

Semi-annual report 2021



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Record result in the first half-year – strong EBIT growth and increase in margins

Dear Shareholders,

mobilezone closed the first half-year of 2021 with record results. This succeeded both in Germany as well as in Switzerland, despite the ongoing severe effects of the COVID-19 pandemic on the course of business, especially in Germany. The restructuring of the German companies has been concluded with positive synergy effects of more than EUR 5 million per year.

Sales amounted to CHF 485 million; 67 percent of these were achieved in Germany and 33 percent in Switzerland.

The operating profit (EBIT) amounted to CHF 32.2 million (2020: CHF 9.0 million / 2019: CHF 23.6 million) and as a result was 36.4 percent higher than in the pandemic-free first half-year of 2019, which at that time was equivalent to the best half-year in the company's history. EBIT, including non-cash special effects (CHF 6 million) from the sale of wholesale business in Germany in January 2021, amounted to CHF 26.1 million.

Most important numbers at a glance

The following key figures exclude non-cash negative special effects to the amount of CHF 6 million from the sale of the wholesale business in January 2021.

- ✔ Organic sales development of plus 9.7 percent from CHF 442 to CHF 485 million; this includes a positive foreign exchange impact of 1.3 percent. The wholesale business of einsAmobile GmbH sold in January 2021 contributed CHF 146 million to sales in the first half-year of 2020 and mobiletouch austria GmbH, sold in December 2020, CHF 9 million.
- ✔ Operating profit of CHF 32.2 million (previous year: CHF 9.0 million) with an EBIT margin of 6.6 percent (previous year: 1.5 percent) of which Switzerland contributed 47 percent and Germany 53 percent.
- ✔ At CHF 1.6 million (previous year: CHF 1.5 million), financial expenses remained stable.
- ✔ Tax expenses were CHF 7.0 million and increased by CHF 6.3 million compared to the previous year.
- ✔ Net profit amounted to CHF 23.9 million (previous year: CHF 6.9 million).
- ✔ Free cashflow was CHF 38.3 million (previous year: CHF 31.0 million).
- ✔ Earnings per share in the first half-year of 2021 amounted to CHF 0.53 (previous year: CHF 0.16) The share price was CHF 10.88 on 30 June 2021 compared to CHF 8.23 at the end of June 2020.
- ✔ Net cash flow from operating activities amounted to CHF 45.1 million (previous year: CHF 35.9 million).
- ✔ Financial liabilities totalled CHF 149 million compared to CHF 183 million at the end of December 2020.
- ✔ Net debt amounted to CHF 103 million (31.12.2020: CHF 120 million). The ratio of net debt to EBITDA was 1.33 (31.12.2020: 2.22).
- ✔ Shareholders' equity in the individual financial statements of mobilezone holding ag amounted to CHF 169 million (31.12.2020: CHF 177 million).
- ✔ The EBIT expectation for the 2021 financial year communicated in March 2021 was raised by CHF 6 million to CHF 67 million to 72 million.



Markus Bernhard, CEO

Olaf Swantee, Chairman of the Board of Directors

Market area Switzerland

Business development in all sectors in Switzerland was highly gratifying.

- ✔ Sales in Switzerland grew from CHF 140 million to CHF 157 million or by 12.1 percent. This included in the previous year the activities sold in December 2020 in Austria with sales of CHF 9.3 million and an EBIT of CHF –0.2 million.
- ✔ EBIT increased by CHF 8.0 million to CHF 14.8 million, corresponding to sales profitability of 9.4 percent (previous year: 5.7 percent).
- ✔ The number of shops remained unchanged in the first half-year of 2021 compared to 2020 at 123 locations.
- ✔ At 182,000 (previous year: 150,000) contracts sold (Postpaid, Internet and TV), we succeeded in surpassing the previous year's figures by 21.3 percent, which were burdened due to COVID-19, and as a result also the value of the first half-year 2019.
- ✔ Service sales (fleet management, data transfer, setting up smartphones and other services) were CHF 3.6 million (previous year: CHF 2.9 million).
- ✔ Sales of accessories grew by 28.9 percent to CHF 11.6 million (previous year CHF 9.0 million).
- ✔ The repair business in Switzerland in the first half-year saw 67,500 devices repaired (previous year: 66,600 devices). 6,800 devices (previous year: 5,000) were bought back from customers in mobilezone shops and prepared for resale via get-jusit.ch.
- ✔ Sales at MVNO TalkTalk were CHF 8.5 million (previous year: CHF 8.0 million). The sales share of mobile customers rose to 77 percent (previous year: 75 percent). In the postpaid SIM cards segment, the number of customers grew to 36,100 (previous year: 31,300) or by 15 percent.
- ✔ The EBIT of TalkTalk remained unchanged at CHF 2.4 million (previous year: CHF 2.4 million). The EBIT margin grew from 30.2 percent to 27.6 percent.

Market area Germany

Despite the Corona-related lockdown, German business surprised to the upside: restructuring of the German companies has been concluded. The synergies relate both to sales as well as costs.

- ✔ Sales declined from CHF 458 million to CHF 327 million. The sales share of the wholesale business sold in January 2021 amounted to CHF 146 million in the previous year with a gross profit margin of 1.8 percent. Without the wholesale business, sales would have risen by CHF 15 million or 4.8 percent.
- ✔ EBIT increased from CHF 1.8 million to CHF 17.1 million. The previous year includes restructuring costs of CHF 5.4 million.
- ✔ Overall, "online" and in "B2B trade" over 464,000 (previous year: 499,000) mobile phone contracts were concluded. Business in "indirect B2B trade" continued to be burdened by the ongoing severe effects of the COVID 19 pandemic in the first half year. Many shops of business partners remained closed for several months.
- ✔ The focus in online business to an increased extent is on mobile phone contracts with higher margins. This resulted in an overall increase in the contribution margin and per contract by more than 15 percent. Due to this focus, the number of contracts negotiated in online business declined slightly.
- ✔ Sales at MVNO HIGH amounted to CHF 8.5 million (previous year: CHF 6.5 million). The customer base was 64,000 (31.12.2020: 54,000), representing an increase of 18 percent.
- ✔ In November 2020, mobilezone launched a new e-commerce platform in the form of pricezilla.de, which uses the new shop tech architecture for marketing smartphones, tablets and accessories without subscriptions. Among other things, the focus in the first half-year of 2021 was on developing customer trust – this got off to a good start with an evaluation of 4.93 out of 5 among almost 2,000 evaluations on the customer evaluation platform Trust Pilot. During the first months, with still restricted functionalities, 12,000 orders with sales of almost CHF 4 million had already been achieved on pricezilla.de.

