

Ascom Danmark A/S

Delta Park 46, 3.
2665 Vallensbæk Strand
CVR No. 13235686

Annual report 2023

The Annual General Meeting adopted the annual
report on 21.03.2024



Jens Andersen

Chairman of the General Meeting

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Entity details

Entity

Ascom Danmark A/S

Delta Park 46, 3.

2665 Vallensbæk Strand

Business Registration No.: 13235686

Registered office: Vallensbæk

Financial year: 01.01.2023 - 31.12.2023

Phone number: 70203883

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URL: www.ascom.com/da

E-mail: infomailbox@ascom.com

Board of Directors

Adrian Livingston Williams, Chairman

Jens Sand Andersen

Kim Brun Sørensen

Christophe Scheidegger

Anja Schmidt Edvardsen

Executive Board

Jens Sand Andersen

Bank

Nordea Bank Danmark A/S

Vestergade 13

8600 Silkeborg

Auditors

KPMG Statsautoriseret Revisionspartnerselskab

Dampfærgevej 28

2100 København

CVR No.: 25578198

Statement by Management

The Board of Directors and the Executive Board have today considered and approved the annual report of Ascom Danmark A/S for the financial year 01.01.2023 - 31.12.2023.

The annual report is presented in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2023 and of the results of its operations for the financial year 01.01.2023 - 31.12.2023.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

We recommend the annual report for adoption at the Annual General Meeting.

Vallensbæk, 21.03.2024

Executive Board



Jens Sand Andersen

Board of Directors



Adrian Livingston Williams
Chairman



Jens Sand Andersen



Kim Brun Sørensen



Christophe Scheidegger



Anja Schmidt Edvardsen

Independent auditor's report

To the Shareholders of Ascom Danmark A/S

Opinion

We have audited the financial statements of Ascom Danmark A/S for the financial year 1 January – 31 December 2023 comprising income statement, balance sheet, statement of changes in equity and notes, including accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 31 December 2023 and of the results of the Company's operations for the financial year 1 January – 31 December 2023 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report.

We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

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

Management's responsibilities for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act and for such internal control, that Management 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, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance as to 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 ISAs and the additional requirements in Denmark will always detect a material misstatement when it exists. Misstatements may 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 financial statement users made on the basis of these financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the company financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Statement on the Management's review

Management is responsible for the Management's review.

Our opinion on the financial statements does not cover the Management's review, and we do not express any form of assurance conclusion thereon.

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

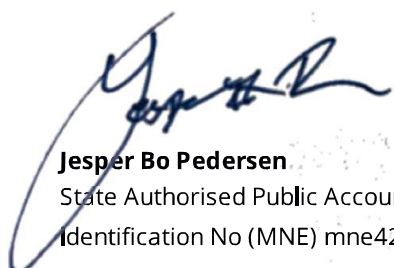
Moreover, it is our responsibility to consider whether the Management's review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the Management's review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statement Act. We did not identify any material misstatement of the Management's review.

København, 21.03.2024

KPMG Statsautoriseret Revisionspartnerselskab

CVR No. 25578198



Jesper Bo Pedersen

State Authorised Public Accountant

Identification No (MNE) mne42778

Management commentary

Primary activities

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 Danmark A/S' main activities are sales, delivery, and service of our solutions primarily in the healthcare sector (regions and municipalities) and the security sector.

The solutions from Ascom Danmark A/S are sold in Denmark as well as Greenland, the Faroe Islands and Iceland.

Development in activities and finances

The company's revenue in 2023 ended at TDKK 81.316, which is a return to a growth path after a sharp decline in 2022, and further growth is expected in 2024.

Ascom is driving digitalization of critical workflows within the Healthcare segment, and we are also successful in growing solution lifecycle plans with our customers. The Hospital segment is our key market with 59% of revenue in 2023.

