securities representing 7.34% of the voting rights, including RoPAS (CH) Institutional Fund Equities Switzerland (3.78%) (announcement dated 20 August 2019)
- Pictet Asset Management SA, Geneva: Ascom securities representing 5.67% of the voting rights (announcement dated 7 August 2019)
- Credit Suisse Funds AG, Zurich: Ascom securities representing 5.18% of the voting rights (announcement dated 22 September 2021)
- 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)
- Swisscanto Fondsleitung AG, Zurich: Ascom securities representing 3.0065% of the voting rights (announcement dated 17 July 2021)

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 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 5,775 treasury shares, representing 0.02% 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

	Number	31.12.21 (CHFm)	Number	31.12.20 (CHFm)
Registered shares par value CHF 0.50	36,000,000	18.0	36,000,000	18.0
Registered shareholders	4,319		4,111	

Bonus certificates

Ascom Holding AG has not issued any bonus certificates.

Authorized share capital/conditional share capital

The Company has no authorized or 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) at the Annual General Meeting 2020.

Conditional share capital

Article 3a of the Articles of Association, dated 15 April 2020, 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 15 April 2020, reads as follows:

1. At any time until 15 April 2022, 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 art. 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.

Changes in equity

The equity of Ascom Holding AG has changed as follows:

CHF 1,000	2021	2020	2019	2018
Share capital	18,000	18,000	18,000	18,000
Legal reserves	6,523	6,523	6,523	6,523
Retained earnings	344,263	340,166	338,531	353,775
Treasury shares	(51)	(64)	(232)	(406)
Total	**368,735**	**364,625**	**362,822**	**377,892**

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/).
- 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/).
- 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 2021.

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 65 to 67.

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 www.ser-ag.com/de/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 70^{th} year of age.

Ascom's Articles of Association are available on the Company website: www.ascom.com/globalassets/assets/global/corporate/documents/corporate-governance/ascom-articles-of-association-2020-en.pdf.

Based on the Articles of Association, the Board of Directors issued the Organization Regulations (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 2021. No member of the Board of Directors has any significant business relationship with Ascom Holding AG or its subsidiaries. As of 31 December 2021, 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.

At the Annual General Meeting of Ascom Holding AG held on 21 April 2021, the shareholders elected the following members of the Board of Directors individually and for a term of one year until the Annual General Meeting 2022:

	Member since	Elected until AGM
Dr Valentin Chapero Rueda	2016 (Chairman since 2019)	2022
Nicole Burth Tschudi	2020	2022
Laurent Dubois	2020	2022
Jürg Fedier	2017	2022
Michael Reitermann	2020	2022
Dr Andreas Schönenberger	2020	2022

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 2022

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 2022

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, Luxemburg, 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 2022

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 2022

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 2022

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 2022

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 2021

	18.1.	25.2.	20.4.	9.6.	15.7.	27.8.	7.10.	16.11.	13.12.
Dr Valentin Chapero Rueda	✓	✓	✓	✓	✓	✓	✓	✓	✓
Nicole Burth Tschudi	✓	✓	✓	✓	✓	✓	✓	✓	✓
Laurent Dubois	✓	✓	✓	✓	✓	✓	✓	v	✓
Jürg Fedier	✓	✓	✓	✓	✓	✓	o	✓	✓
Michael Reitermann	✓	✓	✓	✓	✓	✓	✓	✓	✓
Dr Andreas Schönenberger	✓	✓	✓	✓	✓	✓	✓	✓	✓

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.

At the Annual General Meeting 2021, the shareholders elected Dr Valentin Chapero Rueda as Chairman of the Board. Nicole Burth Tschudi and Laurent Dubois 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 2021. 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 2021.

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 of members of the Board of Directors as of 31 December 2021

	Positions in publicly traded companies	Positions in non-listed companies	Positions in associations, non-profit organizations and pension funds
Dr Valentin Chapero Rueda	–	TRI Dental Implants Int. AG, Hünenberg ZG Valamero Holding AG, Wilen b. Wollerau SZ	–
Nicole Burth Tschudi	–	Post CH Kommunikation AG, Berne SwissSign Group AG, Glattbrugg Klara Business AG, Luzern	Advisory Board of Equal Voice, Ringier Group, Zurich Board of Advance Women, Zurich
Laurent Dubois	–	ADB Safegate BV, Zaventem (Belgium) Sarenbach AG, Wollerau SZ	–
Jürg Fedier	Dätwyler Holding AG, Altdorf UR OC Oerlikon Corporation AG, Pfäffikon SZ	–	CFO Forum Schweiz, Zug (Advisory Board)
Michael Reitermann	–	Alpha 9 Theranostics, Inc., Vancouver BC, Canada Enigma Biomedical Group, Inc., Toronto ON, Canada GoSamplify Private Ltd., Gurgaon, India	–
Dr Andreas Schönenberger	–	Greater Zurich Area AG, Zurich	–

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

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. Nine meetings (including both physical meetings and conference calls) were held in 2021. Board attendance was 98%. 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 in 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. Five Audit Committee meetings were held in 2021, generally lasting several hours, whereof the external auditors attended two. 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

Compensation & Nomination Committee
Members: Nicole Burth Tschudi (Chairperson) and Laurent Dubois

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. The Board of Directors decided to propose three members to be elected as members of the Compensation & Nomination Committee at the Annual General Meeting 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 two non-executive and independent members of the Board of Directors and is convened by the Chairperson as often as business requires. Five meetings were held in 2021. Committee attendance was 100%. The Chairman of the Board attended four meetings, 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

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 Top Management
- 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

The Group does not have an in-house internal audit function. The Board of Directors empowered the Audit Committee to mandate an external audit firm to carry out special focus audits, as needed. Accordingly, such internal audits are conducted from time to time as mandated by the Audit Committee. During 2021, no special focus audits have been commissioned. Internal audit fees are based on the scope of services rendered. Fees incurred in 2021 were nil (2020: nil).

The Board of Directors decided to set up an internal audit department in 2022 in order to provide independent, objective assurance to add value and improve the Group's operations and systems of internal controls.

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 page 94 of this Annual Report.

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 2021

		Executive Board member since
Jeannine Pilloud (until 25 January 2022)	CEO	02.08.2019
Dominik Maurer	CFO	10.10.2019

Members of the Executive Board

Nicolas Vanden Abeele, Chief Executive Officer (since 1 February 2022)
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; 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 Unitechnologies AG, Gals (Switzerland); since 10 October 2019 CFO and member of the Executive Board of the Ascom Group.

Jeannine Pilloud, Chief Executive Officer (until 25 January 2022)
Nationality: Switzerland | Born 1964

1990 Diploma ETH Zurich (Masters); 1991–1994 Suter & Suter Architects, Basel and Zurich; 1994–2001 Head of Systems Integration IBM Switzerland; 2001 MBA (INSEAD / Henley); 2001–2003 CIO; Head of e-Commerce; member of the Board Bon appétit Group, Volketswil (Switzerland); 2003–2011 Senior Vice President ICTO Western Europe T-Systems International, Frankfurt a.M.; 2011–2017 Head of Passenger Services and member of the Board Swiss Railways (SBB AG), Berne; 2018–2019 President of the Strategic Board Public Transport and ch-Direct, Berne; 10 April 2019–7 November 2019 Chairperson of the Board of Directors of Ascom Holding AG (Chairperson & CEO as from 2 August 2019); CEO and member of the Executive Board of the Ascom Group from 7 November 2019 until 25 January 2022.

Changes in the Executive Board

The management structure has been simplified as of 9 February 2021 and the Executive Board has been reduced to two members, consisting of CEO and CFO. Claes Ödman, former COO / Head of Global Functions, and Francis Schmeer, former Chief Sales Officer / Head of Rest of World, stepped down as members of the Executive Board as of 9 February 2021 and left the Company.

Further information on the curricule vitae of Claes Ödman and Francis Schmeer are available on page 41 in the corporate governance section of the Annual Report 2020.

As a subsequent event, the Board of Directors decided to appoint Nicolas Vanden Abeele as new 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.

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 2022:

Jens Sand Andersen **Denmark**	■ Managing Director Nordics ■ International Marketing Degree Copenhagen Business School / B.Sc. E.E. Copenhagen Technical University
Kelly Feist **USA**	■ Managing Director USA & Canada ■ Bachelor of Science / MBA
Olaf Hendriks **Netherlands**	■ Managing Director Netherlands ■ HU University of Applied Sciences, Utrecht
Gaby Hunziker **Switzerland**	■ Chief Human Resources Officer ■ Technical school / further education in HR and various leadership trainings
Dr Daniel Lack **Switzerland**	■ Company Secretary / Senior VP Legal & Communications / IR and QA & RA ■ Attorney-at-law / PhD in law, University of Berne
Paul Lawrence **UK**	■ Managing Director UK ■ MBA Loughborough University Business School
Valerio Signorelli **Switzerland**	■ Managing Director DACH ■ Master of Arts, University of St.Gallen

Mandates outside the Ascom Group of members of the Executive Board as of 31 December 2021

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

	Positions in publicly traded companies	Positions in non-listed companies	Positions in associations, non-profit organizations and pension funds
Jeannine Pilloud	–	Dellner Couplers, Falun (Sweden) Salt Mobile SA, Renens (Switzerland) Fehr Advice & Partners AG, Zurich	–
Dominik Maurer	–	SpreadYourWingZ GmbH; Teltow (Germany)	–

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. 10 regular meetings were held in 2021.

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 50 to 67 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/.

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 (OR) 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 21 April 2021 Franz Müller, Berne, as Independent Representative for a term of one year until the completion of the Annual General Meeting 2022, and Dr Alexander Kernen, Berne, as his deputy. Franz Müller and Dr Alexander Kernen 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/).

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.

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.

Shareholders who dispose of their shares before the General Meeting are no longer entitled to vote.

Annual General Meeting 2021

22,697,004 votes or about 63.0% of the share capital were represented at the Annual General Meeting 2021, which was held on 21 April 2021 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 most of the proposals of the Board of Directors by a clear majority. Except the remuneration report, all resolutions including the election of the members of the Board, and the appropriation of retained earnings were approved with majorities of over 84%.

The approval of the remuneration report was passed in a consultative vote with a majority of 50.03%. The Board of Directors took into consideration all comments received from shareholders for its future discussion about the compensation structure and its elements.

The Minutes of the Annual General Meeting 2021 may be downloaded on www.ascom.com/investors/annual-general-meeting/.