General Meeting in April 2021

Based on the ordinance issued by the Swiss Federal Council on measures to combat the coronavirus, shareholders could only cast their votes via an independent proxy at the annual general meeting of 7 April 2021. Among other things, shareholders decided on a dividend of CHF 0.56 (previous year: CHF 0.60) per share, which was paid on 16 April 2021.

Confident outlook for the second half-year 2021 – guidance raised

The very good half-year result of mobilezone confirmed the mobilezone Group's resilient business model. It has facilitated sustainable business development even during extraordinary times. mobilezone is correspondingly confident for the second half year looking ahead for all business segments in Germany and Switzerland.

An operating result (EBIT) without the non-cash effects from the sale of einsAmobile GmbH now of CHF 67 to 72 million with an EBIT margin of approximately 7 percent is expected for the financial year 2021. For the following years, mobilezone confirms its medium/long-term objective of continuous improvement in the operating margin from 20 to 30 base points p.a. The estimates are based on a continuous improvement in the global pandemic position.

Thank you to our employees

Special thanks are due to our over 1,000 employees, who outdid themselves with their great devotion and equally great agility. mobilezone has a strong entrepreneurial culture. Our teams in Germany and Switzerland are ready for the challenges of the second half-year.

Rotkreuz, 18 August 2021



Olaf Swantee
Chairman of the Board of Directors



Markus Bernhard
Chief Executive Officer

Key figures & share development

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Key figures

Group										
(CHF 000 or as indicated)	H1 2021	%	H1 2020	%	H1 2019	%	H1 2018	%	H1 2017	%
Net sales	484 531		597 407		568 604		560 588		512 584	
Gross profit	92 110	19.0 ¹	77 587	13.0 ¹	77 965	13.7 ¹	75 249	13.4 ¹	65 262	12.7 ¹
Operating profit before depreciation (EBITDA)	31 192	6.4 ¹	13 632	2.3 ¹	27 208	4.8 ¹	25 815	4.6 ¹	21 210	4.1 ¹
Operating profit (EBIT)	26 136	5.4 ¹	9 007	1.5 ¹	23 608	4.2 ¹	22 966	4.1 ¹	18 373	3.6 ¹
Net profit	17 833	3.7 ¹	6 945	1.2 ¹	17 056	3.0 ¹	16 802	3.0 ¹	13 656	2.7 ¹
Operating profit (EBIT) adjusted for special effect ⁴	32 183	6.6 ¹								
Net profit adjusted for special effect ⁴	23 880	4.9 ¹								
Net cash flow from operating activities	45 101		35 942		1 241		-30 087		-1 822	
Investments in property, plant and equipment and intangible assets	6 776		4 950		4 429		3 509		4 707	
Free cash flow before acquisitions/divestments	38 325		30 992		-3 188		-33 596		-6 529	
	30.06.2021		31.12.2020		31.12.2019		31.12.2018		31.12.2017	
Total assets	289 590		353 789		390 541		367 070		302 640	
Net debt	-103 124		-119 578		-130 876		-76 161		-70 200	
Shareholders' equity	17 472	6.0 ²	23 182	6.6 ²	15 051	3.9 ²	34 382	9.4 ²	8 977	3.0 ²
Shareholders' equity without offsetting of goodwill	82 596	23.3 ³	102 286	23.6 ³	132 530	26.1 ³	111 192	25.1 ³	46 776	13.7 ³
ROCE (%) ⁵	53.3		40.4		47.6		55.4		70.6	
Net-debt-to-EBITDA ratio	1.45		2.22		1.93		1.31		1.25	
Net debt/EBITDA adjusted for special effect ⁴	1.33									
Number of staff (full-time positions)	1 002		1 127		1 217		930		867	
Average number of staff (full-time positions) during the reporting period	1 040		1 239		1 081		930		898	
Number of shops Switzerland	123		123		117		119		124	

¹ In percent of net sales.

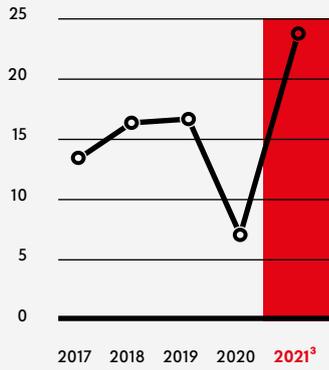
² In percent of total assets.

³ Shareholders' equity and total assets without offsetting goodwill / with amortization (see page 27, section 3).

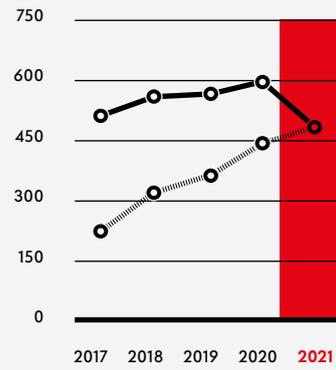
⁴ A non-cash special effect of CHF 6 million resulted in the reporting period due to the sale of 75 percent of the shares in einsAmobile GmbH.

⁵ EBIT of the last 12 months adjusted for special effects / (∅ shareholders' equity + ∅ financial liabilities - ∅ cash and cash equivalents - ∅ real estate)

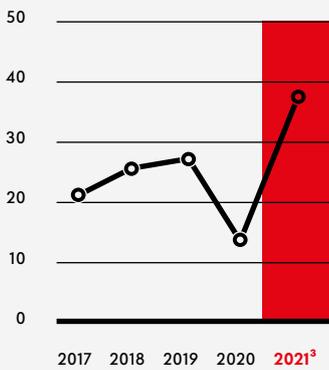
Net profit¹
(CHF million)



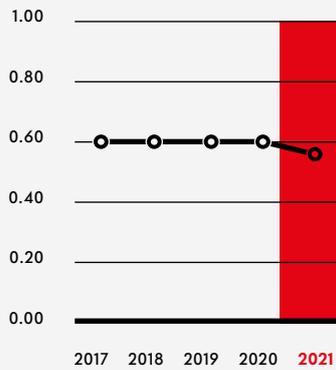
Net sales¹
(CHF million)



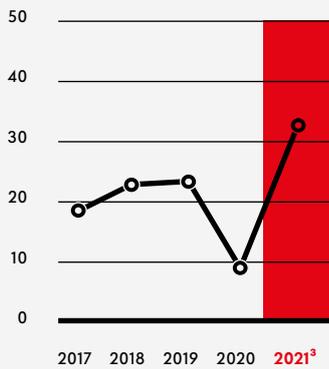
EBITDA¹
(CHF million)



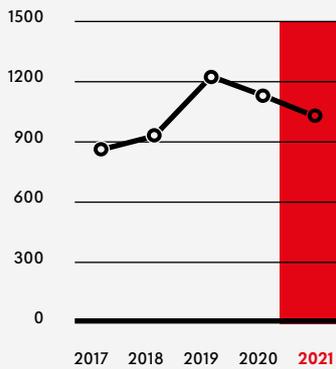
Dividend
(CHF)



EBIT¹
(CHF million)



Number of staff²
(full-time positions)



○— Swiss GAAP FER
○— Pro forma figures excluding divested wholesale business in GER and mobiletouch austria GmbH

¹ 1 January to 30 June each

² As of 30 June 2021 and previous years as of 31.12.