The result for the year amounts to a loss of TDKK -4.451, which is below our ambition. The loss is caused by lower than budgeted revenue as a result of fewer public tenders in our focus markets as well as delays in our roll-out to the new hospitals projects in Denmark thus adding to our cost. Future focus will be on improving overall profitability through increasing our market activities and maturing our delivery and service processes. The improved result in 2023 compared to 2022 shows the first signs of this, but more volume as well as improved efficiency is needed to continue the turnaround to profitable growth.

Despite the loss in 2023, we will continue to pursue the large opportunities within healthcare for digitalization of workflows that can support the sectors challenges on patient safety and nurse shortage. Ascom is in a unique position to offer a broad solutions portfolio combining software platforms, bedside equipment and services to address the needs of healthcare now and in the future.

Capital resources

The Company has lost more than 50% of its share capital as of 31.12.2023 and is thereby subject to the provisions governing capital loss in section 119 of the Danish Companies Act. At the General Meeting, the Executive Board will account for the Company's financial position. Management expects to re-establish the equity through capital increases from the owners.

The Company has received a statement of support from Ascom Holding AG (parent company), so that Ascom Danmark A/S can meet its obligations until the annual general meeting covering financial statement 2024. Management's assessment is that the Ascom Danmark A/S has sufficient funds to fulfill its obligations as they become due.

Events after the balance sheet date

No other events have occurred after the balance sheet date to this date, which would influence the evaluation of this annual report.

Income statement for 2023

		2023	2022
	Notes	DKK'000	DKK '000
Revenue		81,316	73,582
Other external expenses		(42,018)	(46,128)
Gross profit/loss		39,298	27,454
Staff costs	2	(42,451)	(38,315)
Depreciation, amortisation and impairment losses	3	(248)	(208)
Operating profit/loss		(3,401)	(11,069)
Other financial income		91	11
Other financial expenses	4	(1,097)	(427)
Profit/loss before tax		(4,407)	(11,485)
Tax on profit/loss for the year	5	(44)	(10)
Profit/loss for the year		(4,451)	(11,495)
Proposed distribution of profit and loss:			
Retained earnings		(4,451)	(11,495)
Proposed distribution of profit and loss		(4,451)	(11,495)

Balance sheet at 31.12.2023

Assets

	Notes	2023 DKK'000	2022 DKK'000
Goodwill		0	0
Intangible assets		0	0
Other fixtures and fittings, tools and equipment		135	202
Leasehold improvements		740	915
Property, plant and equipment	6	875	1,117
Other receivables		1,194	497
Financial assets	7	1,194	497
Fixed assets		2,069	1,614
Manufactured goods and goods for resale		909	881
Inventories		909	881
Trade receivables		17,997	13,627
Contract work in progress	8	18,604	22,511
Receivables from group enterprises		537	748
Deferred tax	9	1,295	1,339
Other receivables		0	32
Prepayments	10	294	230
Receivables		38,727	38,487
Cash		18,008	15,016
Current assets		57,644	54,384
Assets		59,713	55,998

Equity and liabilities

		2023	2022
	Notes	DKK'000	DKK'000
Contributed capital	11	11,000	1,200
Retained earnings		(8,063)	(3,612)
Equity		2,937	(2,412)
Other provisions	12	6,642	6,277
Provisions		6,642	6,277
Payables to group enterprises		24,820	25,420
Non-current liabilities other than provisions	13	24,820	25,420
Contract work in progress	8	4,436	2,412
Trade payables		2,456	2,443
Payables to group enterprises		2,619	3,305
Other payables		10,127	11,619
Deferred income	14	5,676	6,934
Current liabilities other than provisions		25,314	26,713
Liabilities other than provisions		50,134	52,133
Equity and liabilities		59,713	55,998
Capital resources	1		
Unrecognised rental and lease commitments	15		
Assets charged and collateral	16		
Group relations	17		

Statement of changes in equity for 2023

	Contributed capital DKK'000	Retained earnings DKK'000	Total DKK'000
Equity beginning of year	1,200	(3,612)	(2,412)
Increase of capital	9,800	0	9,800
Profit/loss for the year	0	(4,451)	(4,451)
Equity end of year	11,000	(8,063)	2,937

Notes

1 Capital resources

The Company has lost more than 50% of its share capital as of 31.12.2023 and is thereby subject to the provisions governing capital loss in section 119 of the Danish Companies Act. At the General Meeting, the Executive Board will account for the Company's financial position. Management expects to re-establish the equity through capital increases from the owners.