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. PricewaterhouseCoopers AG, Zurich (formerly STG-Coopers & Lybrand Ltd), have acted as auditors since 1987. The auditor was re-elected by the Annual General Meeting held on 21 April 2021 for a term of one year until the completion of the Annual General Meeting 2022. According to the Swiss Code of Obligations, the lead auditor must be rotated at least every seven years. Thomas Wallmer has been auditor-in-charge since 2015.

Auditing fee

PricewaterhouseCoopers AG was paid a compensation of CHF 490,000 (previous year: CHF 498,000) 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 2021.

Additional fees

PricewaterhouseCoopers AG was paid additional non-audit-related fees of CHF 64,000 (2020: CHF 31,000).

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 2021, 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 2021.

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 2021 reporting year, the Board of Directors concluded that the auditors' independence was fully assured.

Given the long-term of office of PricewaterhouseCoopers AG, the Board of Directors decided to change the audit firm and to propose the election of KMPG as new audit firm to the Annual General Meeting 2022.

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. Corporate 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)

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.

Online communication

The website 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/ and www.ascom.com/news/business-news/ and 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.

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

Dates and contacts

A list of important dates in 2022 and Corporate Communications and Investor Relations contacts is provided on page 116 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, important 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#. Detailed information on disclosure announcements can be viewed at 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 2021 of zRating (www.inrate.com), Ascom is ranked number 37 (2020: 21, 2019: 20, 2018: 7) 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's my pleasure to present to you the 2021 Remuneration Report on behalf of the Board of Directors and the Compensation & Nomination Committee.

Despite the ongoing disruptions due to Covid-19 pandemic and the component shortage, management and employees of Ascom achieved solid results in financial year 2021.

As in the past, the engagement with shareholders is 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.

Triggered by the voting results of the consultative vote on the Remuneration Report at the AGM 2021 which were not up to our own standards, the Compensation & Nomination Committee conducted an enhanced review of Ascom's compensation philosophy and framework. Overall, we believe that the general set up of our compensation approach still meets our internal requirements and supports its cultural and strategic ambitions. However, significant advancements were made to enhance our Remuneration Report by explaining our compensation decisions in more detail and improving transparency on our long-term incentive plan.

In course of the financial year 2021, the Compensation & Nomination Committee has further focused on

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

A continued open and pro-active dialogue with shareholders will be a matter of utmost importance to the Compensation & Nomination Committee going forward. In this regard, we are looking forward to receiving your feedback on our updated compensation framework and approach during our Annual General Meeting 2022.

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
PricewaterhouseCoopers AG as statutory auditors have audited the Remuneration Report according to Clause 17 of the Ordinance against Excessive Compensation ("OaEC"). 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 2021"), 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 27 to 49 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
- Ordinance against Excessive Compensation with respect to stock exchange listed companies ("OaEC")
- Listing Rules of SIX Swiss Exchange (LR)
- Articles of Association of Ascom Holding AG (dated 15 April 2020)
- Organizational Regulations of Ascom Holding AG (dated 21 August 2017 / 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: www.ascom.com/Investor-Relations/Governance/Directives-and-guidelines.html.

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" (p. 64).

f) Mandates outside the Ascom Group

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. The mandates outside the Ascom Group are listed in the corporate governance part (p. 37).

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 Sector 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 Clause 20b Sector 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 2021, the Executive Board consisted of two members:

- Jeannine Pilloud, CEO (until 25 January 2022)
- Dominik Maurer, CFO

c) Determination of the remuneration of the Executive Board members

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 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 compared to 2020 and 2019.

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.

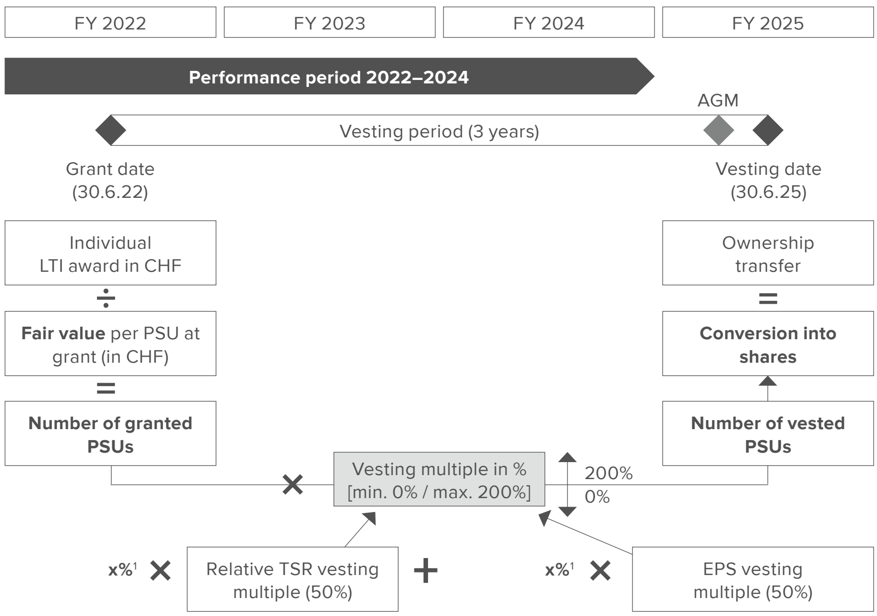
- **Short-term incentive (performance-related variable compensation)**
  Cash payment dependent on the quantitative goals and parameters such as net revenue and EBITDA as determined by the Board of Directors. The goals shall be in line with the yearly budgets of the Company. In addition, qualitative 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 performance targets as well as an unterminated contractual relationship with the company.

Performance targets are represented by 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 points difference. Ascom's three-year EPS are calculated as the weighted cumulative sum of the annual EPS of the three consecutive financial years starting with the financial year in which the grant occurs. Ascom's three-year TSR is calculated considering not only the variations of the share price over the same time horizon as for the EPS, 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



[1]According to target achievement

d) System of CEO Compensation as of 1 February 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[1] (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)

[1]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 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

The mandates outside the Ascom Group of the members of the Executive Board are listed in the Corporate Governance Report (p. 44).

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:

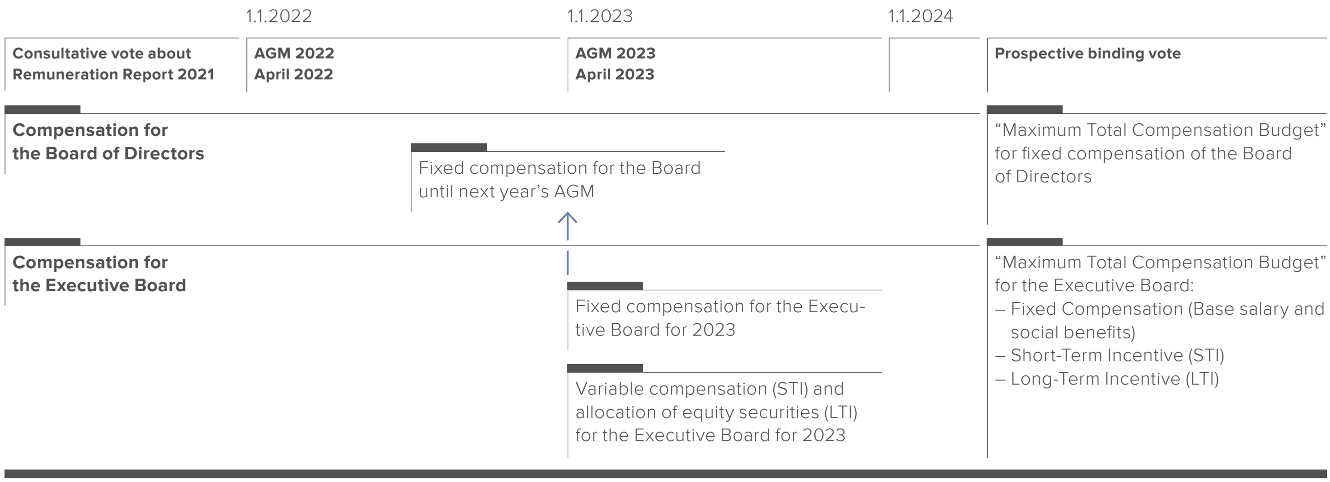
- The compensation of the Board of Directors for the year of office following the ordinary General Meeting until the next ordinary General Meeting
- The fixed compensation of the Executive Board for the next fiscal year (1 January to 31 December) following the ordinary General Meeting
- The variable 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.

As far as a total amount approved for the compensation of the Executive Board is insufficient to compensate members of the Executive Board appointed or promoted within the Executive Board after the respective resolution of the General Meeting until the beginning of the following approval period, the Company may use an additional amount pursuant to Article 19 OaEC in addition to the previously approved total compensation for the Executive Board for the respective approval period. 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 (excluding the CEO) for the approval period. The General Meeting does not vote on the used additional amount.

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
Compensation Board of Directors			
Maximum compensation for the Board of Directors for the period until the next Annual General Meeting	Recommendation	Proposal to the Annual General Meeting[1]	Approval
Individual compensation for the members of the Board of Directors in the reporting year	Proposal	Approval[1]	–
Compensation Executive Board			
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	–

[1] 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 2021

The shareholders approved the following maximum amounts for future compensations at the Annual General Meeting 2021:

- Board of Directors: maximal amount of CHF 700,000 (for six members) for the period from the Annual General Meeting 2021 until the Annual General Meeting 2022 (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 98.8%.
- Executive Board (for two members) for the business year 2022:
  - 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 93.8%.
  - Maximal amount of CHF 1,200,000 as variable compensation (short-term incentive); approved with a majority of 94.3%.
  - Maximal amount of CHF 500,000 as long-term incentive; approved with a majority of 93.0%.

The Annual General Meeting 2021 approved the Remuneration Report 2020 with a majority of 50.03% in a consultative non-binding vote.

II. REMUNERATION IN FISCAL YEAR 2021

1. Board of Directors

a) Remuneration in fiscal year 2021 (audited information)

Members of the Board of Directors were paid a gross remuneration totaling CHF 700,000 in fiscal year 2021 (2020: CHF 670,833).

in CHF	2021 Gross remuneration including employee contributions to the Swiss social insurances	2021 Employer contributions to the Swiss social insurances (AHV/IV/ALV)	2020 Gross remuneration including employee contributions to the Swiss social insurances	2020 Employer contributions to the Swiss social insurances (AHV/IV/ALV)
Dr Valentin Chapero Rueda (Chairman)	200,000	12,020	200,000	12,439
Jürg Fedier	100,000	4,410	100,000	6,375
Nicole Burth Tschudi	100,000	6,400	70,833	4,516
Laurent Dubois	100,000	6,400	70,833	4,516
Michael Reitermann	100,000	–	70,833	–
Dr Andreas Schönenberger	100,000	6,400	70,833	4,516
Dr Harald Deutsch[1]	–	–	29,167	–
Christina Stercken[1]	–	–	29,167	–
Andreas Umbach[1]	–	–	29,167	1,859
Total	700,000	35,630	670,833	34,221

[1] Board Member until 15 April 2020.

