

To the shareholders of mobilezone holding ag

# GENERAL MEETING 2023

Wednesday, 5 April 2023, 10.30 a.m. | Gemeindesaal, Dorfmat 1, 6343 Rotkreuz  
Door opening: 10.00 a.m.



## About the visual concept of the Annual Report 2022

mobilezone's sustainability strategy is based on the four pillars of employees, customers, smartphone cycle and environmental management. After focusing on our employees last year, this year we are focusing on our customers. Within the Annual Report 2022, we portray private and business customers of mobilezone in Switzerland and Germany. We learn from them why they are customers of mobilezone and what they particularly appreciate about the company. With the portraits on the cover page and in the booklet, we give you an insight into the concept of the Annual Report.



# Agenda items and motions

## **1. Report on the financial year 2022**

- 1.1 Approval of the 2022 Annual Report and consolidated financial statements
- 1.2 Approval of the 2022 financial statements of mobilezone holding ag

## **2. Discharge of the Board of Directors and Group Management**

## **3. Resolution on the appropriation of available earnings, an ordinary dividend and a withholding-tax-free distribution from reserves from capital contribution**

- 3.1 Appropriation of the 2022 available earnings and ordinary dividend of mobilezone holding ag
- 3.2 Withholding-tax-free distribution from reserves from capital contribution of mobilezone holding ag

## **4. Amendment to the articles of association**

Amendment to Article 3 (reduction in share capital)

## **5. Remuneration for members of the Board of Directors and Group Management**

- 5.1 Advisory vote on the remuneration report for the fiscal year 2022
- 5.2 Approval of the total amount of the maximum permissible remuneration for the Board of Directors for the period up to the next General Meeting
- 5.3 Approval of the total amount of the maximum permissible remuneration for Group management for fiscal year 2024

## **6. Elections**

- 6.1 Members of the Board of Directors
- 6.2 Chairman of the Board of Directors
- 6.3 Members of the Compensation Committee
- 6.4 Independent proxy
- 6.5 Auditor

# Strong 2022 results – mobilezone gains market share – 7.5 per cent organic sales growth to over CHF 1 billion

## Dear Shareholders,

In 2022, mobilezone continued to build on the record financial result achieved in the previous year. The market share was further expanded by growing sales volume both in Germany and Switzerland.

Sales amounted to CHF 1 billion, of which 69 per cent were generated in Germany and 31 per cent in Switzerland. The company's own platforms generated "online" sales of CHF 400 million (previous year: CHF 374 million) representing 40 per cent of sales. Organic growth amounted to 7.5 per cent. The solid result, with EBIT of CHF 70.6 million (previous year: CHF 66.7 million) and an EBIT margin of 7.0 per cent (previous year: 6.8 per cent), is a reflection of the consistency in the pursuit of our strategic direction. Adjusted for the negative foreign exchange impact of CHF 2.7 million, EBIT amounted to CHF 73.3 million in the reporting year.

Excluding the non-cash special effect of CHF 6 million from the sale of the wholesale business in Germany in January 2021, EBIT in the previous year was CHF 72.7 million.

## Financial guidance

Despite the negative foreign exchange impact of CHF 2.7 million on EBIT and CHF 52 million on sales, the EBIT guidance and sales expectations have been met. The EBIT margin target of 7.6 per cent could not be achieved due to the challenging economic environment in the second half of 2022 and the resulting lower margins in the German business.