³ Adjusted for a non-cash special effect of CHF 6 million due to the sale of 75 percent of the shares in einsAmobile GmbH.

Share development

Information per share

(in CHF or as indicated)	2021	2020	2019	2018	2017
Number of shares issued of June 30 (number)	44 781 213	44 781 213	44 781 213	40 781 213	32 195 697
Weighted average number of shares outstanding	44 714 533	44 720 844	40 836 290	36 634 558	32 186 627
Earnings per share (undiluted/diluted)	0.40	0.16	0.42	0.46	0.42
Earnings per share adjusted for special effect ³ (undiluted/diluted)	0.53				
Equity per share without offsetting of goodwill ¹	1.85	2.06	3.11	2.78	1.01
Distribution per share	0.56	0.60	0.60	0.60	0.60
Share price (highest/lowest)	12.50/9.45	11.70/7.08	11.94/8.78	12.30/9.79	15.90/14.05
Share price as of June 30	10.88	8.23	9.97	10.02	14.10

Share development from 2014² (Index)



¹ Shareholders' equity without offsetting of goodwill / with amortization (see page 27, section 3).

² Dividend reinvested.

³ A non-cash special effect of CHF 6 million resulted in the reporting period due to the sale of 75 percent of the shares in einsAmobile GmbH.

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Interview with Olaf Swantee

Chairman of the Board of Directors of the mobilezone Group

OLAF SWANTEE, YOU WERE ELECTED ON 7 APRIL 2021 BY THE ANNUAL GENERAL MEETING AS THE NEW CHAIRMAN OF THE BOARD OF DIRECTORS OF MOBILEZONE. WHAT IS YOUR CONCLUSION AFTER ROUGHLY THE FIRST FOUR MONTHS IN OFFICE?

As part of my preparation for the office of chairman of the board of directors, I had numerous discussions with Markus Bernhard and spent a lot of (partially virtual) time with him. I met the most important sales partners of mobilezone in Switzerland. Once it became possible again, I visited the German company in Cologne and gained valuable insights. Moreover, since August 2020, I had attended all Board of Directors' meetings in order to be able to get a comprehensive picture of mobilezone. From this, I've drawn a very positive conclusion: mobilezone is a strong, stable company with a very good, experienced management team. As the sole independent telecommunications provider in Switzerland with over 120 shops and huge potential in online business, mobilezone is in a stable and strategically very good position.

In my view, mobilezone is so successful because the company has well-trained, highly motivated employees. During various visits to the shops and headquarters in Rotkreuz, I got a very positive impression of how the brand mobilezone is represented and lived by the employees. The team of our German companies has also demonstrated great commitment. Seeing such great motivation is a pleasure.

MOBILEZONE SUCCEEDED IN FINISHING THE FIRST HALF-YEAR WITH AN EXCELLENT RESULT. YOU MUST BE VERY SATISFIED WITH THIS.

Of course, I'm very satisfied. The good result shows that mobilezone is also capable of excellent performance during difficult phases. Moreover, it's very gratifying that the EBIT margin along with the gross margin developed very well.

Management has succeeded in establishing a very good balance between the German and Swiss business. In Germany, positive development is evident, which makes the entire business even more stable. In the Swiss business, I think what the sales management with the support of the em-

ployees at headquarters and all the other companies has managed, despite difficult conditions, is simply fantastic.

The result is also very gratifying, since the targets forecast by management for the first half-year of 2021 were not only reached, but very clearly exceeded. This gives me confidence of becoming even stronger in the individual growth areas. In Germany, this is in the online business and in Switzerland, at TalkTalk, in the corporate customer area and in particular product areas in retail, such as in Internet and television offers, telecommunications accessories and in the Internet of Things.

WHAT MOTIVATED YOU TO TAKE ON THE MANDATE AS CHAIRMAN OF THE BOARD OF DIRECTORS AT MOBILEZONE? HOW DID THE CONTACT COME ABOUT?

I know my predecessor, Urs T. Fischer, from back in the day. We worked together at the company Digital in 1990. As CEO of Sunrise, I could look back on many years of good business relations with mobilezone. In the first quarter of 2020, the company asked me whether I would be available as candidate for the post of chairman of the board of directors to succeed Urs T. Fischer. After initial discussions, the official process took place with the Nomination Committee; finally, the Board of Directors proposed me to the annual general meeting as chairman of the board of directors.

If you accept such a position, you have to have great confidence in the capabilities of the CEO and the management team and be able to cooperate well. Markus Bernhard and his management team are positioned excellently – the decision was correspondingly easy for me.

I also think that with my experience in the telecommunications sector as operational CEO and via my various board of directors' mandates, I can support the management and CEO. And not least, mobilezone, as already mentioned, is a stable company with

” During various visits to the shops and headquarters in Rotkreuz, I got a very positive impression of how the brand mobilezone is represented and lived by the employees.

a lot of potential. This inspired me to take on the office.

WHAT WILL CHANGE FOR MOBILEZONE WITH YOU AS CHAIRMAN OF THE BOARD OF DIRECTORS?

mobilezone is a leader in the telecommunications sector. The figures are reliable and the management strong. Continuity of these good results is important and we will also strive for this in future. mobilezone concluded the final step in its strategic re-orientation in Germany with the sale of the wholesale business of einsAmobile GmbH in January 2021. We are in a good strategic position with this sale. Growing in the individual areas is what counts now.

Moreover, I would like to continue to emphasise corporate governance. Sustainability is important to me. Efforts in this direction are to be continued and the strategy further developed.

” mobilezone will also assert itself more in the e-commerce sector in the longer term – not just in Germany, but also in Switzerland. We will orient ourselves strategically in line with this.

Further improvement in the core processes in the sense of operational excellence is another strategic priority. To boost efficiency, we are currently testing the IT infrastructure and will reconstruct it accordingly where necessary.