- 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 Art. 663b^{bis} 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 2020: CHF 700,000 for the Board of Directors (six members) for the period from the Annual General Meeting 2020 until the Annual General Meeting 2021.

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 2020 and the Annual General Meeting 2021 is in line with the approval of the Annual General Meeting 2020.

2. Executive Board

a) Members of the Executive Board in 2021

In 2021, the Executive Board consisted of the following members:

- 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 2021 (audited information)

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

[1] Including the statutory employee contributions paid to the Swiss social insurance.
[2] SEK 2,562,372 in total (1 SEK = 0.1064 CHF).
[3] Contributions to medical benefit plans.
[4] Weighted average fair value of the PSU units at grant (1 PSU = CHF 15.49) assuming full achievement of all performance-related targets.
[5] 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).
[6] This includes the contractual obligations to compensate the outstanding vacations days as well as the STI 2021.
[7] System of CEO compensation as of 1 January 2021 see Annual Report 2020, p. 51 (www.ascom.com/investors/reports-and-presentations/).

c) Compensation Executive Board 2020 (audited information)

in CHF	Base salary	Variable salary component (STI)	Miscellaneous	Pension contributions	LTI[4]	Total
CEO	550,000[1]	412,250[1]	0	64,019	225,000[5]	**1,251,269**
CFO	304,850[1]	139,639[1]	0	31,738	120,000[5]	**596,227**
COO / Head of Global Functions	261,737[2]	74,720	829[3]	79,235	120,000[5]	**536,521**
Chief Sales Officer / Head of Rest of World	345,000[1]	150,190[1]	0	33,605	120,000[5]	**648,795**
Total Executive Board in 2020	**1,461,587**	**776,799**	**829**	**208,597**	**585,000**	**3,032,812**

[1] Including the statutory employee contributions paid to the Swiss social insurance.
[2] = SEK 2,556,030.
[3] Contributions to medical benefit plans.
[4] Weighted average fair value of the PSU units at grant (1 PSU = CHF 6.85) assuming full achievement of all performance-related targets.
[5] 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).

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)	
	2021	**2020**
CEO (until 25 January 2022)	47,195	35,918
CFO	25,854	18,585
Former COO / Head of Global Functions		
– in charge (until 9 February 2021)	–	–
– period after resignation (10 February to 31 December 2021)	–	–
Former Chief Sales Officer / Head of Rest of World		
– in charge (until 9 February 2021)	3,300	19,917
– period after resignation (10 February to 31 August 2021)	17,820	–
Total	**94,169**	74,420

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.

The Company paid for the former COO / Head of Global Functions employer contributions of CHF 35,918 (2020: CHF 28,010) to the Swedish social insurances. These contributions neither constitute nor increase the pension benefits of the employee.

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 2021**
  - The CEO had for fiscal year 2021 a target potential of 77.2% 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 154.2% of the basic salary.
  - The CFO had for fiscal year 2021 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 Sector 3 of the Articles of Association.

- **Performance-related targets 2021 (STI)**

The Board of Directors set the performance targets for 2021 with the aim to incentivize profitable growth of the Group.

The performance-related variable compensation for the members of the Executive Board in 2021 was linked to the achievement of the following measurable quantitative targets (incl. weighting):

- Net revenue (CEO: 40%, CFO: 30%)
- EBITDA (CEO: 40%, CFO: 30%)

In addition, the Board of Directors set measurable qualitative targets for 2021 to strengthen the organization. While the (former) CEO was measured on specific targets concerning the strategy implementation and the organizational set-up, the CFO got measurable specific targets with regard to cost efficiency improvement and workflow management, supply chain organization, and the ERP blue print implementation.

Target achievement in 2021:

- (Former) CEO: overall 44.1%

– Financial targets: 39.1% (out of 80%)

– Individual targets: 5% (out of 20%)

- CFO: overall 65.3%

– Financial targets: 29.3% (out of 60%)

– Individual targets: 36% (out of 40%)

The Board of Directors has decided to reduce the qualitative individual targets for the CFO from 40% to 20% as of 2022.

The variable salary component for the two members of the Executive Board as of 31 December 2021 amounted to CHF 285,549 (2020: CHF 776,799 for four members of the Executive Board).

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

- **Payout opportunities for PSU plan 2021**
  - The (former) CEO had a target grant level amounting to CHF 225,000 (equals 40.1% of her 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 80.2% 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 15.49 at grant date for PSU plan 2021.
  - On 31 July 2021, the (former) CEO received 14,530 PSUs with a fair value of CHF 225,000 at grant, while the CFO received 9,300 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 2024). However, the effective remuneration will correspond in maximum to the adjusted vesting period (pro rata temporis until the end of the employment contract).

- **Performance-related targets for the 2021 PSU plan (LTI)**

In order to increase the transparency regarding the ambition level of our long-term incentive plan, we have added additional details and background information around the target-setting process and performance targets where reasonable and mindful of sensitive business information.

For each annual grant and each performance target (EPS and relative TSR) the vesting curves are 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.

Relative TSR and EPS targets are 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 and translated into EPS targets, 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 EPS targets.

EPS targets in CHF are considered commercially sensitive information whose disclosure would lead to an unfair competitive disadvantage of Ascom due to exposing strategically relevant information which is why curves are shown on a relative basis.

The vesting curves for the 2021 PSU plan are illustrated in the table below:

Vesting Multiple		Performance target (2021-2023)		Interpretation
		Relative TSR	EPS	
Minimum	0%	≤ 45 p.p.	≤ 36% of target	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.	= 100%	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.	≥ 164% of target	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 2021 for all members of the Executive Board amounted to CHF 2,328,349 (2020: CHF 3,032,812).

g) Highest compensation

The highest total remuneration within the Ascom Group was paid to the CEO. The remuneration paid to the (former) CEO in 2021, consisting of the basic salary and the variable component, amounted to CHF 737,425. The employer's pension contributions amounted to CHF 64,442. The value of Performance Stock Units (PSU) allocated to the (former) CEO are valued at a total of CHF 225,000 based on the value at the time they were granted and assuming all performance targets will be achieved. However, the effective remuneration will correspond in maximum to the adjusted vesting period (pro rata temporis until the end of the working contract).

The total remuneration paid to the (former) CEO in 2021 amounted to CHF 1,026,867 (2020: CHF 1,251,269).

h) Additional payments (audited information)

No members of the Executive Board received any additional payments as defined by Art. 663b^{bis} 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 2020

The shareholders approved the following maximum amounts for future compensations at the Annual General Meeting 2020 for the then four members of the Executive Board for fiscal year 2020:

- CHF 2,000,000 as fixed compensation (including contributions to pension funds and other social benefits)
- CHF 1,800,000 as variable compensation
- CHF 850,000 as long-term incentive

The Annual General Meeting 2020 approved a total amount of CHF 4,650,000 for the compensation of the Executive Board in 2021. The total compensation paid to the Executive Board in 2021 of CHF 2,328,349 is in line with the amount of CHF 4,650,000 as approved by the Annual General Meeting 2020.

Reported compensation of the Executive Board during fiscal year 2021 compared to the amount approved by shareholders at the Annual General Meeting 2020

In CHF	Executive Board compensation earned during FY 2021 (4 members)	Maximum amount approved by shareholders at the 2020 AGM (4 members)	Amount within the amount approved by shareholders at the 2020 AGM and compensation ratio
Fixed compensation (including contribution to pension funds and other social benefits)[1]	1,673,800	2,100,000	Yes 79.7%
Variable compensation (STI)	285,549	1,800,000	Yes 15.9%
Long-term incentive (LTI)	369,000	850,000	Yes 43.4%
Total compensation Executive Board[1]	**2,328,349**	**4,650,000**	**Yes 50.0%**

[1] Including miscellaneous and pension contributions.

The corresponding reporting of the Executive Board compensation 2022 approved by the Annual General Meeting 2021 as well as the reporting of the compensation ratio will be disclosed in the Remuneration Report 2022.

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

No former members of the Executive Board or parties closely related to them received any payments or loans from the Company in 2021.
In 2020, former CEO Holger Cordes received a payment of CHF 607,580 excluding employer social insurance contributions of CHF 47,481. Former CFO Anette Weber received in 2020 a payment of CHF 78,357 excluding employer social insurance contributions of CHF 8,932.

III. SHARE OWNERSHIP

Number of shares and options held in Ascom Holding AG as of 31 December 2021:

1. Board of Directors

All members of the Board of Directors and closely related parties, in total: 120,384 shares.

	Shares[1]
Dr Valentin Chapero Rueda, Chairman	76,994
Nicole Burth Tschudi	0
Laurent Dubois	7,500
Jürg Fedier	4,400
Michael Reitermann	31,490
Andreas Schönenberger	0
Total Board of Directors	**120,384**

[1] Acquired by the Board members from the market.

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

2. Executive Board (as of 31 December 2021)

All members of the Executive Board and closely related parties, in total: 22,673 shares.

	Shares
Jeannine Pilloud, CEO	15,973
Dominik Maurer, CFO	6,700
Total Executive Board	**22,673**

The members of the Executive Board hold the following conversion rights based on the provisions of the Performance Stock Units (PSU) plans 2019, 2020 and 2021:

	PSU 2019	PSU 2020	PSU 2021	Total
Jeannine Pilloud, CEO	–	32,850	14,530	47,380
Dominik Maurer, CFO	–	17,520	9,300	26,820
Total Executive Board				**74,200**

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

3. Share allotment in 2021

According to the provisions of the Ascom share matching plan 2018, Ascom Holding AG allotted 1,380 shares in 2021 to 7 remaining participants of the Ascom share matching plan 2018.

Ascom Holding AG allotted no further shares in 2021.

IV. LONG-TERM INCENTIVE PLANS

1. Ascom share matching plan 2018

The Ascom share matching plan 2018 (as described in the Annual Report 2020 on page 61) expired on 30 June 2021.

Out of the 6,245 remaining investment shares, 2,293 were exercised or forfeited in 2021.