## Key figures at a glance

- ✔ Organic sales growth of 7.5 per cent from CHF 982 million to CHF 1,055 million. Adjusted for the negative currency effect of 5.3 per cent, sales amounted to CHF 1,003 million.
- ✔ Operating profit (EBIT) of CHF 70.6 million (previous year: CHF 66.7 million) with an EBIT margin of 7.0 per cent (previous year: 6.8 per cent), with Switzerland and Germany each contributing 50 per cent.
- ✔ Financial expenses decreased by CHF 1.1 million to CHF 1.9 million (previous year: CHF 3.0 million).
- ✔ Tax expenses amounted to CHF 14.2 million, increasing by CHF 0.4 million compared to the previous year.
- ✔ Net profit was CHF 54.5 million (previous year: CHF 50.7 million).
- ✔ Free cash flow was CHF 100.8 million (previous year: CHF 67.6 million).
- ✔ Net working capital amounted to CHF 124 million at the end of the year (previous year: CHF 85 million).
- ✔ Financial liabilities amounted to CHF 149 million compared to CHF 134 million at the end of December 2021.
- ✔ Net debt decreased to CHF 30 million (previous year: CHF 76 million).
- ✔ The net debt to EBITDA ratio was 0.38 (previous year: 0.99).
- ✔ Shareholders' equity in the statutory financial statements of mobilezone holding ag amounted to CHF 147 million (previous year: CHF 175 million).
- ✔ The first tranche of the share buyback programme 2022–2025 was completed with 770,865 shares (1.75 per cent of the outstanding shares) on 20 October 2022 at an average price of CHF 15.57 per share or a total of CHF 12.0 million.
- ✔ Earnings per share amounted to CHF 1.25 (previous year: CHF 1.13).
- ✔ The Board of Directors will propose a dividend of CHF 0.90 per registered share (previous year: CHF 0.84) to the General Meeting.
- ✔ On 31 December 2022, the share price was CHF 15.32 compared to CHF 13.62 at the end of December 2021.



Markus Bernhard, CEO



Olaf Swantee Chairman of the Board of Directors

## Market area Switzerland

Business in Switzerland developed very well across all sectors.

- ✓ At EBIT-level, retail and B2B segments were able to confirm the best result in the company's history achieved in previous year.
- ✓ Sales decreased from CHF 323 million to CHF 305 million, representing a drop of 5.6 per cent. The decrease in sales is due to lower hardware sales.
- ✓ EBIT amounted to CHF 35.5 million (previous year: CHF 36.3 million), resulting in a return on sales of 11.6 per cent (previous year: 11.2 per cent).
- ✓ The number of shops was 124 as it was in the previous year.
- ✓ The number of negotiated contracts (postpaid, Internet and TV) increased by 9.8 per cent to 437,000 (previous year: 398,000).
- ✓ Service sales (fleet management, data transfer, setting up smartphones and other services) amounted to CHF 7.4 million (previous year: CHF 7.2 million).
- ✓ Accessories sales increased by 4.2 per cent to CHF 24.9 million (previous year: CHF 23.9 million) and represented 8.2 per cent (previous year: 7.4 per cent) of sales in Switzerland.
- ✓ Sales at the Mobile Virtual Network Operator (MVNO) TalkTalk amounted to CHF 21.2 million (previous year: CHF 17.1 million). The sales share of mobile customers increased to 88 per cent (previous year: 79 per cent). In the postpaid SIM cards segment, the number of customers increased to 66,600 (previous year: 45,700), representing a 46 per cent growth.

## Market area Germany

Business in Germany was excellent in the first half of the year. In the second half of the year, the gross profit margin in the contract business decreased slightly due to a fierce competition.

- ✔ In the local currency, the German organisation increased sales by 13.5 per cent in 2022. In the reporting currency, sales increased from CHF 659 million to CHF 696 million, representing an increase of 5.6 per cent.
- ✔ EBIT amounted to CHF 35.6 million (previous year: CHF 36.2 million), resulted in a return on sales of 5.1 per cent (previous year: 5.5 per cent). Adjusted for the foreign exchange impact, EBIT amounted to CHF 38.3 million, representing an increase of 5.8 per cent.
- ✔ Online business volume increased by 6.3 per cent to 638,000 (previous year: 600,000) mobile phone contracts.
- ✔ In B2B trade, 453,000 (previous year: 419,000) mobile phone contracts were concluded, representing an increase of 8.1 per cent.
- ✔ In total, 1,091,000 (previous year: 1,019,000) mobile phone contracts were concluded "online" and in B2B trade, representing an increase of 7.1 per cent.
- ✔ Sales generated by MVNO HIGH amounted to CHF 23.0 million (previous year: CHF 17.3 million). The customer base was 98,000 (previous year: 69,000), representing an increase of 42 per cent.

## Growth in second life and smartphone refurbishing

The second life area, i.e. the repair and refurbishing of smartphones is becoming increasingly important. In the reporting year 2022, 2.8 per cent of all the smartphones sold by mobilezone Switzerland were refurbished smartphones (previous year: 1.5 per cent). mobilezone took back 8.3 per cent of the total number of smartphones sold (previous year: 6.4 per cent), which were placed on the market as second life devices or recycled as part of the sustainability strategy. Since November 2022, mobilezone has been selling refurbished devices in Germany through Sparhandy.