WHERE IS THE JOURNEY GOING UNDER YOUR LEADERSHIP IMMEDIATELY AND IN THE LONGER TERM?

mobilezone will also assert itself more in the e-commerce sector in the longer term – not just in Germany, but also in Switzerland. We will orient ourselves strategically in line with this.

Expansion of our production portfolio is likewise strategically important. The market trend is towards convergence products. Our partners in Switzerland and Germany already rely on these bundles consisting of Internet and television.

We want to develop further here. Our main business will clearly remain mobile communications, but subjects such as the Internet of Things, expansion of the acces-



About Olaf Swantee

Olaf Swantee has many years of extensive international experience in managing and directing big companies, including, among other things, as CEO of Sunrise Communications. During his period of office as CEO of EE, Olaf Swantee successfully merged Orange and T-Mobile in the United Kingdom. Between 2007 and 2011, he worked in senior positions at France Telecom (now Orange Group), among other things as head of the European mobile communications and fixed line business. Since August 2020, he has been chairman of the board of directors at Community Fibre and since June 2021 member of the board of directors at Vodafone and Anapaya Systems AG. In the past, he has held numerous board of directors' mandates in the telecommunications sector, including at Telia, Mobistar and at Mobinil. Olaf Swantee studied economics and obtained an MBA at the European School of Management.

sory range and of the business customer portfolio will become more important for mobilezone.

In cultural terms, mobilezone is an exciting company: in Switzerland mobilezone has a strong corporate culture with strong values. mobilezone in Germany also has strong corporate values that are lived in everyday life. I hope that in the long term we will adopt the best of both cultures and in this way succeed in developing a Group-wide corporate culture.

YOU ARE ON THE ROAD A LOT WITH YOUR MANDATES. HOW DO YOU BALANCE THAT IN YOUR PERSONAL LIFE?

That's right, I'm on the road a lot due to work. In England, I'm chairman of the board of directors at Community Fibre and member of the board of directors at Vodafone. I spend a few days in each case in London and then another few days in Switzerland. Here I support two start-ups from the technology sector. I balance my professional daily routine with my family at home in Switzerland and in the mountains. In winter, I'm involved with anything that has to do with skiing, whether cross-country skiing, ski tours or Alpine skiing. In summer, I'm in the water, whether swimming or wind surfing.

Interview with Markus Bernhard

CEO of mobilezone Group

MOBILEZONE CONCLUDED THE PREVIOUS FINANCIAL YEAR 2020 VERY SATISFACTORILY. HOW WOULD YOU SUM UP THE FIRST HALF YEAR OF 2021 – WERE YOU ABLE TO MAINTAIN THE MOMENTUM?

Yes, we were more than able to maintain the momentum. We achieved by far the best result in the company's history – with an operational EBIT of CHF 32 million, we succeeded in outdoing the previous record result from 2019 by more than 36 percent. We worked outstandingly in the first half year and exceeded all of our expectations and the estimates of the analysts by far – and this despite the restrictions due to the Corona-related lockdown in Germany and partially also in Switzerland. We have already managed to implement and use synergies both on the sales as well as on the cost side in Germany from the now concluded restructuring. We succeeded in reaching the strategic targets we had set ourselves.

We were able to further expand the share of recurrent revenue in fleet management, Device-as-a-Service and the service subscription.

And with TalkTalk, our in-house Swiss MVNO provider (Mobile Virtual Network Operator), we managed to acquire over 8,000 new customers in the field of postpaid SIM cards (first half-year 2020: 4,000 new customers). This is an increase of 100 percent. In the postpaid SIM cards segment, the number of customers grew to 36,100 (previous year: 31,300) or by 15 percent.

Sales at the German MVNO HIGH were CHF 8.5 million (previous year: CHF 6.5 million with a customer base of 64,000 (31.12.2020: 54,000). This was an increase of 18 percent.

MOBILEZONE HAS ANNOUNCED IT HOPES TO ACHIEVE AN EBIT OF 61 TO 65 MILLION IN THE CURRENT FINANCIAL YEAR. ARE YOU ON COURSE TO ACHIEVE THIS TARGET?

We are more than just on course. We've clearly exceeded all of our expectations for the first half year. In March 2021, we confirmed our EBIT expectations of CHF 61 million to 66 million for the fiscal year 2021. Due to the half-year results achieved, we have raised our EBIT guidance by CHF 6 million now to CHF 67 to 72 million. Furthermore, we are exploiting the momentum and investing more in new customer acquisition for TalkTalk and e-commerce technology; this is why we are raising our Capex forecast for 2021 to CHF 15 million in favour of faster sales growth in these areas.

” We achieved by far the best result in the company's history – with an operational EBIT of CHF 32, million we succeeded in outdoing the previous record result from 2019 by more than 36 percent.

COULD YOU GIVE US AN OUTLOOK ON THE ROADMAP OF THE GROUP UP TO THE END OF 2021?

Generally speaking, we will be investing in new customers, employees, technology and marketing. The subject of e-commerce will be a strategic focus in Switzerland, but also in Germany, where we have great ambitions of achieving CHF 20 million in sales in 2021 with pricezilla.de. Investment in this new e-commerce platform will be about CHF 7 million on an accumulated basis in 2022. In Switzerland, we have al-



ready in particular invested in personnel staffing in the e-commerce area and will continue to up the pace there. The improved online presence of TalkTalk as well as of mobilezone.ch is summarised under the project name "Digital Growth" in Switzerland.

These investments in future growth are only made possible by the very good business results in the first place, as a result of which the resources needed for implementing the digital measures are liberated.

We are on course in redesigning the the shops in Switzerland: To continue facilitating an optimal purchasing experience for customers, all mobilezone shops will be converted and renovated to the latest shop layout by 2022 as well as other shop-in-shop concepts.

WHAT ARE YOUR PLANS FOR THE MOBILEZONE GROUP IN THE SECOND HALF-YEAR OF 2021?

We have maintained the positive momentum and are convinced that the good performance will also continue in the second half year – especially also with regard to the Christmas business.

We will probably turn in by far the best company result in history. We want to consolidate the existing business and become even stronger in the individual segments. Experience shows that for seasonal reasons the second half year is far more profitable than the first half year, due to new products from Apple and the Christmas business in retail.

HOW DID YOU GET STARTED WITH THE SWISS COMPANIES IN THE NEW YEAR AND WHAT ARE YOUR CONCLUSIONS?

We worked well. Due to the lockdown, we had fewer entries in the shops overall – over the last six months compared to 2019, we had about 15 percent fewer entries. Despite the non-optimal framework, business went very well. This was not least possible also thanks to motivated employees.