The remaining 3,952 investment shares as of 30 June 2021 qualified for 1,380 matching shares, which were allotted to the remaining seven participants.

2. Performance Stock Units (PSU) plan 2019

The Ascom long-term incentive 2019 (PSU plan 2019) runs for a period of three years with a vesting date defined at 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, 37,140 PSUs were forfeited during 2019 and 2020. Out of the remainder of 116,422 PSUs, another 53,297 PSUs were forfeited in 2021. Thus, 63,125 PSUs may qualify for share conversion.

The PSU plan 2019 runs for a period of three years with a vesting date defined at 31 May 2022. The vesting multiple for this PSU plan based on the relative TSR and EPS performance realized during a three-year period from 2019 to 2021 and was 0%. The table below gives an overview of the performance achievements under the PSU plan 2019:

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

3. 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, 6,940 PSUs were forfeited during 2020. Out of the remainder of 214,710 PSUs, another 65,710 PSUs were forfeited in 2021. Thus, 149,000 PSUs may qualify for share conversion.

4. 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 at 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. Thus, 77,600 PSUs may qualify for share conversion.

5. Performance Stock Units held as of 31 December 2021

PSU plan	Vesting date	Performance indicators	Number of outstanding PSUs	Maximum of conversion shares
2019	31.05.2022	EPS/TSR	63,125	0
2020	30.06.2023	EPS/TSR	149,000	298,000
2021	30.06.2024	EPS/TSR	77,600	155,200

As of 31 December 2021, there are 226,600 outstanding PSUs related to the PSU plans 2020 and 2021 which may be converted into maximal 453,200 shares according to the PSU plans. As the targets have been missed, no PSUs of the PSU plan 2019 will be converted into shares.

The total of the outstanding contingent conversion shares corresponds to 1.26% of the total share capital of the Company.

Report of the statutory auditor

to the General Meeting of Ascom Holding AG

Baar

We have audited the remuneration report of Ascom Holding AG for the year ended 31 December 2021. The audit was limited to the information according to articles 14–16 of the Ordinance against Excessive Compensation in Stock Exchange Listed Companies (Ordinance) contained in the tables / information labeled "audited information".

Board of Directors' responsibility

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

Auditor's responsibility

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

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

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

Opinion

In our opinion, the remuneration report of Ascom Holding AG for the year ended 31 December 2021 complies with Swiss law and articles 14–16 of the Ordinance.

PricewaterhouseCoopers AG

Thomas Wallmer	Daniel Wyss
Audit expert Auditor in charge	Audit expert

Zürich, 28 February 2022

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Financial statements 2021

Consolidated balance sheet

Assets

CHFm	Note	31.12.2021	%	31.12.2020	%
Cash and cash equivalents		29.5		31.8	
Trade receivables	4	65.2		55.0	
Other short-term receivables	5	8.2		10.8	
Inventories and work in progress	6	27.7		23.0	
Prepayments and accrued income	7	16.8		15.9	
Current assets		**147.4**	*75.7*	**136.5**	*67.2*
Property, plant and equipment	8	5.4		6.1	
Intangible assets	9	31.4		35.2	
Financial assets	10	10.5		25.3	
Non-current assets		**47.3**	*24.3*	**66.6**	*32.8*
Total assets		**194.7**	*100.0*	**203.1**	*100.0*

Liabilities and shareholders' equity

CHFm	Note	31.12.2021	%	31.12.2020	%
Trade payables		18.0		17.1	
Other liabilities	12	14.1		13.2	
Provisions	13	3.1		5.2	
Customer prepayments and deferred revenue	15	28.4		23.0	
Accrued liabilities	16	25.4		28.6	
Current liabilities		**89.0**	*45.7*	**87.1**	*42.9*
Borrowings	11	–		19.0	
Provisions	13	25.7		25.9	
Non-current liabilities		**25.7**	*13.2*	**44.9**	*22.1*
Total liabilities		**114.7**	*58.9*	**132.0**	*65.0*
Share capital	17	18.0		18.0	
Capital reserves		15.8		16.0	
Own shares	17	(0.1)		(0.1)	
Retained earnings		46.3		37.2	
Shareholders' equity		**80.0**	*41.1*	**71.1**	*35.0*
Total liabilities and shareholders' equity		**194.7**	*100.0*	**203.1**	*100.0*

The notes on pages 74 to 99 are an integral part of the consolidated financial statements.

Consolidated income statement

CHFm	Note	2021	%	2020	%
Net revenue	18	291.5	*100.0*	281.0	*100.0*
Cost of sales	13, 19	(154.8)		(147.7)	
Gross profit		**136.7**	*46.9*	**133.3**	*47.4*
Marketing and sales	13, 19	(70.9)		(67.0)	
Research and development	13, 19	(29.2)		(32.2)	
Administration	13, 19	(19.7)		(21.9)	
Other operating income	20	0.1		0.2	
Other operating expenses	20	(1.2)		(1.4)	
Operating result (EBIT)		**15.8**	*5.4*	**11.0**	*3.9*
Financial income	21	2.9		1.3	
Financial expenses	21	(1.5)		(4.5)	
Profit before income tax		**17.2**	*5.9*	**7.8**	*2.8*
Income tax	22	(3.7)		(1.3)	
Group profit for the period[1]		**13.5**	*4.6*	**6.5**	*2.3*

[1] Attributable to the owners of the parent.

Earnings per share in CHF

	Note	2021	2020
Basic	23	0.38	0.18
Diluted	23	0.37	0.18

Additional information – non-GAAP measures

CHFm	2021	%	2020	%
EBITDA[1]	28.7	*9.8*	24.9	*8.9*

[1] 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 2021, operating depreciation and amortization amounted to CHF 12.9 million (previous year: CHF 13.9 million).

The notes on pages 74 to 99 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[1]	Own shares[1]	Share premium	Other capital reserves	Currency translation adjustments	Goodwill offset	Other retained earnings	Total shareholders' equity
Balance at 1.1.2020	**18.0**	**(0.2)**	**1.1**	**14.5**	**(13.8)**	**(54.9)**	**98.5**	**63.2**
Group profit for the period	–	–	–	–	–	–	6.5	6.5
Currency translation adjustments	–	–	–	–	0.9	–	–	0.9
Goodwill offset with equity[2]	–	–	–	–	–	–	–	–
Share-based payments[3]	–	–	–	0.6	–	–	–	0.6
Purchase of own shares	–	(0.1)	–	–	–	–	–	(0.1)
Disposal of own shares	–	0.2	–	(0.2)	–	–	–	–
Dividends paid	–	–	–	–	–	–	–	–
Balance at 31.12.2020	**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[2]	–	–	–	–	–	–	–	–
Share-based payments[3]	–	–	–	(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**

[1] Refer to note 17.
[2] Refer to note 9.
[3] 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 74 to 99 are an integral part of the consolidated financial statements.

Consolidated statement of cash flows

CHFm	Note	2021	2020
Group profit for the period		13.5	6.5
+ Depreciation of property, plant and equipment	8	1.9	2.2
+ Amortization of intangible assets	9	11.0	11.7
+/– Share-based payments	24	(0.2)	0.7
+/– Addition/(release) of provisions	13	2.2	1.8
+/– Adjustment for other non-cash items		(0.1)	–
+/– Change in inventory and work in progress		(5.7)	4.4
+/– Change in trade receivables		(12.4)	15.4
+/– Change in trade payables		1.9	(4.2)
+/– Change in other receivables and prepayments		(3.8)	1.4
+/– Change in accrued and other short-term liabilities and deferred income		1.5	3.8
– Interest income	21	(0.4)	(1.3)
+ Interest expenses	21	0.8	1.1
+ Interest received		0.2	0.1
– Interest paid		(0.1)	(0.5)
+/– Income tax (benefits)/expenses	22	3.8	1.3
+/– Income tax (paid)/received		0.8	(2.5)
+/– Foreign currency translation differences		(3.3)	3.2
Cash flow from operating activities		**11.6**	**45.1**
– Purchase of property, plant and equipment	8	(2.5)	(1.8)
+ Proceeds from disposal of property, plant and equipment		0.9	0.3
– Purchase of intangible assets	9	(9.2)	(8.9)
+/– Change in financial assets and other non-current assets		16.0	0.4
Cash flow from investing activities		**5.2**	**(10.0)**
+/– Proceeds from/(repayment of) short-term borrowings		–	(40.0)
+/– Proceeds from/(repayment of) long-term borrowings		(19.0)	19.0
– Purchase of own shares		–	(0.1)
Cash flow from financing activities		**(19.0)**	**(21.1)**
+/– Foreign currency translation differences on cash and cash equivalents		(0.1)	(0.4)
Increase/(decrease) in cash and cash equivalents		**(2.3)**	**13.6**
+ Cash and cash equivalents at 1.1.		31.8	18.2
Cash and cash equivalents at 31.12.		**29.5**	**31.8**

The notes on pages 74 to 99 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 18 countries and employs around 1,300 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 2021.

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. Ascom controls a subsidiary when Ascom is exposed to, or has rights to, variable returns from its involvement with the subsidiary and has the ability to affect those returns through its power over the subsidiary. 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. Exchange differences arising from the reconversion of the net investment in subsidiaries in foreign functional currencies are recorded as currency translation adjustments in equity. 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	31.12.2021	Average 2021	31.12.2020	Average 2020
Euro	EUR	1	1.033	1.080	1.080	1.072
US dollar	USD	1	0.912	0.912	0.880	0.937
Swedish krona	SEK	1	0.101	0.106	0.108	0.102
Pound sterling	GBP	1	1.230	1.254	1.202	1.210

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. Such balances are converted into the functional currency of the foreign entity at the exchange rates prevailing on 31 December.

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 and services is recognized on delivery to and acceptance by the customer, when significant risks and rewards of ownership of the goods have passed to the buyer, and it is probable that future economic benefits will flow to Ascom. 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 long-term maintenance agreements is recognized straight-line over the contract term. Revenue from fixed-price, multi-element contracts including goods and services is allocated to the separable components based on the value of the separable components.