The Company has received a statement of support from its owners so that it can meet its obligations until the annual general meeting covering financial statement 2024. Management's assessment is that the Company through capital increases from the owners has sufficient funds to enable the Company to fulfill its obligations as they become due.

2 Staff costs

	2023 DKK'000	2022 DKK'000
Wages and salaries	39,437	35,557
Pension costs	2,653	2,453
Other social security costs	361	305
	42,451	38,315
Average number of full-time employees	48	45

3 Depreciation, amortisation and impairment losses

	2023 DKK'000	2022 DKK'000
Depreciation of property, plant and equipment	248	208
	248	208

4 Other financial expenses

	2023 DKK'000	2022 DKK'000
Financial expenses from group enterprises	928	150
Other interest expenses	5	102
Exchange rate adjustments	8	20
Other financial expenses	156	155
	1,097	427

5 Tax on profit/loss for the year

	2023 DKK'000	2022 DKK'000
Change in deferred tax	44	10
	44	10

6 Property, plant and equipment

	Other fixtures and fittings, tools and equipment DKK'000	Leasehold improvements DKK'000
Cost beginning of year	792	1,734
Additions	0	6
Cost end of year	792	1,740
Depreciation and impairment losses beginning of year	(590)	(819)
Depreciation for the year	(67)	(181)
Depreciation and impairment losses end of year	(657)	(1,000)
Carrying amount end of year	135	740

7 Financial assets

	Other receivables DKK'000
Cost beginning of year	497
Additions	697
Cost end of year	1,194
Carrying amount end of year	1,194

8 Contract work in progress

	2023 DKK'000	2022 DKK'000
Sales value of the periods production	44,156	47,846
Prepayments received	<u>(29,988)</u>	<u>(27,748)</u>
	<u>14,167</u>	<u>20,099</u>
Shown in the balance as such:		
Contract work in progress (assets)	18,604	22,511
Received prepayments on work in progress (liabilities)	<u>(4,436)</u>	<u>(2,412)</u>
	<u>14,167</u>	<u>20,099</u>

Uncertainty relating to recognition and measurement of contract work in progress

As in any orderproducing company the statement of contract work in progress is influenced by some uncertainty, because it is difficult to compose an accurate statement on a specific date in time.

The contract work in progress is therefore estimated based on the progress of each case under consideration of degree of completion and the expected endresult on the day of the estimation including an estimate of the costs related to finishing the projects.

9 Deferred tax

	2023 DKK'000	2022 DKK'000
Property, plant and equipment	13	27
Receivables	75	104
Tax losses carried forward	1,207	1,208
Deferred tax	1,295	1,339

Changes during the year	2023 DKK'000	2022 DKK'000
Beginning of year	1,339	1,349
Recognised in the income statement	(44)	(10)
End of year	1,295	1,339

Deferred tax assets

The deferred tax asset is recognized based on a 3 year profit and loss forecast, based on plans to return to being a profitable company, and thus be able to capitalize on tax value of the historical losses carried forward.

Deferred tax assets is influenced by some uncertainty relating to recognition and measurement, but as in previous year's the company's deferred tax asset has been recognized to a limited extent.

10 Prepayments

Prepayments concerns prepaid costs.

11 Share capital

	Number	Par value DKK'000	Nominal value DKK'000
Contributed capital	9,167	11,000	11,000
	9,167		11,000

Changes to share capital - capital increase:

Year	DKK'000
2019	0
2020	0
2021	0
2022	0
2023	9.800

12 Other provisions

Other provisions concerns guarantee provisions and provision for lossmaking projects.