In the corporate customer area, we offer companies the option of boosting their attractiveness as employer by enabling them to

offer their employees mobile subscriptions, devices and accessories at appealing terms. This is done via tailor-made customer platforms. We managed to boost volume via these platforms in the first half year of 2021,



because the employees of our customers went on a buying spree. Moreover, we acquired additional business customers and in this likewise succeeded in increasing deals.

We succeeded in raising recurrent revenue in the service business as of the end of June 2021 to CHF 4.2 million.

We're very satisfied with the 8,000 customers we managed to acquire with TalkTalk.

YOU HAVE REPEATEDLY EMPHASISED THE STRATEGIC IMPORTANCE OF THE REPAIR BUSINESS IN SWITZERLAND, FOR EXAMPLE, REGARDING RE-PROCESSING DEVICES FOR THE BRAND "JUSIT". WHAT IS YOUR HALF-YEAR ASSESSMENT OF THE REPAIR BUSINESS?

We offer our customers a complete product range related to smartphones, accessories, wearables, subscriptions and services. Consequently, it makes sense that we also offer to repair their devices as a service and in this way round off our product range. Apart from repairs for private and corporate customers, the repair business has also become important in the area of reprocessing of used smartphones for our brand "jusit". Here too we cover the product range from A to Z ourselves: We buy the used devices back in our shops, have them checked and repaired by our own manufacturer-certified technicians and then sell them online at get-jusit.ch and in eleven selected mobilezone shops throughout Switzerland. Between March and July 2021, we carried out a successful buy-back campaign for used devices in our shops. We are doing well in all sales channels with "jusit" and have been able to meet expectations.

” Speaking generally, we will be investing in new customers, employees, technology and marketing.

Our subsidiary mobiletouch in Zweidlen in Zurich carries out the repairs. The entire workforce will move to Rotkreuz in the first quarter of 2022 in the interests of a central service hub, together with our central warehouse in Regensdorf. Apart from creating about 100 jobs in the Zug region, the move will permit us to achieve considerable synergies in processes and establishing and anchoring a comprehensive corporate culture.

YOU ALREADY MENTIONED THE BRAND "JUSIT" FOR USED SMARTPHONES. COULD YOU SAY HOW BUSINESS WITH USED SMARTPHONES IS DEVELOPING?

There is a demand for used smartphones. We distribute them primarily via our own channels, online via get-jusit.ch and in selected mobilezone shops throughout Switzerland. Moreover, we have succeeded in obtaining other relevant sales partners for distribution. We are well on the way to reaching our targets.

The subject of smartphone life cycle is one of four main areas in our sustainability strategy and as a result a correspondingly important part of our business model.

WHAT CAN WE EXPECT IN THE NEAR FUTURE IN THE FIELD OF USED SMARTPHONES?

Our priority is to sell our products online. In addition, we plan a seven-day open shop at the motorway service stop Würenlos, including workshop. In addition, we also want to reinforce the service business for used smartphones.

WAS YOUR CONFIDENT ASSESSMENT CORRECT THAT BUSINESS THROUGHOUT GERMANY WOULD RECOVER FROM SPRING 2021, ESPECIALLY AFTER THE NOT QUITE SO SATISFACTORY EBIT OF CHF 12 MILLION IN FINANCIAL YEAR 2020 (2019: CHF 29 MILLION)?

We completed the restructuring by selling the wholesale business, einsAmobile, to its founders. The synergies amount to more than EUR 5 million per year. The German business is now in a very good position and in the first half year surprised to the upside with an EBIT contribution of CHF 17 million. And this was although indirect B2B sales were still severely affected by the Coronavirus-related lockdown. Turnover is also developing positively here, since the shops of our specialist dealer partner mobilezone handel reopened. In the indirect online business, we are the clear number one with a very big lead over our nearest competitor thanks to the brands

sparhandy.de and deinhandy.de and to the home shopping channel handystar.de. We have managed to improve our market position slightly in Germany and we have succeeded in increasing our margins in the online contract business by 15 percent.

YOU LAUNCHED PRICEZILLA.DE IN NOVEMBER 2020. YOU WANT TO OPEN UP NEW CUSTOMER GROUPS WITH THE PLATFORM RELATED TO MOBILE COMMUNICATIONS AND CONNECTIVITY. HOW IS THE BUSINESS GOING?

pricezilla.de is the first "product" based on our new IT technology. The first months got off to a successful start, though the focus in this starting phase is not on maximizing sales, but rather on testing processes and workflows. Among other things, we measure the satisfaction of our customers via the evaluations on the customer evaluation platform "Trust Pilot": 96 percent evaluate their order with the maximum score. A critical mass of positive customer feedback is needed to be accepted as a brand and create confidence among customers to ensure they return. We have taken a good step in this direction with pricezilla.de. Furthermore, this initial phase was also important in testing and further optimising the new processes.

Several technical innovations are in the works for the second half year and we then want to ramp up and scale turnover right in time for the Christmas business.

LET'S LOOK AHEAD TO THE END OF THE YEAR: WHAT IS THE ROADMAP FOR MOBILEZONE GERMANY IN THE SECOND HALF YEAR OF 2021?

The new iPhones, which traditionally come out in autumn and the Christmas season with "Black Friday" usually have a positive effect on sales. We hope that the increasing shortage of smartphones in recent weeks, due to the worldwide limited chip availability, will correct itself as quickly as possible. We assume there will be no renewed Corona-related restrictions for brick-and-mortar trade in the winter months. Similarly to Switzerland, we also expect a good 2021 second half year for Germany.

” The German business is now in a very good position after the restructuring and in the first half year surprised to the upside with an EBIT contribution of CHF 17 million. The synergies amount to more than EUR 5 million

mobilezone Group

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mobilezone Group

The mobilezone Group, with its headquarters in Rotkreuz in Zug, was founded in 1999 and is today the leading independent telecommunications specialist in the field of mobile and landline telephony. mobilezone operates in Switzerland and Germany and has about 1,000 employees at the locations Rotkreuz, Urnäsch, Zweidlen, Berlin, Bochum, Cologne and Münster.

mobilezone offers a complete smartphone range, including accessories and wearables as well as subscriptions for mobile and landline telephony, digital TV and Internet throughout Switzerland in over 120 shops. Independent specialist advice and other services supplement the product range. mobilezone sells used and reprocessed smartphones in Switzerland at attractive prices under the brand "jusit". mobilezone provides repair services in its ten workshops and operates various partner repair centres. mobilezone provides independent advice and individual customer solutions in the field of telecommunications for SMEs and major companies. TalkTalk is mobilezone's provider in the fields of mobile communications, landline and Internet. Its products are available online at talktalk.ch and in all mobilezone shops. mobilezone offers repair and logistics services for mobile products, such as smartphones, tablets and other devices.