Revenue from significant customer projects is recognized using the percentage-of-completion method (PoC), if the stage of completion and expected outcome can be measured reliably. 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 provision for doubtful debts, which is recognized when it becomes probable that the receivable is not fully realizable. The amount of the provision 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). Provisions are made 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. 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 recorded in 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 intangible assets, 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. Where such forward contracts are linked to specific projected transactions and cash flows, the hedging is deemed to be effective and documented accordingly, with changes in the fair value of the cash flow hedges recognized in equity. The gain or loss relating to fair value changes of other forward contracts is recognized immediately in the income statement as part of the financial result, as these contracts are deemed ineffective hedges. Where these cash flow hedges relate to flow of goods, the gains or losses are recorded as part of cost of sales. Gains and losses related to fair value changes of foreign currency forward contracts, which have been recognized in equity, are recycled in the income statement in the periods in which the hedged item affects gain or loss. When a forecasted transaction is no longer expected to occur, the cumulative gain or loss reported in equity is immediately transferred to the income statement.

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 unterminated 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	
	2021	2020	2021	2020
DACH	56.7	55.8	42.2	46.6
France & Spain	22.5	18.4	19.6	17.6
Netherlands	54.5	57.2	55.3	52.8
Nordics	49.9	40.9	44.5	40.8
UK	17.3	33.8	17.5	14.5
USA & Canada	53.9	55.2	49.7	49.6
Rest of World	39.9	43.5	40.9	41.4
OEM (Original Equipment Manufacturer)	47.6	17.6	21.8	17.7
Total	**342.3**	**322.4**	**291.5**	**281.0**

4. TRADE RECEIVABLES

CHFm	31.12.2021	31.12.2020
Receivables from third parties[1]	67.5	56.9
Less provision for doubtful debts	(2.3)	(1.9)
Total	**65.2**	**55.0**

[1] This line item includes CHF 8.8 million (previous year: CHF 7.3 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	31.12.2021	31.12.2020
Income tax and other tax receivables	7.0	9.8
Other receivables	0.8	0.2
Finance leases	0.4	0.6
Derivative financial instruments	–	0.2
Total other short-term receivables	**8.2**	**10.8**

6. INVENTORIES AND WORK IN PROGRESS

CHFm	31.12.2021	31.12.2020
Raw materials and components	3.6	4.9
Work in progress[1]	11.3	7.2
Finished goods and goods for resale	16.5	15.0
Inventory provision	(3.7)	(4.1)
Total	**27.7**	**23.0**

[1] This line item includes CHF 0.2 million (previous year: CHF 0.5 million) of work in progress arising from customer projects using the percentage-of-completion method.

7. PREPAYMENTS AND ACCRUED INCOME

CHFm	31.12.2021	31.12.2020
Prepayments	5.2	4.3
Accrued income[1]	11.6	11.6
Total	**16.8**	**15.9**

[1] This line item includes CHF 11.3 million (previous year: CHF 11.4 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
Cost					
Balance at 1.1.2020	**3.8**	**17.2**	**0.7**	**16.0**	**37.7**
Additions	0.1	0.3	1.3	0.1	1.8
Disposals	(1.0)	–	–	(0.1)	(1.1)
Reclassifications	–	0.5	(0.8)	0.3	–
Currency translation adjustments	0.1	0.3	–	0.3	0.7
Balance at 31.12.2020	**3.0**	**18.3**	**1.2**	**16.6**	**39.1**
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)
Balance at 31.12.2021	**2.9**	**14.8**	**1.0**	**11.3**	**30.0**
Accumulated depreciation and impairment					
Balance at 1.1.2020	**(1.8)**	**(15.2)**	**–**	**(14.0)**	**(31.0)**
Depreciation charge	(0.3)	(0.9)	–	(1.0)	(2.2)
Disposals	0.6	–	–	0.2	0.8
Reclassifications	–	0.2	–	(0.2)	–
Currency translation adjustments	–	(0.2)	–	(0.4)	(0.6)
Balance at 31.12.2020	**(1.5)**	**(16.1)**	**–**	**(15.4)**	**(33.0)**
Depreciation charge	(0.2)	(1.0)	–	(0.7)	(1.9)
Disposals	0.1	3.8	–	5.2	9.1
Reclassifications	–	–	–	–	–
Currency translation adjustments	0.1	0.6	–	0.5	1.2
Balance at 31.12.2021	**(1.5)**	**(12.7)**	**–**	**(10.4)**	**(24.6)**
Net carrying amount at 31.12.2020	**1.5**	**2.2**	**1.2**	**1.2**	**6.1**
Net carrying amount at 31.12.2021	**1.4**	**2.1**	**1.0**	**0.9**	**5.4**

9. INTANGIBLE ASSETS

CHFm	Customer relations	Acquired technology	Internally generated intangibles	Acquired software	Other	Total
Cost						
Balance at 1.1.2020	**7.7**	**5.2**	**46.2**	**23.3**	**9.4**	**91.8**
Additions	–	–	6.5	–	2.4	8.9
Disposals	–	–	–	–	–	–
Reclassification	–	–	–	2.0	(2.0)	–
Currency translation adjustments	(0.2)	–	1.9	0.9	0.4	3.0
Balance at 31.12.2020	**7.5**	**5.2**	**54.6**	**26.2**	**10.2**	**103.7**
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)
Balance at 31.12.2021	**7.4**	**5.0**	**57.8**	**26.1**	**6.8**	**103.1**
Accumulated amortization and impairment						
Balance at 1.1.2020	**(5.0)**	**(3.9)**	**(26.0)**	**(15.7)**	**(4.1)**	**(54.7)**
Amortization charge	(0.8)	(0.4)	(6.9)	(3.1)	(0.5)	(11.7)
Disposals	–	–	–	–	–	–
Currency translation adjustments	0.2	(0.1)	(1.4)	(0.7)	(0.1)	(2.1)
Balance at 31.12.2020	**(5.6)**	**(4.4)**	**(34.3)**	**(19.5)**	**(4.7)**	**(68.5)**
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
Balance at 31.12.2021	**(6.2)**	**(4.6)**	**(37.5)**	**(18.5)**	**(4.9)**	**(71.7)**
Net carrying amount at 31.12.2020	**1.9**	**0.8**	**20.3**	**6.7**	**5.5**	**35.2**
Thereof acquired	**1.9**	**0.8**	**–**	**6.7**	**5.5**	**14.9**
Thereof generated internally	**–**	**–**	**20.3**	**–**	**–**	**20.3**
Net carrying amount at 31.12.2021	**1.2**	**0.4**	**20.3**	**7.6**	**1.9**	**31.4**
Thereof acquired	**1.2**	**0.4**	**–**	**7.6**	**1.9**	**11.1**
Thereof generated internally	**–**	**–**	**20.3**	**–**	**–**	**20.3**

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	2021	2020
Acquisition cost		
As of 1 January	33.9	35.0
Additions from acquisitions	–	–
Liquidation of a subsidiary or business	–	–
Disposal of a subsidiary or business	–	–
Reversal of earn-out	–	–
Translation adjustment	(0.3)	(1.1)
As of 31 December	**33.6**	**33.9**
Accumulated amortization		
As of 1 January	(33.9)	(34.5)
Additions	–	(0.4)
Liquidation of a subsidiary or business	–	–
Disposal of a subsidiary or business	–	–
Translation adjustment	0.3	1.0
As of 31 December	**(33.6)**	**(33.9)**
Theoretical book values, net		
As of 1 January	–	0.5
As of 31 December	**–**	**–**

Theoretical effect on income statement

CHFm	2021	2020
Operating result	15.8	11.0
Theoretical amortization goodwill	–	(0.4)
Theoretical operating result incl. amortization goodwill	15.8	10.6
Group profit for the period	13.5	6.5
Theoretical amortization goodwill	–	(0.4)
Theoretical Group profit for the period incl. amortization goodwill	13.5	6.1

Theoretical effect on balance sheet

CHFm	2021	2020
Equity according to balance sheet	80.0	71.1
Theoretical capitalization net book value goodwill	–	–
Theoretical equity incl. net book value goodwill	80.0	71.1
Equity as % of balance sheet total	41.1%	35.0%
Theoretical equity incl. net book value goodwill as % of balance sheet total (incl. goodwill)	41.1%	35.0%

10. FINANCIAL ASSETS

CHFm	31.12.2021	31.12.2020
Deferred income tax assets	6.3	7.7
Pension-related assets	2.4	0.9
Finance leases	0.6	1.2
Other financial assets	1.2	15.5
Total non-current portion	**10.5**	**25.3**

Detailed information related to deferred income tax assets and pension-related assets are provided in notes 22 and 14, respectively. Other financial assets in 2020 mainly comprised the subordinated vendor loan amounting to CHF 14.2 million, which was granted in connection with the disposal of the Network Testing Division. The vendor loan has been early repaid in 2021 in full and the payment amounted to USD 17.1 million.

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 31.12.2021
Gross investment in leases	0.5	0.6	–	1.1
Unearned interest income	–	–	–	–
Present value of the net minimum lease payments	**0.5**	**0.6**	**–**	**1.1**

CHFm	Within 12 months	Between 1 and 5 years	Later	Total 31.12.2020
Gross investment in leases	0.7	1.3	–	2.0
Unearned interest income	(0.1)	(0.1)	–	(0.2)
Present value of the net minimum lease payments	**0.6**	**1.2**	**–**	**1.8**

11. BORROWINGS

The Group has syndicated revolving multi-currency credit facilities in the amount of CHF 50.0 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 2021, Ascom did not use any of the cash lines available, as shown in the table below:

CHFm	31.12.2021	31.12.2020
Current	–	–
Non-current	–	19.0
Total borrowings	**–**	**19.0**

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 disclosed in note 26.5.

12. OTHER LIABILITIES (CURRENT)

CHFm	31.12.2021	31.12.2020
Income tax liabilities	1.2	1.5
VAT and other tax liabilities	6.7	5.3
Personnel-related liabilities	5.9	6.1
Derivative financial instruments	0.1	–
Other liabilities	0.2	0.3
Total	**14.1**	**13.2**

13. PROVISIONS

CHFm	Restructuring	Deferred tax provisions	Employee benefit obligation	Other provisions	Total
Balance at 1.1.2020	**4.9**	**4.2**	**20.1**	**3.8**	**33.0**
Additions	0.6	0.4	0.7	1.4	3.1
Increase in present value	–	–	0.6	–	0.6
Payments	(2.7)	–	(0.5)	(1.6)	(4.8)
Release of unused amounts	(0.3)	(0.4)	(0.1)	(0.6)	(1.4)
Currency translation adjustments	–	0.1	0.5	–	0.6
Balance at 31.12.2020	**2.5**	**4.3**	**21.3**	**3.0**	**31.1**
Additions	0.5	1.3	0.7	1.3	3.8
Increase in present value	–	–	0.6	–	0.6
Payments	(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)
Balance at 31.12.2021	**0.7**	**4.7**	**20.7**	**2.7**	**28.8**

Expected payment

CHFm	Restructuring	Deferred tax provisions	Employee benefit obligation	Other provisions	Total
Within 12 months	2.5	–	–	2.7	5.2
Later	–	4.3	21.3	0.3	25.9
Balance at 31.12.2020	**2.5**	**4.3**	**21.3**	**3.0**	**31.1**
Within 12 months	0.7	–	–	2.4	3.1
Later	–	4.7	20.7	0.3	25.7
Balance at 31.12.2021	**0.7**	**4.7**	**20.7**	**2.7**	**28.8**

On 16 December 2019, the Board of Directors of Ascom Holding AG approved the restructuring program. This program comprises mainly personnel-related restructuring charges and impacts all functions within the organization. The restructuring charges to the operating result are included in the following table.