## Change in the Board of Directors / Group Management

CEO Markus Bernhard will step down as CEO of the mobilezone Group on 30 June 2024 and will continue to be responsible for the strategic development, investor relations and M&A of the company as the operational delegate of the Board of Directors. He has been nominated for election to the Board of Directors of the mobilezone Group at the General Meeting to be held on 5 April 2023 and will replace Peter K. Neuenschwander, who will no longer be standing for re-election. In doing so, the Board of Directors is setting an example of continuity and the strategic direction of mobilezone.

The Board of Directors would like to take this opportunity to thank Peter K. Neuenschwander for his invaluable contribution over the past years.

## General Meeting to be held on 5 April 2023

The General Meeting 2023 will be held as an in-person event at the community hall Dorfmatth in Rotkreuz. The Board of Directors will propose to the General Meeting a dividend of CHF 0.90 per registered share, representing a CHF 0.06 increase compared to the previous year. Half of the payout consists of available earnings and half of reserves from capital contributions corresponding to a payout ratio of 73 per cent of the Group's net profit. If this proposal is approved, the dividend will be paid out on 14 April 2023. From 12 April 2023, the shares will be traded ex-dividend.

### Confident outlook for 2023

The last three fiscal years have demonstrated the strength of our business model. There is a great demand for telecommunications products among the public, which grew even stronger during times of social distancing. Accordingly, mobilezone is looking ahead to the next few years with confidence across all business segments in Germany and Switzerland.

We anticipate a more positive consumer climate in Germany this spring, and we believe that the topics discussed so frequently in the media, such as inflation and energy costs, will become less prevalent. We are also very optimistic about our Swiss business, with high customer traffic in our 124 stores. Our two MVNOs, TalkTalk and HIGH, will continue their impressive growth of the last two years. The two acquisitions at the beginning of January 2023 of Digital Republic and SIGA optimally complement our business in Switzerland and Germany. Both businesses have been performing well since the takeover. Due to these acquisitions, the share buyback programme will be paused in 2023.

We expect EBIT for the 2023 fiscal year to range between CHF 70 and 77 million. The attractive dividend policy will be continued, which would mean a further increase in dividend if the financial targets are achieved. In addition, we remain committed to increasing our EBIT margin steadily in the coming years from the current 7.0 per cent. We expect growth especially in our online and MVNO businesses. Investments in 2023 are expected to decrease from CHF 17.5 million to CHF 13.0 million, as the shop update to the new layout in Switzerland was completed in 2022. With the newly developed online platforms in Germany we expect to go live in the first half of 2023. The Group is very well positioned today and looks forward to positive further development.

### Thanks to our employees and shareholders

Our special thanks are due to our over 1,000 employees, who have once again shown that they strive to deliver the best for our customers every day, even in a highly challenging environment.

To our valued shareholders, we extend our sincere appreciation. Your support and trust has enabled us to continue driving the performance of mobilezone to new heights.

Rotkreuz, 8 March 2023



Olaf Swantee  
Chairman of the Board of Directors



Markus Bernhard  
Chief Executive Officer

# Share

## Share

(CHF or as indicated)	2022	2021	2020	2019	2018
Shares issued at year end (units)	44 000 000	44 781 213	44 781 213	44 781 213	40 781 213
Treasury shares at year end (units)	878 403	583 442	70 000	63 624	100 000
<i>thereof own shares from share buyback programme (units)</i>	<i>770 865</i>	<i>444 570</i>			
Weighted average number of shares outstanding (units)	43 693 650	44 639 429	44 709 172	42 792 890	38 664 992
Year-end price	15.32	13.62	10.08	10.86	10.94

## Stock market capitalisation and shareholders' equity as of year-end

(CHF million or as indicated)	2022	2021	2020	2019	2018
Stock market capitalisation	674.1	609.9	451.4	486.3	446.1
Shareholders' equity	43.3	44.3	23.2	15.1	34.4

## Distribution to shareholders and share buyback

(CHF million or as indicated)	2022	2021	2020	2019	2018
Dividend per share in CHF	0.90 <sup>1</sup>	0.84	0.56	0.60	0.60
Dividend distribution	39.6	37.6	25.1	26.9	24.4
Dividend distribution ratio	72.6%	74.2%	72.7%	60.6%	61.7%
Share buybacks	17.0	5.8			
Total distribution	56.6	43.4	25.1	26.9	24.4
Total distribution ratio	103.8%	85.7%	72.7%	60.6%	61.7%

<sup>1</sup> 50 per cent distribution free of withholding tax from reserves from capital contribution and 50 per cent dividend from retained earnings as proposed by the Board of Directors to the General Meeting to be held on 5 April 2023.