All German e-commerce end customer brands are merged in the company powwow, which are specialised in the mediation of mobile communications contracts and the sale of mobile telephones in Germany. Indirect sales is centrally bundled under the umbrella brand mobilezone Handel.



mobilezone[®]

B2C

Business

mobiletouch



Direct channels

powwow

Online

Indirect channels

mobilezone[®]
handel

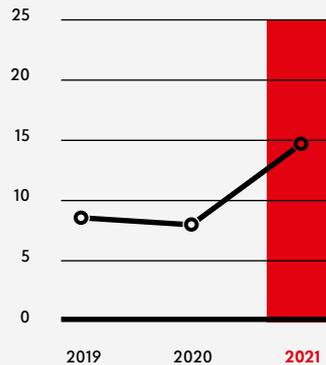
B2B



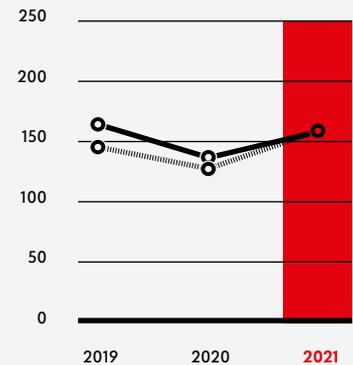
Market area Switzerland



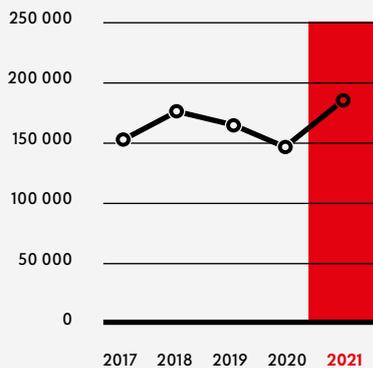
EBIT¹
(CHF million)



Net sales¹
(CHF million)

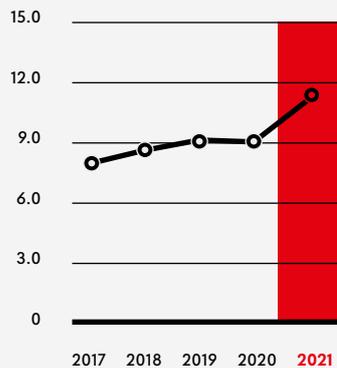


Mobile communications,
digital TV and Internet
contracts¹
(Number of contracts)



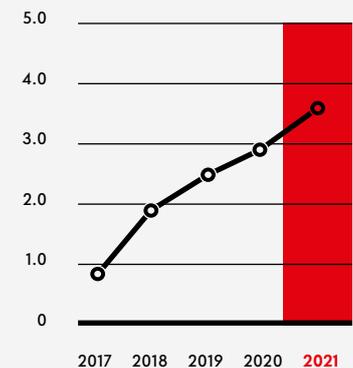
mobilezone offers customers price contracts from all leading mobile communications providers. In the first half year of 2021, the number of mobile communications, digital TV and Internet contracts negotiated was 182,000 (previous year: 150,000). Compared to the previous year, this was an increase of 21.3 percent.

Mobile communications
accessories¹
(Sales in CHF million)



In our over 120 mobilezone shops as well as online, we offer the biggest range in accessories for mobile devices in Switzerland. In the first half year of 2021, sales amounted to CHF 11.6 million (previous year: CHF 9.0 million). Compared to the previous year, this was an increase of 28.9 percent.

Services¹
(Sales in CHF million)

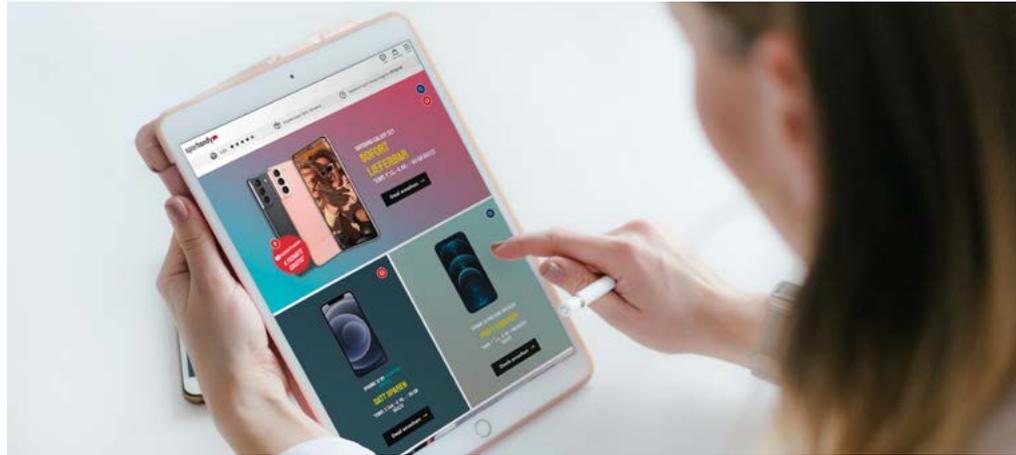


mobilezone offers numerous services for mobile devices and contract management. This includes fleet management in the B2B area, guarantee extensions, technical support, setting up smartphones, data transfer and more. In the first half year of 2021, sales with services were CHF 3.6 million (previous year: CHF 2.9 million). Compared to the previous year, this was an increase of 24.1 percent.

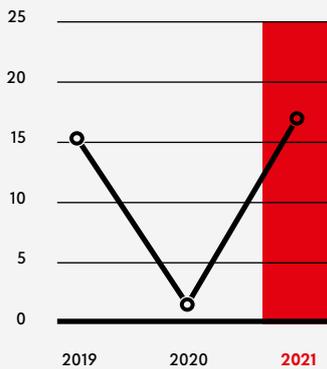
○— Swiss GAAP FER
○— Pro forma figures excluding divested mobiletouch austria GmbH

¹Every 1 January to 30 June

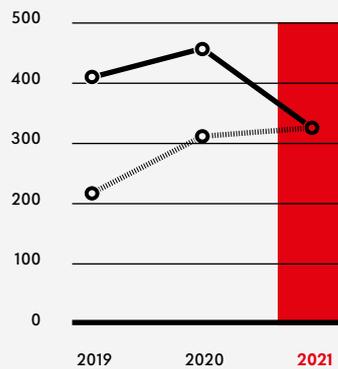
Market area Germany



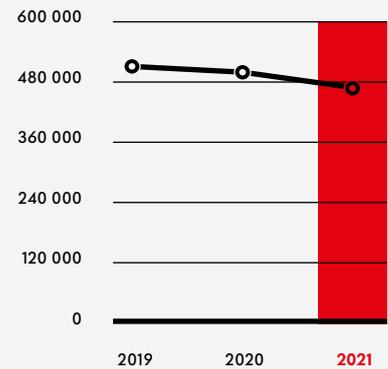
EBIT¹
(CHF million)



Net sales¹
(CHF million)



Mobile communications, digital TV and Internet contracts¹
(Number of contracts)



Via its own platforms sparhandy.de, deinhandy.de, its own TV channel handystar.de and sales partners, mobilezone mediated over 464,000 mobile communications and DSL / Internet contacts in the first half year of 2021 (previous year: 490,000).