CHFm	2021	2020
Restructuring included in cost of sales	–	0.2
Restructuring included in marketing and sales	0.2	0.2
Restructuring included in administration	(0.3)	(0.7)
Total	**(0.1)**	**(0.3)**

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 2021, the range of the applied discount rate varies between 0.8% and 1.75% (previous year: 0.3%–1.1%), 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

Employer contribution reserves (ECR)

CHFm							Result from ECR in personnel expense		Result from ECR in interest expense	
	Nominal value 31.12.2021	Renounced use 31.12.2021	Balance sheet 31.12.2021	Accumulation/ (usage) 2021	CTA 2021	Balance sheet 31.12.2020	2021	2020	2021	2020
Pension plans	2.4	–	2.4	1.5	–	0.9	(1.8)	(0.6)	–	–
Total	**2.4**	**–**	**2.4**	**1.5**	**–**	**0.9**	**(1.8)**	**(0.6)**	**–**	**–**

Economical benefit/economical obligation and pension benefit expenses

CHFm		Economical part of the organization					Pension benefit expenses within personnel expenses		Pension benefit expenses within interest expenses	
	(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	2021	2020
Pension plans without surplus/deficit	–	–	–	–	–	(8.8)	8.8	8.2	–	–
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	0.6	0.6
Total	**18.6**	**18.6**	**19.4**	**0.4**	**(1.2)**	**(9.0)**	**8.8**	**8.6**	**0.6**	**0.6**

15. CUSTOMER PREPAYMENTS AND DEFERRED REVENUE

CHFm	31.12.2021	31.12.2020
Customer prepayments[1]	28.2	22.8
Deferred revenue	0.2	0.2
Total	**28.4**	**23.0**

[1] This line item includes CHF 9.6 million (previous year: CHF 1.2 million) of customer prepayments arising from customer projects using the percentage-of-completion method.

16. ACCRUED LIABILITIES

CHFm	31.12.2021	31.12.2020
Personnel-related accruals	16.9	20.9
Accrued liabilities arising from long-term contracts (PoC)	1.0	0.5
Other accrued expenses	7.5	7.2
Total	**25.4**	**28.6**

17. SHARE CAPITAL AND OWN SHARES

Composition of share capital

CHFm	Number 31.12.2021	Amount 31.12.2021	Number 31.12.2020	Amount 31.12.2020
Registered shares nom. CHF 0.50	36,000,000	18.0	36,000,000	18.0
Number of registered shareholders	4,319		4,111	

The total authorized number of ordinary shares is 36,000,000 of which 35,994,225 are outstanding at 31 December 2021 (previous year: 35,992,845). 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 2021	Amount 2021 (CHFm)	Average transaction price (CHF)	Number of shares 2020	Amount 2020 (CHFm)	Average transaction price (CHF)
Balance at 1.1.	**7,155**	**0.1**	**8.91**	**21,723**	**0.2**	**10.66**
Additions	–	–	–	10,000	0.1	7.17
Disposals	(1,380)	–	8.91	(24,568)	(0.2)	9.75
Balance at 31.12.	**5,775**	**0.1**	**8.91**	**7,155**	**0.1**	**8.91**

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	2021	2020
Contract revenue recognized in the reporting period	30.9	26.8

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	2021	2020
Wages and salaries	(105.6)	(103.4)
Social security and pension costs	(23.5)	(24.9)
Other personnel expenses	(8.5)	(9.3)
Total[1]	**(137.6)**	**(137.6)**

[1] Own employees. This line item includes restructuring costs of CHF 0.1 million (previous year: CHF 0.3 million), see note 13.

20. OTHER OPERATING INCOME AND EXPENSES

CHFm	2021	2020
Other operating income	0.1	0.2
Total other operating income	**0.1**	**0.2**
Amortization of intangible assets from acquisition[1]	(1.1)	(1.2)
Other operating expenses	(0.1)	(0.2)
Total other operating expenses	**(1.2)**	**(1.4)**

[1] 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	2021	2020
Financial income		
Interest income	0.4	1.3
Net foreign exchange gains	1.9	–
Other financial income	0.6	–
Total	**2.9**	**1.3**
Financial expenses		
Interest expenses	(0.8)	(1.1)
Net foreign exchange losses	–	(3.0)
Other financial expenses	(0.7)	(0.4)
Total	**(1.5)**	**(4.5)**
Financial income/(expenses), net	**1.4**	**(3.2)**

22. INCOME TAX

CHFm	2021	2020
Current income tax charge	(2.1)	0.1
Adjustments in respect of current income tax of previous years	0.4	0.2
Deferred income tax	(2.0)	(1.6)
Total income tax	**(3.7)**	**(1.3)**

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

Analysis of income tax rate

CHFm	2021	2020
Profit before income tax	**17.2**	**7.8**
Weighted-average expected income tax rate	18.0%	21.8%
Expected income tax	(3.1)	(1.7)
Utilization of previously unrecognized tax loss carry-forwards	0.4	0.2
Effect from recognition of previous years' tax losses	–	1.1
Effect from first-time recognition of previous years' temporary differences	0.1	–
Effect of non-recognized current-year tax losses	(1.2)	(0.4)
Effect of change in applicable tax rate	–	(0.3)
Adjustments in respect of current income tax of previous years	0.4	0.1
Effect of income/(expenses) taxed with a different rate or not taxed	(0.3)	(0.2)
Effect of expiry/impairment of capitalized tax losses/tax credits	–	(0.1)
Total income tax	**(3.7)**	**(1.3)**

The total weighted-average expected income tax rate of 18.0% (previous year: 21.8%) 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	31.12.2021	31.12.2020
Intangible assets	(2.8)	(2.7)
Inventories and work in progress	0.8	0.4
Tax loss carry-forwards and tax credits	4.2	4.3
Other assets and liabilities	(0.6)	1.4
Total	**1.6**	**3.4**
Recognized as deferred income tax assets	6.3	7.7
Recognized as deferred income tax liabilities	(4.7)	(4.3)

Tax losses amounting to CHF 15.5 million (previous year: CHF 21.3 million) are recognized for Group companies which incurred losses and where future tax benefits are expected and supported by increased future profitability and synergies as a result of restructuring.

Tax loss carry-forwards which are not recognized amount to CHF 288.3 million (previous year: CHF 306.8 million) and expire in the following years:

CHFm	31.12.2021	31.12.2020
Within 12 months	–	–
Between 1 and 5 years	44.2	53.3
Later	244.1	253.5

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.

	2021	2020
Group profit for the period attributable to owners of the parent (CHFm)	**13.5**	**6.5**
Weighted-average number of outstanding shares	35,993,539	35,988,583
Earnings per share from Group profit (CHF)	**0.38**	**0.18**

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.

	2021	2020
Group profit for the period attributable to owners of the parent (CHFm)	**13.5**	**6.5**
Weighted-average number of outstanding shares	35,993,539	35,988,583
Adjustment for the dilutive number of outstanding share options	219,226	240,219
Weighted-average number of diluted shares	**36,212,765**	**36,228,802**
Diluted earnings per share from Group profit (CHF)	**0.37**	**0.18**

24. SHARE-BASED PAYMENTS

Ascom Share Matching plans 2017 and 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. The following table shows the development of outstanding investment shares:

	Number of investment shares 2021	Number of investment shares 2020	Number of investment shares 2019
Investment shares outstanding at 1.1.	**6,245**	**52,536**	**83,927**
Granted	–	–	–
Exercised	(3,952)	(45,501)	(29,927)
Forfeited	(2,293)	(790)	(1,464)
Investment shares outstanding at 31.12.	–	**6,245**	**52,536**

	2021	2020	2019
Resolution passed by the Board of Directors on	–	–	–
Number of Ascom senior management members who decided to participate	–	–	–
Vesting period (years)	–	–	–
Fair value of the matching shares granted during the year at weighted average (CHF)	–	–	–
Personnel expenses for equity-settled matching shares recognized as other capital reserves (equity) (CHFm)	–	–	(0.2)

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 2021	Number of PSUs 2020	Number of PSUs 2019
PSU outstanding at 1.1.	**331,132**	**148,412**	**–**
Granted	85,870	221,650	153,562
Exercised	–	–	–
Forfeited	(127,277)	(38,930)	(5,150)
Investment shares outstanding at 31.12.	**289,725**	**331,132**	**148,412**

	2021	2020	2019
Resolution passed by the Board of Directors on	30.06.	01.07.	18.06.
Number of Ascom senior management members participating	49	46	51
Vesting period (years)	3.00	3.00	3.00
Fair value of PSU granted during the year (CHF)	15.49	6.85	9.71
Personnel expenses (-) /release (+) for equity-settled PSUs recognized as other capital reserves (equity) (CHFm)	0.2	(0.6)	(0.4)

25. TRANSACTIONS WITH RELATED PARTIES

A legally independent fund provides for Swiss pensions (see note 2.18). In 2021 and 2020, only minor lease payments were disbursed to the Swiss pension fund for premises occupied by the Group.

In 2021, 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 fullfill 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	31.12.2021	31.12.2020
Net debt/(cash) including outstanding bank guarantees[1]	(25.2)	(7.5)
EBITDA	28.7	24.9
Debt service ratio	**(0.9)**	**(0.3)**
Total assets	194.7	203.1
Shareholders' equity	80.0	71.1
Equity ratio	**41.1%**	**35.0%**

[1] Borrowings and outstanding bank guarantees less cash and cash equivalents. At 31 December 2021, outstanding bank guarantees amounted to CHF 4.3 million (previous year: CHF 5.3 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	31.12.2021	31.12.2020
Contract volume	7.9	8.4
Positive fair value[1]	–	0.2
Negative fair value[2]	0.1	–

[1] Refer to note 5.
[2] 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	
	31.12.2021	31.12.2020
Within 12 months	6.0	5.6
Between 1 and 5 years	9.8	5.7
Later	–	–
Total	**15.8**	**11.3**

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 2021, contingent liabilities amount to CHF 4.8 million (previous year: CHF 5.6 million). There is no indication that these liabilities will lead to fulfillment payments.