## Share price performance

2003–2022 (in CHF)



## Share price performance

2022 (in CHF)



## Share price performance

in CHF or as indicated

	2022	2021	2020	2019	2018
High	17.50	13.90	11.64	11.94	12.48
Low	12.56	9.14	7.21	8.78	9.51
Year-end price	15.32	13.62	10.08	10.86	10.94
Average price (end-of-day rate)	15.63	11.57	9.14	10.09	11.18
Average dividend yield <sup>1</sup>	5.8%	7.3%	6.1%	5.9%	5.4%
Price-earnings ratio – P/E ratio <sup>2</sup>	12.26	10.73	13.06	10.47	10.70
Average daily trading volume (units)	121 795	88 885	132 955	126 382	140 152

<sup>1</sup> Dividend in relation to the annual average price (based on end-of-day prices)

<sup>2</sup> Year-end price / earnings per share

## Shareholder structure

Number of shares

	2022	2021	2020	2019	2018
Top 20 shareholders	13 097 066	14 576 364	15 110 408	15 583 535	12 810 225
in %	30%	33%	34%	35%	31%
Other registered shareholders	15 498 095	16 280 941	17 804 485	16 635 574	15 009 163
in %	35%	36%	40%	37%	37%
Total number of non-registered shares	15 404 839	13 923 208	11 866 320	12 562 104	12 961 825
in %	35%	31%	26%	28%	32%
Total issued shares	44 000 000	44 781 213	44 781 213	44 781 213	40 781 213
in %	100%	100%	100%	100%	100%

## Registered shareholders

Geographical location

	2022	2021	2020	2019	2018
Switzerland	5 480	5 243	5 781	5 388	4 585
Europe	133	103	112	111	97
Overseas	44	33	34	31	19
Total shareholders	5 657	5 379	5 927	5 530	4 701

# Key figures

## Group

(CHF 000 or as indicated)	2022	%	2021	%	2020	%	2019	%	2018	%
Net sales	1 002 701		981 537		1 237 662		1 324 022		1 195 599	
Gross profit	200 962	20.0 <sup>1</sup>	199 657	20.3 <sup>1</sup>	177 336	14.3 <sup>1</sup>	180 073	13.6 <sup>1</sup>	156 838	13.1 <sup>1</sup>
Operating profit before depreciation	79 516	7.9 <sup>1</sup>	76 325	7.8 <sup>1</sup>	53 776	4.3 <sup>1</sup>	67 812	5.1 <sup>1</sup>	58 296	4.9 <sup>1</sup>
Operating profit (EBIT)	70 616	7.0 <sup>1</sup>	66 675	6.8 <sup>1</sup>	43 958	3.6 <sup>1</sup>	59 648	4.5 <sup>1</sup>	52 535	4.4 <sup>1</sup>
Net profit	54 537	5.4 <sup>1</sup>	50 663	5.2 <sup>1</sup>	34 514	2.8 <sup>1</sup>	44 405	3.4 <sup>1</sup>	39 531	3.3 <sup>1</sup>
Earnings per share	1.25		1.13		0.77		1.04		1.02	
Dividend per share	0.90 <sup>6</sup>		0.84		0.56		0.60		0.60	
Operating profit (EBIT) adjusted for special effect <sup>4</sup>	70 616	7.0 <sup>1</sup>	72 691	7.4 <sup>1</sup>						
Net profit adjusted for special effect <sup>4</sup>	54 537	5.4 <sup>1</sup>	56 679	5.8 <sup>1</sup>						
Net cash flow from operating activities	118 281		81 564		59 750		52 778		5 385	
Investments in property, plant & equipment and intangible assets	17 506		13 938		13 298		10 036		10 420	
Free cash flow before acquisitions/divestments	100 775		67 626		46 452		42 742		-5 035	
Total assets	377 408		326 800		353 789		390 541		367 070	
Shareholders' equity	43 315	11.5 <sup>2</sup>	44 342	13.6 <sup>2</sup>	23 182	6.6 <sup>2</sup>	15 051	3.9 <sup>2</sup>	34 382	9.4 <sup>2</sup>
Shareholders' equity without offsetting of goodwill	66 496	16.6 <sup>3</sup>	95 484	25.3 <sup>3</sup>	102 286	23.6 <sup>3</sup>	132 530	26.1 <sup>3</sup>	111 192	25.1 <sup>3</sup>
ROCE (%) <sup>4,5</sup>	77.0		57.7		31.7		47.6		55.4	
Net debt	29 949		75 892		119 578		130 876		76 161	
Net-debt-to-EBITDA ratio	0.38		0.99		2.22		1.93		1.31	
Number of employees as of 31.12 (full-time equivalent)	995		1 018		1 127		1 217		930	
Number of employees (full-time equivalent) on average during the reporting period	1 012		1 038		1 249		1 245		942	
Number of shops as of 31 December in Switzerland	124		124		123		117		119	