●—● Swiss GAAP FER
●—● Pro forma figures excluding divested wholesale business in GER

¹ Every 1 January to 30 June

Consolidated financial statements mobilezone Group

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Consolidated income statement

1 January to 30 June (CHF 000)	2021	2020
Net sales	484 531	597 407
Cost of goods and materials	-392 421	-519 820
Gross profit	92 110	77 587
Other operating income	380	532
Personnel costs	-35 727	-35 145
Other operating costs	-25 571	-29 342
Operating profit before depreciation (EBITDA)	31 192	13 632
Depreciation of property, plant and equipment	-2 017	-2 234
Amortization of intangible assets	-3 039	-2 391
Operating profit (EBIT)	26 136	9 007
Financial income	261	155
Financial expenses	-1 597	-1 538
Profit before taxes (EBT)	24 800	7 624
Income tax expense	-6 967	-679
Net profit	17 833	6 945
	CHF	CHF
Earnings per share	0.40	0.16
Earnings per share – diluted	0.40	0.16

The Notes are an integral part of mobilezone's consolidated semi-annual financial statements.

Consolidated balance sheet

(CHF 000)	30.06.2021	31.12.2020
Assets		
Cash and cash equivalents	45 971	63 420
Trade accounts receivable	107 265	121 089
Inventories	38 910	72 455
Other receivables	15 408	10 685
Accruals	33 578	41 070
Current assets	241 132	308 719
Property, plant and equipment	17 857	18 135
Intangible assets	22 856	21 792
Other receivables	4 254	947
Deferred income tax assets	3 491	4 196
Non-current assets	48 458	45 070
Total assets	289 590	353 789
Liabilities and shareholders' equity		
Financial liabilities	17 325	47 998
Trade accounts payable	47 111	73 201
Tax liabilities	11 838	15 800
Other liabilities	11 182	14 348
Accruals	51 485	41 295
Provisions	249	1 807
Current liabilities	139 190	194 449
Financial liabilities	131 770	135 000
Deferred income tax liabilities	1 158	1 158
Non-current liabilities	132 928	136 158
Share capital	448	448
Treasury shares	-1 326	-560
Capital reserves	75 601	88 103
Goodwill offset	-245 021	-246 662
Retained earnings	187 770	181 853
Shareholders' equity	17 472	23 182
Total liabilities and shareholders' equity	289 590	353 789

The Notes are an integral part of mobilezone's consolidated semi-annual financial statements.

Consolidated statement of cash flows

1 January to 30 June (CHF 000)	2021	2020
Profit before taxes	24 800	7 624
Financial result	1 336	1 383
Depreciation and amortization	5 056	4 625
Changes of allowances (net)	259	-1 301
Gains on divestment	6 047	0
Gains on disposal of non-current assets	-25	-27
Expenditure for share-based compensation	19	13
Gross cash flow from operating activities	37 492	12 317
Working capital adjustments		
Trade accounts receivable	-9 886	16 261
Other receivables and accruals	26 191	21 406
Inventories	8 631	8 661
Trade accounts payable	-19 168	-37 316
Other liabilities, accruals and provisions	6 847	16 017
Income taxes paid	-5 006	-1 404
Net cash flow from operating activities	45 101	35 942
Additions		
Property, plant and equipment	-2 050	-1 939
Intangible assets	-4 726	-3 011
Securities in fixed assets	0	55
Acquisition of subsidiaries less cash & cash equivalents	-297	-2 687
Disposals		
Property, plant and equipment	34	122
Securities in fixed assets	13	0
Sale of subsidiary less cash & cash equivalents	5 427	0
Interest received	147	156
Net cash flow from investing activities	-1 452	-7 304
Proceeds of financial liabilities	54 585	33 158
Repayment of financial liabilities	-88 761	-48 301
Interest paid	-1 597	-1 510
Purchase of treasury shares	-1 094	-900
Sale of treasury shares	332	397
Dividends paid	-25 050	-26 863
Net cash flow from financing activities	-61 585	-44 019
Effect of currency translation	487	477
Net decrease/increase in cash and cash equivalents	-17 449	-14 904
Cash and cash equivalents as of January 1	63 420	64 991
Cash & cash equivalents as of June 30	45 971	50 087

The Notes are an integral part of mobilezone's consolidated semi-annual financial statements.

Consolidated statement of changes in shareholders' equity

Movement of shareholders' equity (CHF 000)	Share capital	Treasury shares	Capital reserves	Goodwill offset	Retained earnings	Total
31.12.2019	448	-579	101 580	-247 056	160 658	15 051
Net profit					6 945	6 945
Purchase of treasury shares		-900				-900
Sale of treasury shares		397				397
Dividends paid			-13 431		-13 432	-26 863
Profit of treasury shares		101	-101			0
Share-based compensation			13			13
Currency translation adjustments					741	741
30.06.2020	448	-981	88 061	-247 056	154 912	-4 616
31.12.2020	448	-560	88 103	-246 662	181 853	23 182
Net profit					17 833	17 833
Purchase of treasury shares		-1 094				-1 094
Sale of treasury shares		332				332
Dividends paid			-12 525		-12 525	-25 050
Profit of treasury shares		-4	4			0
Share-based compensation			19			19
Divestment				1 641		1 641
Currency translation adjustments					609	609
30.06.2021	448	-1 326	75 601	-245 021	187 770	17 472

The Notes are an integral part of mobilezone's consolidated semi-annual financial statements.