29. PLEDGED ASSETS

At 31 December 2021, financial assets of CHF 0.1 million (previous year: CHF 0.1 million), and cash and cash equivalents with a total carrying amount of CHF 0.1 million (previous year: CHF 0.2 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 2021 consolidated financial statements.

31. PROPOSAL OF THE BOARD OF DIRECTORS

For the year ended 31 December 2021, the Board of Directors proposes to the Annual General Meeting on 13 April 2022 a dividend of CHF 0.20 per share entitled to dividends. This represents a total distribution up to CHF 7.2 million. In 2021, no dividend was distributed to the shareholders of Ascom Holding AG.

32. TIME OF RELEASE FOR PUBLICATION

The Board of Directors approved the 2021 consolidated financial statements on 28 February 2022 and authorized them for publication at the media conference on 8 March 2022.

33. CONSOLIDATED COMPANIES

Country	Company	Registered office	Business activities		Share capital	Parent company	Group's interest
Australia	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%
Belgium	Ascom (Belgium) NV	Zaventem	■	EUR	1,424,181	Ascom Holding AG	100%
Denmark	Ascom Danmark A/S	Vallensbæk	■	DKK	1,200,000	Ascom Holding AG	100%
Finland	Ascom Oy	Turku	■	EUR	33,638	Ascom Holding AG	100%
France	Ascom (France) SA	Suresnes	■	EUR	2,000,000	Ascom Holding AG	100%
Germany	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%
Italy	Ascom UMS S.r.l.	Scandicci	■ ★	EUR	100,000	Ascom Solutions AG	100%
Malaysia	Ascom (Malaysia) SDN BHD	Petaling Jaya	■	MYR	1,000,000	Ascom Holding AG	100%
Netherlands	Ascom (Nederland) BV	Utrecht	■	EUR	1,361,000	Ascom Solutions AG	100%
Norway	Ascom (Norway) A/S	Oslo	■	NOK	1,250,000	Ascom Solutions AG	100%
Romania	Ascom Mobile Solutions Romania S.R.L.	Cluj-Napoca	★	RON	45,000	Ascom Solutions AG	100%
Singapore	Ascom Solutions (Singapore) Pte Ltd	Singapore	■	SGD	50,000	Ascom Solutions AG	100%
Sweden	Ascom (Sweden) AB	Gothenburg	■ ★	SEK	96,154,000	Ascom Holding AG	100%
Switzerland	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%
United Kingdom	Ascom (UK) Ltd	Lichfield	■	GBP	1,000,000	Ascom Solutions AG	100%
USA	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.

pwc

Report of the statutory auditor

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 2021 and the consolidated income statement, 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 70 to 99) give a true and fair view of the consolidated financial position of the Group as at 31 December 2021 and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Swiss GAAP FER and comply with Swiss law.

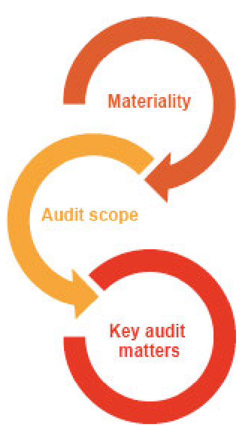
Basis for opinion

We conducted our audit in accordance with Swiss law and Swiss Auditing Standards. 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 and the requirements of the Swiss audit profession and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our audit approach

Overview



Overall Group materiality: CHF 2'000'000

We concluded full scope audit work at 6 reporting units in 6 countries. Our audit scope addressed 64% of the Group's revenue. In addition, specified procedures were performed on a further 2 reporting units in 2 countries representing a further 13% of the Group's revenue.

As key audit matter the following area of focus has been identified:

Sales and Revenue recognition (multi-element contracts)

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Materiality

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

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

Overall Group materiality	CHF 2'000'000
Benchmark applied	Net revenue
Rationale for the materiality benchmark applied	We chose net revenue as the benchmark because, in our view, given the volatility of the results in the past years, it is a reasonable and generally accepted benchmark.

We agreed with the Audit Committee that we would report to them misstatements above CHF 200'000 identified during our audit as well as any misstatements below that amount which, in our view, warranted reporting for qualitative reasons.

Audit scope

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

The Group is structured as a “one company” functional organization. The Group financial statements are a consolidation of over 20 reporting units. We identified 6 reporting units that, in our view, required an audit of their complete financial information. To obtain appropriate coverage over all material financial statement line items, we identified 2 additional reporting units that, in our view, required specified audit procedures over significant balances and transactions including revenue.

For the remaining reporting units, we performed other procedures to test or assess that there were no significant risks of material misstatement in these reporting units in relation to the Group financial statements.

To ensure sufficient and appropriate involvement of the Group team, we held conference calls with selected component teams responsible for full scope audits during the different phases of the work. We discussed the risks identified and challenged the audit approach in significant risk areas relevant to those reporting units. Furthermore, we obtained a memorandum of examination from all full scope component teams and assessed the results and impact on the Group financial statements and challenged their conclusions.

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

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

Sales and Revenue recognition (multi-element contracts)

Key audit matter	How our audit addressed the key audit matter
As described in note 2.6 "Revenue recognition" the consolidated financial statements include revenues from multi-element contracts including the sale of goods and the rendering of services. Those revenues are allocated to the separable components based on the relative fair value of the separable components. Service revenues are then accrued over the service period outlined in the contract. We focused on this area due to the size of revenues earned from multi-element contracts, and the fact that contract accounting involves assessing and allocating the separable components based on the underlying terms of an individual contract. As part of our work, we focused on management's processes in applying the methodology. Risks mainly include: • Improper allocation of service revenues and revenues from components. • Incorrect recognition of revenues of service components (cut-off and matching of revenues and efforts).	We obtained an understanding of the processes and internal controls around revenue recognition for multi-element contracts and tested key controls in place to assess the appropriate application of the Group accounting policies. We challenged management's assessments around multi-element contracts and the allocation of revenues of goods and services, particularly where judgement is involved. We assessed whether management's policies and processes for making these estimates continue to be appropriate and are applied consistently to contracts of a similar nature. Furthermore, we performed a comparison of this year's data with the previous year's data. We selected a sample of contracts (or revenue transactions) to test the appropriateness of the separation of revenues from the sale of goods and revenues from the rendering of services and to assess whether the revenues for service contracts for multi-element contracts were recorded in the correct period. The combination of the procedures carried out above gave us sufficient evidence to address the risk identified around revenue recognition for multi-element contracts, and there were no significant findings as a result of our work.

Responsibilities of the Board of Directors 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 Swiss Auditing Standards 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.

A further description of our responsibilities for the audit of the consolidated financial statements is located at the website of EXPERTsuisse: http://expertsuisse.ch/en/audit-report-for-public-companies. This description forms part of our auditor's report.

Report on other legal and regulatory requirements

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

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

PricewaterhouseCoopers AG

Thomas Wallmer	Daniel Wyss
Audit expert Auditor in charge	Audit expert

Zürich, 28 February 2022

Summary of key financial data

CHFm	2021	2020	2019	2018	2017
Incoming orders	342.3	322.4	315.5	329.6	324.8
Order backlog[1]	256.1	215.6	177.5	149.6	143.3
Net revenue	291.5	281.0	282.9	318.5	309.7
EBITDA	28.7	24.9	0.8	39.0	43.6
EBITDA in % of net revenue	9.8	8.9	0.3	12.2	14.1
Earnings before interest and income tax (EBIT)	15.8	11.0	(13.4)	26.6	33.2
EBIT in % of net revenue	5.4	3.9	(4.7)	8.4	10.7
Personnel expenses	(137.6)	(137.6)	(144.7)	(136.9)	(128.3)
Depreciation, amortization and impairment[5]	(12.9)	(13.9)	(14.2)	(12.4)	(10.4)
Group profit for the period	13.5	6.5	0.5	21.4	25.9
Net cash flow from operating activities	11.6	45.1	2.9	20.0	16.2
Capital expenditures on property, plant and equipment	2.5	1.8	1.7	2.8	2.5
Capital expenditures on intangible assets	9.2	8.9	14.7	8.6	7.8
Research and development expenditures[2]	(29.8)	(31.4)	(34.7)	(33.2)	(29.7)
Balance sheet total[1]	194.7	203.1	214.2	218.4	229.6
Shareholders' equity[1]	80.0	71.1	63.2	83.2	83.1
Shareholders' equity in % of balance sheet total[1]	41.1	35.0	29.5	38.1	36.2
Net cash or (net debt)[1,3]	29.5	12.8	(21.8)	1.2	12.3
Gearing in %[4]	–	26.7	63.3	24.0	21.7
Dividends paid/distribution of share premium	–	–	16.2	16.2	28.8
Number of employees (FTE)[1]	1,306	1,282	1,292	1,246	1,223

[1] At 31 December.
[2] Research and development costs excluding depreciation, amortization, impairment and capitalized costs.
[3] Cash and cash equivalents less borrowings.
[4] Borrowings/shareholders' equity.
[5] Excludes depreciation, amortization and impairment from non-operating result.

Balance sheet

Assets

CHF 1,000	31.12.2021	31.12.2020
Cash and cash equivalents	15,659	17,664
Other current receivables		
Group companies	4,284	7,357
Third parties	80	278
Prepaid expenses current	272	306
Total current assets	**20,295**	**25,605**
Financial assets		
Group companies	8,834	3,237
Third parties	–	14,150
Prepaid expenses non-current	316	489
Investments in Group companies	403,913	403,913
Total non-current assets	**413,063**	**421,789**
Total assets	**433,358**	**447,394**

Liabilities and shareholders' equity

CHF 1,000	31.12.2021	31.12.2020
Other current liabilities		
Group companies	829	2,867
Third parties	540	378
Accrued expenses	5,958	4,993
Current provisions	–	48
Total current liabilities	**7,327**	**8,286**
Non-current interest-bearing liabilities		
Group companies	56,525	53,351
Third parties	–	19,000
Non-current provisions	771	2,132
Total non-current liabilities	**57,296**	**74,483**
Share capital	18,000	18,000
Legal reserve from capital contribution	1,123	1,123
Other legal reserve	5,400	5,400
Retained earnings available for distribution at the end of the year		
Retained earnings	340,167	338,531
Profit/(loss) of the period	4,096	1,635
Treasury shares held by Ascom Holding AG	(51)	(64)
Total shareholders' equity	**368,735**	**364,625**
Total liabilities and shareholders' equity	**433,358**	**447,394**

Income statement

CHF 1,000	2021	2020
Other income	13,823	13,430
Total ordinary income	**13,823**	**13,430**
Administration expenses	(9,665)	(11,335)
Value adjustments on investments and loans	(365)	(713)
Total operating income	**3,793**	**1,382**
Financial expenses	(1,253)	(1,405)
Financial income	1,565	1,748
Profit before tax	**4,105**	**1,725**
Income taxes	(9)	(90)
Profit for the period	**4,096**	**1,635**

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 20.3 million (previous year: CHF 22.2 million).