	2023 DKK'000	2022 DKK'000
Provision for warranty	810	877
Provision for lossmaking projects	<u>5,832</u>	<u>5,400</u>
	<u>6,642</u>	<u>6,277</u>

13 Non-current liabilities other than provisions

	Due after more than 12 months 2023 DKK'000	Outstanding after 5 years 2023 DKK'000
Payables to group enterprises	24,820	24,820
	24,820	24,820

14 Deferred income

Deferred income concerns accrued revenue.

15 Unrecognised rental and lease commitments

	2023 DKK'000	2022 DKK'000
Liabilities under rental or lease agreements until maturity in total	14,147	13,614

16 Assets charged and collateral

The following assets have been provided as security for bank obligations:

Letter of indemnity - a company charge of DKK 11,000 thousand granting a charge on intangible assets, property, plant and equipment, trade receivables and inventories with a total book value of DKK 19,781 thousand at 31.12.2023.

Contractual obligations

Upon participation in competitive bidding and conclusion of sales contracts, the usual guarantees have been provided regarding tender, advance payments and performance. The guarantees have a total value of DKK 11,827 thousand at 31.12.2023.

17 Group relations

Name and registered office of the Parent preparing consolidated financial statements for the smallest group:
Ascom Holding AG, Switzerland

The Annual Group Report for Ascom Holding AG can be found on the following address:

Zugerstrasse 32, CH-6340 Baar or the website www.ascom.com

Accounting policies

Reporting class

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class B enterprises with addition of a few provisions for reporting class C.

Changes in accounting policies

Effective from this financial year, the Entity are no longer obliged for preparation of the annual report in accordance with the provisions of the Danish Financial Statements Act governing reporting class C enterprises. The Entity had therefore opted for preparation of the annual report in accordance with the provisions of the Danish Financial Statements Act governing reporting class B enterprises.

Apart from the areas mentioned above, the annual report has been presented applying the accounting policies consistent with last year.

Reclassification of comparative figures

The company has adjusted comparative figures relating to work in progress, other payables, and other provisions. These adjustments are purely presentational errors that do not have any impact on the result for 2022 or 2023.

Recognition and measurement

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance sheet date. Exchange differences that arise between the rate at the transaction date and the rate in effect at the payment date, or the rate at the balance sheet date, are recognised in the income statement as financial income or financial expenses. Property, plant and equipment, intangible assets, inventories and other non-monetary assets that have been purchased in foreign currencies are translated using historical rates.

Income statement

Revenue

Revenue from the sale of manufactured goods and goods for resale is recognised in the income statement when delivery is made and risk has passed to the buyer. Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

Contract work in progress is included in revenue based on the stage of completion so that revenue corresponds to the selling price of the work performed in the financial year (the percentage-of-completion method).

Other external expenses

Other external expenses include expenses relating to the Entity's ordinary activities, including expenses for premises, stationery and office supplies, marketing costs, etc. This item also includes writedowns of receivables recognised in current assets.

Staff costs

Staff costs comprise salaries and wages as well as social security contributions, pension contributions, etc for entity staff.

Depreciation, amortisation and impairment losses

Depreciation, amortisation and impairment losses relating to property, plant and equipment and intangible assets comprise depreciation, amortisation and impairment losses for the financial year.

Other financial income

Other financial income comprises interest income, including interest income on receivables from group enterprises, net capital or exchange gains on securities, payables and transactions in foreign currencies, amortisation of financial assets as well as tax relief under the Danish Tax Prepayment Scheme etc.

Other financial expenses

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, net capital or exchange losses on securities, payables and transactions in foreign currencies, amortisation of financial liabilities, and tax surcharge under the Danish Tax Prepayment Scheme etc.

Tax on profit/loss for the year

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly in equity by the portion attributable to entries directly in equity.

