

mobilezone holding ag, Suurstoffi 22, 6343 Rotkreuz, Switzerland

PRESS RELEASE

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**mobilezone Germany consolidates indirect sales under the new brand
mobilezone Handel / Impact of COVID-19 on the 2020 EBIT**

mobilezone Deutschland GmbH sets the course for further growth in the coming years. The indirect sales activities of all mobilezone companies in the German market will be consolidated in the coming months under the umbrella of the new brand mobilezone Handel. Previous mobilezone Germany brands SH, TPHCom and the indirect sales of einsAmobile are being brought together under this single brand. The lockdown caused by COVID-19 has had a significant impact on the operating results of the mobilezone Group for the first half of 2020.

Following the acquisition of SH Telekommunikation Deutschland GmbH (now powwow GmbH) in May 2019, in recent months the focus in the German market has been on consolidating the strategic online business with the brands, Sparhandy and Deinhandy, among others. The consolidation of the online business was successfully concluded with the launch of the powwow organisation in April of this year.

Consolidation of indirect sales and commercial business

The impending consolidation of commercial business is the next logical step for Markus Bernhard, CEO of the mobilezone Group: «By making these organisational changes, we want to be in the best possible position to consolidate our indirect sales under a new, strong and central brand, thus ensuring successful growth in future. I am very confident that this will be just as successful as the measures taken in the online segment.» This strategic consolidation will yield numerous improvements for partners, such as optimised finance and logistics processes, shorter lines of communication, central points of contact and a greater availability of goods and product ranges. mobilezone Germany CEO, Wilke Stroman stresses: «By restructuring our indirect sales activities, we will make our organisation leaner and more efficient. In the mid to long term, these measures will result in increased service quality and significant cost savings. This will put us in the best possible position to grow together with our partners in the coming years.» mobilezone Handel is based at the sites in Bochum and Münster. The consolidation of indirect sales will create significant synergies and generate cost savings of EUR 5 million from 2021. In future, einsAmobile GmbH will concentrate on the purchase and sale of mobile phones.

Costs of restructuring in 2020

The relocation of the indirect sales business from Oberhausen (einsAmobile GmbH) to Bochum and Münster will require staff reductions of around 80 employees at the Oberhausen site. The consolidation of commercial business will result in restructuring costs of around EUR 6 million, which will have a one-off impact on the 2020 EBIT.

Impact of the corona crisis on the course of business in 2020

Following a very good start to the year for the mobilezone Group, in which the most important KPIs saw improvement over the previous year in the low double-digit range through to mid-March, this pleasing development came to a halt within days of the lockdown. The operating results for offline business in the first half of 2020 were significantly impacted by the COVID-19 lockdown from mid-March onwards:

- Majority closure of Group stores in Switzerland in the last eight weeks, coupled with the closure of a large majority of partner shops in Germany;
- for those shops that remained open, a decrease in customer traffic of 61 per cent was recorded;
- decrease of 65 per cent for the wholesale turnover in Germany;
- decrease in the volume of repairs for defective smartphones in Austria and Switzerland of 57 per cent.

The above average number of contracts concluded with Sparhandy and Deinhandy in the online contract business in Germany, the record business generated by e-commerce in Switzerland, the consistently positive course of Swiss B2B activities and the short-time working measures implemented across all companies helped to reduce losses in the retail business, but by no means compensated for these. Markus Bernhard stated: «We are under the assumption that from mid-June onwards, customer traffic at retail outlets in Switzerland and Germany will enable us to return to the productive level of operations that we are accustomed to. As of Monday, 11 May 2020 all our retail outlets in Switzerland have reopened. We are confident that after this difficult time, the second half of the year will progress in line with our expectations.»

mobilezone expects the impact of COVID-19 on the EBIT in the first half of 2020 to be in the region of between CHF 11 and 13 million. Expectations for EBIT in 2020 between CHF 56 and 61 million communicated on 13. March have been updated in light of the corona crisis and one-off restructuring costs in Germany; EBIT for 2020 is now expected to fall between CHF 38 and 43 million.

Outlook for 2021

Germany:

- Strengthening of the focus on online business with the launch of an innovative e-commerce shop technology with additional sales opportunities (accessories, hardware, insurance) for Sparhandy and Deinhandy at the beginning of 2021, with an associated increase in the number of hits on online platforms to 60 million visitors per year;
- Use of the new trading organisation «mobilezone Handel» with the synergies resulting from the consolidation of indirect sales activities;
- Focussed wholesale business.

Switzerland:

- Maintaining the position as the number one telecommunications provider in the Swiss retail sector; implementation of the drive2shop strategy;
- Strengthening and development of repair business, together with B2B activities, which will have a strategic focus on service business, coupled with the expansion of areas generating recurring revenue;
- Mobile virtual network operator (MVNO) TalkTalk with annual double-digit customer growth.

For the 2021 financial year, the company anticipates EBIT of between CHF 61 and 66 million.

Contact person for media representatives:

Markus Bernhard

CEO mobilezone Group

mobilezoneholding@mobilezone.ch

About mobilezone

Established in 1999, mobilezone holding ag (ticker symbol SIX: MOZN) achieved sales of CHF 1,324 million and a consolidated profit of CHF 44.4 million in fiscal year 2019 and is the leading independent telecom specialist in Switzerland and Germany.

Currently, mobilezone Group employs about 1,300 employees in its locations in Rotkreuz, Urnäsch, Zweidlen, Härringen, Vienna, Oberthausen, Berlin, Cologne, Bochum, and Münster. The company offers the complete product line of mobile phones as well as subscription plans of all providers for mobile and fixed-line telephony, digital TV, and Internet. Independent consulting and services for individual and business customers and repair services as well as activities in the wholesale business and as supplier for specialist stores complete mobilezone's range of offerings. The services and products are offered online via various web portals, in mobilezone's ca. 120 own shops in Switzerland, as well as in ca. 80 Ashops in Germany (partner shops).

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