4. Investments

Direct and indirect investments are listed in note 33 of the consolidated financial statements.

5. Pledged assets

At 31 December 2021, 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 2021	Amount 2021 (CHFm)	Average transaction price (CHF)	Number of shares 2020	Amount 2020 (CHFm)	Average transaction price (CHF)
Balance at 1.1.	**7,155**	**0.1**	**8.91**	**21,723**	**0.2**	**10.66**
Additions	–	–	–	10,000	0.1	7.17
Disposals	(1,380)	–	8.91	(24,568)	(0.2)	9.75
Balance at 31.12.	**5,775**	**0.1**	**8.91**	**7,155**	**0.1**	**8.91**

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 2021:

- UBS Fund Management (Switzerland) AG, Basel, Switzerland (8.42%).
- Pictet Asset Management SA, Geneva, Switzerland (6.56%).

This does not cover shares, which are not registered in the share register (dispo shares). Dispo shares amounted to 30.33% as of 31 December 2021 (previous year: 30.65%).

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
20.08.2019	UBS Fund Management (Switzerland) AG, Basel, Switzerland	7.34%
07.08.2019	Pictet Asset Management SA, Geneva, Switzerland	5.67%
22.09.2021	Credit Suisse Funds AG, Zurich, Switzerland	5.18%
12.02.2021	Veraison SICAV, Zurich, Switzerland	4.85%

There are no known shareholders' agreements. Additional details are disclosed in the first chapter of the Corporate Governance Report (refer to page 29).

10. Participations

Number of participations which were held by members of the Board of Directors	Shares[1]	Shares[1]
	2021	2020
Dr Valentin Chapero Rueda, Chairman	76,994	76,994
Nicole Burth Tschudi	–	–
Laurent Dubois	7,500	7,500
Jürg Fedier	4,400	4,400
Michael Reitermann	31,490	31,490
Andreas Schönenberger	–	–
Total Board of Directors	**120,384**	**120,384**

[1] Acquired by the Board members from the market.

Number of participations which were held by members of the Executive Board	Shares	Shares
	2021	2020
Jeannine Pilloud, CEO	15,973	15,973
Dominik Maurer, CFO	6,700	6,700
Francis Schmeer, former Chief Sales & Marketing Officer	–	2,133
Total Executive Board	**22,673**	**24,806**

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 64 to 65).

Shares or options on shares for members of the Board of Directors and employees

In 2021, 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 2021		Shares 2020
Allocated to members of the Board	–	–	–	–
Allocated to employees	1,380	12	13,089	127
Total	**1,380**	**12**	**13,089**	**127**

11. Events after the balance sheet date

Since the balance sheet date, no subsequent adjusting events have occurred that impact the 2021 financial statements.

12. Time of release for publication

The Board of Directors approved the 2021 statutory financial statements on 28 February 2022 and authorized them for publication at the media conference on 8 March 2022.

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, EUR and DKK. Financial assets from third parties comprised in 2020 mainly the subordinated vendor loan amounting to CHF 14.2 million, which was granted in connection with the disposal of the Network Testing Division. The vendor loan has been early repaid in 2021 in full and the payment amounted to USD 17.1 million.

Other current receivables from Group companies consist mainly of short-term receivables denominated in EUR, USD, NOK, CHF and DKK.

Liabilities and equity

In the year under review, total loans from Group companies increased by CHF 3.2 million.

Bank loans comprise amounts drawn under available revolving multi-currency loan facilities in an aggregate amount of CHF 70.0 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 13.6 million (previous year: CHF 13.4 million).

Administration expenses include mainly personnel-related costs in amount of CHF 6.7 million (previous year: CHF 8.7 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 0.7 million), as well as bank charges of CHF 0.5 million (previous year: CHF 0.2 million).

Financial income consists mainly of interest income from loans to Group companies of CHF 0.4 million (previous year: CHF 0.5 million) and from the subordinated vendor loan of CHF 0.4 million (previous year: CHF 1.2 million), gain from early repayment of the subordinated vendor loan of CHF 0.6 million and foreign exchange gains mainly on loans, cash and other current receivables of CHF 0.2 million (previous year losses recorded under financial expenses: CHF 0.5 million).

Profit for the period

In 2021, Ascom Holding AG records a net profit of CHF 4.1 million (previous year: net profit of CHF 1.6 million), while Ascom Group records a consolidated net profit of CHF 13.5 million (previous year: consolidated net profit of CHF 6.5 million).

Proposal for the appropriation of retained earnings 2021

CHF	2021
Retained earnings from previous year	340,166,556
No distribution of dividends in 2021	–
Result for the period	4,096,077
Retained earnings at 31.12.2021	**344,262,633**
Distribution of CHF 0.20 per share entitled to dividend	(7,200,000)
Balance to be carried forward	337,062,633

Proposal for the appropriation of reserves from capital contribution 2021

CHF	2021
Distributable reserves from capital contribution from previous year	1,123,343
Distribution of reserves from capital contribution	–
Distributable reserves from capital contribution at 31.12.2021	**1,123,343**
Balance to be carried forward	1,123,343

Report of the statutory auditor

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, which comprise the balance sheet as at 31 December 2021, income statement and notes for the year then ended, including a summary of significant accounting policies.

In our opinion, the financial statements (pages 105 to 111) as at 31 December 2021 comply with Swiss law and the company's articles of incorporation.

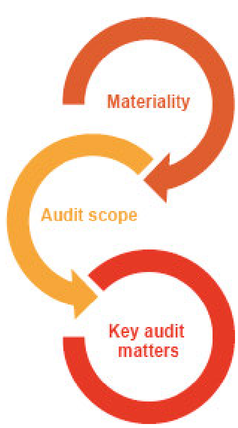
Basis for opinion

We conducted our audit in accordance with Swiss law and Swiss Auditing Standards. 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 entity in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our audit approach

Overview



Overall materiality: CHF 1'800'000

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

As key audit matter the following area of focus has been identified:

Valuation of investments in Group companies

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Telefon: +41 58 792 44 00, Telefax: +41 58 792 44 10, www.pwc.ch

Materiality

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

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

Overall materiality	CHF 1'800'000
Benchmark applied	Net assets
Rationale for the materiality benchmark applied	We chose net assets as the benchmark because, in our view, it is the benchmark against which the performance of the entity is most commonly measured and is a generally accepted benchmark.

We agreed with the Audit Committee that we would report to them misstatements above CHF 180'000 identified during our audit as well as any misstatements below that amount which, in our view, warranted reporting for qualitative reasons.

Audit scope

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

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

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

Valuation of investments in Group companies

Key audit matter	How our audit addressed the key audit matter
As at 31 December 2021, investments in Group companies of Ascom Holding AG amounted to CHF 404m. These are directly held investments, which may hold other subsidiaries of the group. Due to the strong vertical integration of Ascom's business, the valuation of investments in Group companies is performed according to a group assessment as opposed to individual subsidiary level. This accounting policy is referenced in note 2. Accounting Policies. We consider the impairment assessment, in particularly the single grouping of investments as a key audit matter, due	We performed the following audit procedures: • We assessed the appropriateness of the grouping of the investments as one segment based on their level of vertical integration. We did this by critically reviewing the different elements of Management's assessment and validating them with evidence and our understanding of the economic links amongst the Ascom Group companies. • We then verified the valuation of the group of in-

to the significance of the investments value on the balance sheet of Ascom Holding AG and because of the level of judgement involved in concluding on the single grouping for valuation purposes.	vestments based on a discounted cashflow model performed by management. Due to the headroom the results from the model were not sensitive to any changes in assumptions and hence we did not extend our work. Additional comfort was provided by the market capitalisation of the Group. On the basis of the audit procedures above, we have gained sufficient evidence to address the risk of material misstatements in the valuation of investments in subsidiaries. We have no findings to report.

Responsibilities of the Board of Directors 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 entity'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 entity 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 Swiss Auditing Standards 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.

A further description of our responsibilities for the audit of the financial statements is located at the website of EXPERTsuisse: http://expertsuisse.ch/en/audit-report-for-public-companies. This description forms part of our auditor's report.

Report on other legal and regulatory requirements

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

We further confirm that the proposed appropriation of retained earnings complies with Swiss law and the company's articles of incorporation. We recommend that the financial statements submitted to you be approved.

PricewaterhouseCoopers AG

Thomas Wallmer	Daniel Wyss
Audit expert Auditor in charge	Audit expert

Zürich, 28 February 2022

pwc

Ascom Holding AG | Report of the statutory auditor to the General Meeting

Key financial data on the share capital

CHF		2021	2020	2019	2018	2017
Dividend/distribution per share						
Registered shares	CHF 0.50	–	–	0.45	0.45	0.80
Equity per share[1,2]						
Registered shares	CHF 0.50	2.22	1.97	1.76	2.31	2.31
Earnings per share[1,2]						
Registered shares	CHF 0.50	0.38	0.18	0.01	0.60	0.72
Share price (high/low of the period under review)[3]						
Registered shares	CHF 0.50	16.82/11.32	13.28/4.48	14.94/9.56	25.70/12.42	25.40/15.45
Taxable values[1]						
Registered shares	CHF 0.50	11.76	13.10	10.52	13.58	25.20
Number of shares[1]						
Registered shares	CHF 0.50	36,000,000	36,000,000	36,000,000	36,000,000	36,000,000
Of which own shares[1]						
Registered shares	CHF 0.50	5,775	7,155	21,723	38,110	44,547

[1] At 31 December.
[2] Based on the consolidated financial statements.
[3] Closing price.

Dates and contacts

Important dates

13 April 2022
Annual General Meeting

11 August 2022
2022 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 2021 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

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