Segment information

Income statement 1 January to 30 June (CHF 000)	Total mobilezone Group		Switzerland		Germany		Unallocated / Elimination	
	2021	2020	2021	2020	2021	2020	2021	2020
Net sales	484 531	597 407	157 397	139 876	326 772	458 489	362	-958
Cost of goods and materials	-392 421	-519 820	-106 492	-96 038	-286 339	-423 754	410	-28
Gross profit	92 110	77 587	50 905	43 838	40 433	34 735	772	-986
Other operating income	380	532	195	82	650	492	-465	-42
Personnel costs	-35 727	-35 145	-23 267	-22 249	-11 292	-11 949	-1 168	-947
Other operating costs	-25 571	-29 342	-9 706	-10 338	-11 024	-20 251	-4 841	1 247
Operating profit before depreciation (EBITDA)	31 192	13 632	18 127	11 333	18 767	3 027	-5 702	-728
Depreciation of property, plant and equipment	-2 017	-2 234	-1 664	-1 838	-321	-365	-32	-31
Amortization of intangible assets	-3 039	-2 391	-1 683	-1 488	-1 356	-903	0	0
Operating profit (EBIT)	26 136	9 007	14 780	8 007	17 090	1 759	-5 734	-759
Investments in property, plant and equipment and intangible assets	6 776	4 950	3 048	2 019	3 728	2 815	0	116
Balance sheet (CHF 000)	30.06.2021	31.12.2020	30.06.2021	31.12.2020	30.06.2021	31.12.2020	30.06.2021	31.12.2020
Current assets	241 132	308 719	91 482	105 502	142 093	199 000	7 557	4 217
Non-current assets	48 458	45 070	23 243	23 563	24 018	20 186	1 197	1 321
Assets	289 590	353 789	114 725	129 065	166 111	219 186	8 754	5 538
Liabilities	272 118	330 607	122 269	119 101	285 908	341 167	-136 059	-129 661

mobilezone's business activities include marketing telecommunications service contracts of all major network operators in Switzerland and Germany as well as selling mobile communications devices (mobile phones, tablets, wearables) and related accessories.

The segment "Switzerland" is comprised of mobilezone ag, mobilite ag, IT Business Services GmbH, TalkTalk AG and mobiletouch ag. mobiletouch austria GmbH was deconsolidated in November 2020. The company contributed net sales of CHF 9.3 million in the first half year of 2020. The segment "Germany" comprises mobilezone Deutschland GmbH, mobilezone Handel GmbH, powwow GmbH and powwow Berlin GmbH. einsAmobile GmbH was deconsolidated in January 2021. einsAmobile GmbH achieved net sales of CHF 188 million with third parties in the first half year of 2020.

The Group Management of mobilezone Group is the chief operating decision maker. The mobilezone Group monitors performance on the basis of the segment operating profit before interest and taxes (EBIT). The total assets of each segment comprise all assets of the segment. Internal reporting of the mobilezone Group is based on Swiss GAAP FER.

The allocation of net sales to a country is based on the location of the registered office of the company that generated the sales. The "Unallocated/Elimination" item comprises transactions between countries/segments and the holding company. Intercompany assets and liabilities are eliminated.

Notes to the consolidated semi-annual financial statements

1 Principles of preparation of the financial statements

The unaudited semi-annual financial statements for the six months ended 30 June 2021 have been prepared in accordance with the entire Swiss GAAP FER accounting and reporting recommendations in general and Swiss GAAP FER 31 "Complementary recommendation for listed companies" in particular. The consolidated semi-annual financial statements are based on the unaudited Group companies' separate financial statements that have been prepared in accordance with uniform guidelines. The uniform balance sheet date is June 30. The reporting currency is the Swiss franc (CHF). As the unaudited consolidated semi-annual financial statements do not include all the disclosures contained in the annual consolidated financial statements, this interim report should be read in conjunction with the consolidated financial statements for the year ended 31 December 2020.

2 Changes in the scope of consolidation

einsAmobile GmbH

mobilezone sold 75 percent of its shares in einsAmobile GmbH during the year under review. mobilezone withdrew from the wholesale business segment with this transaction. In the financial year 2020, the company sold achieved sales of CHF 303 million. The company was deconsolidated in January and will be stated in the year under review using the equity method. The loss from the divestment amounted to CHF 6 million and was recognized in other operating costs. The following table presents the balance sheet items sold per date of sale and the result arising from the transaction.

(CHF 000)	Balance sheet value on 1.1.2021
Cash and cash equivalents	-4 103
Trade accounts receivable	-23 233
Inventories	-25 356
Other assets	-3 747
Current liabilities	43 303
Net assets disposed of	-13 136
Realisation of accumulated currency translation adjustments upon disposal	-553
Reclassification to profit or loss of goodwill upon disposal	-1 641
Subtotal	-15 330
Selling price received, net of transaction costs	6 191
Equity investments	3 092
Loss from divestment	-6 047

mobilit ag

mobilit ag merged in January 2021 with IT Business Services GmbH.

mobiletouch austria GmbH

mobiletouch austria GmbH was deconsolidated in November 2020.

sparstrom Energievertriebs GmbH

sparstrom Energievertriebs GmbH was acquired in June 2019 and sold in December 2020.

3 Treatment of Goodwill

Goodwill is offset against shareholders' equity at the time of acquisition. The resulting effects on shareholders' equity and on profit or loss are documented below based on the assumption of a useful life of goodwill of five years.

Effect of a theoretical capitalization of goodwill on the consolidated balance sheet and income statement:

Balance sheet (CHF 000)	2021	2020
Stated shareholders' equity as of June 30	17 472	-4 616
Equity ratio	6.0%	-1.4%
Acquisition value goodwill		
At the beginning of the fiscal year	246 662	247 056
Additions		0
Disposals	-1 641	0
As of June 30	245 021	247 056
Accumulated amortization		
At the beginning of the fiscal year	167 558	129 577
Amortization current year	13 980	20 879
Disposals	-1 641	0
As of June 30	179 897	150 456
Theoretical net book value goodwill as of June 30	65 124	96 600
Theoretical shareholders' equity without offsetting of goodwill as of June 30	82 596	91 984
Theoretical equity ratio	23.3%	21.5%

Effect of a theoretical amortization of goodwill on results:

Income statement (CHF 000)	2021	2020
Stated net profit	17 833	6 945
Theoretical amortization of goodwill	-13 980	-20 879
Net profit after amortization of goodwill	3 853	-13 934

4 Seasonality

Business shows seasonal fluctuations because of the Christmas trade. Consolidated sales and result of the first half year are thus usually lower than those of the second half of the year.

5 Contingent liabilities and future commitments, capital commitments, and restrictions of ownership

As of 30 June 2021, land buildings in the amount of CHF 5.7 million (31.12.20: CHF 5.7 million) and cash and cash equivalents in the amount of CHF 5.0 million were pledged for credit lines at banks (31.12.20: CHF 2.4 million).

There are no further items requiring disclosure.

6 Significant events after the balance sheet date

No significant events have occurred after the balance sheet date.

On 18 August 2021, the Board of Directors of mobilezone holding ag authorized these financial statements for issuance.



Company and legal information

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