Balance sheet

Goodwill

Goodwill is the positive difference between cost and fair value of assets and liabilities arising from acquisitions. Goodwill is amortised straight-line over its estimated useful life, which is fixed based on the experience gained by Management for each business area. Useful life is determined based on an assessment of whether the enterprises are strategically acquired enterprises with a strong market position and a long-term earnings profile and whether the amount of goodwill includes intangible resources of a temporary nature that cannot be separated and recognised as separate assets. If the useful life cannot be estimated reliably, it is fixed at 20 years. Useful lives are reassessed on an annual basis. The amortisation periods used are 5 years.

Goodwill is written down to the lower of recoverable amount and carrying amount.

Property, plant and equipment

Land and buildings, plant and machinery, and other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses. Land is not depreciated.

Cost comprises the acquisition price, costs directly attributable to the acquisition and preparation costs of the asset until the time when it is ready to be put into operation. For self-constructed assets, cost comprises direct and indirect costs of materials, components, sub-suppliers and labour costs. For assets held under finance leases, cost is the lower of the asset's fair value and present value of future lease payments.

The basis of depreciation is cost less estimated residual value after the end of useful life. Straight-line depreciation is made on the basis of the following estimated useful lives of the assets:

	Useful life
Other fixtures and fittings, tools and equipment	3-5 years
Leasehold improvements	8 years

For leasehold improvements and assets subject to finance leases, the depreciation period cannot exceed the contract period.

Estimated useful lives and residual values are reassessed annually.

Items of property, plant and equipment are written down to the lower of recoverable amount and carrying amount.

Receivables

Receivables are measured at amortised cost, usually equalling nominal value, less writedowns for bad and doubtful debts.

Inventories

Inventories are measured at the lower of cost using the FIFO method and net realisable value.

Cost consists of purchase price plus delivery costs.

The net realisable value of inventories is calculated as the estimated selling price less completion costs and costs incurred to execute sale.

Contract work in progress

Contract work in progress is measured at the selling price of the work carried out at the balance sheet date.

The selling price is measured based on the stage of completion and the total estimated income from the individual contracts in progress. Usually, the stage of completion is determined as the ratio of actual to total budgeted consumption of resources.

If the selling price of a project in progress cannot be made up reliably, it is measured at the lower of costs incurred and net realisable value.

Each contract in progress is recognised in the balance sheet under receivables or liabilities other than provisions, depending on whether the net value, calculated as the selling price less prepayments received, is positive or negative.

Costs of sales work and of securing contracts, and finance costs are recognised in the income statement as incurred.

Deferred tax

Deferred tax is recognised on all temporary differences between the carrying amount and the tax-based value of assets and liabilities, for which the tax-based value is calculated based on the planned use of each asset.

Deferred tax assets, including the tax base of tax loss carryforwards, are recognised in the balance sheet at their estimated realisable value, either as a set-off against deferred tax liabilities or as net tax assets.

Prepayments

Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

Cash

Cash comprises cash in hand and bank deposits.

Other provisions

Other provisions comprise anticipated costs of non-recourse guarantee commitments, returns, loss on contract work in progress, decided and published restructuring, etc.

Other provisions are recognised and measured as the best estimate of the expenses required to settle the liabilities at the balance sheet date. Provisions that are estimated to mature more than one year after the balance sheet date are measured at their discounted value.

Non-recourse guarantee commitments comprise commitments to remedy defects and deficiencies within the guarantee period.

On acquisition of enterprises and investments in group enterprises, provisions are made for costs relating to restructuring in the acquired enterprise that were decided and published at the acquisition date at the latest.

Once it is probable that total costs will exceed total income from a contract in progress, provision is made for the total loss estimated to result from the relevant contract.

Other financial liabilities

Other financial liabilities are measured at amortised cost, which usually corresponds to nominal value.

Deferred income

Deferred income comprises income received for recognition in subsequent financial years. Deferred income is measured at cost.