<sup>1</sup> In per cent of net sales

<sup>2</sup> In per cent of total assets

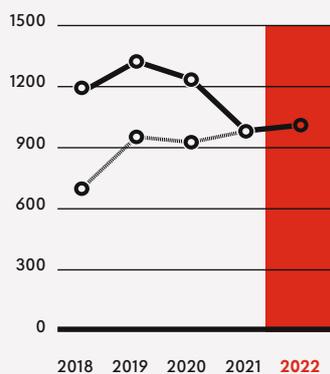
<sup>3</sup> Shareholders' equity and total assets without offsetting of goodwill/ with amortisation (see page 106, Note 23)

<sup>4</sup> In 2021, there was a non-cash special effect of CHF 6 million due to the sale of 75 per cent of the shares in einsAmobile GmbH

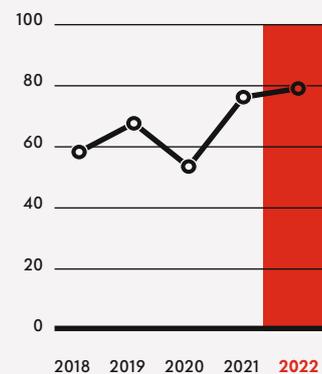
<sup>5</sup> ROCE (Return on capital employed): EBIT for the last twelve months adjusted for special effects / (∅ shareholders' equity + ∅ financial liabilities - ∅ cash and cash equivalents - ∅ real estate)

<sup>6</sup> 50 per cent distribution free of withholding tax from reserves from capital contribution and 50 per cent dividend from retained earnings as proposed by the Board of Directors to the General Meeting to be held on 5 April 2023

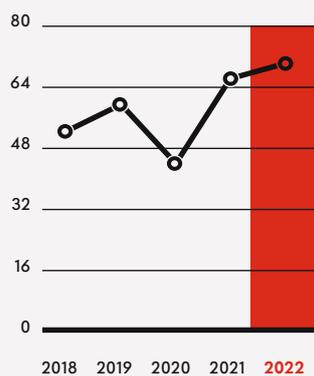
## Net sales (CHF million)



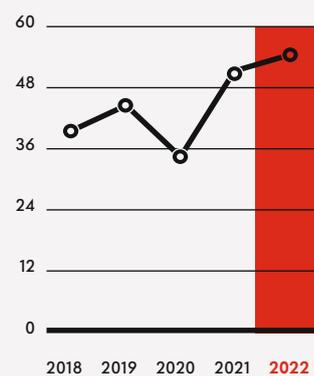
## EBITDA (CHF million)



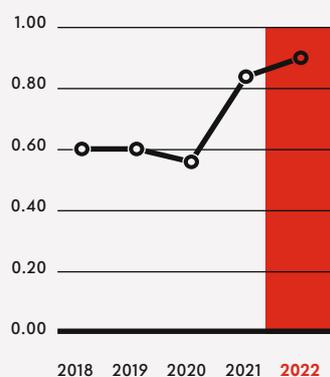
## EBIT (CHF million)



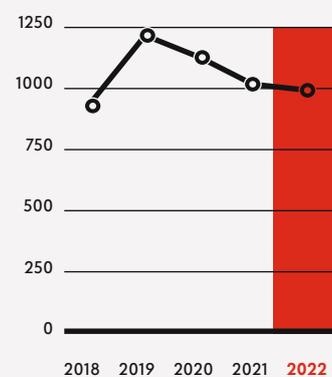
## Net profit (CHF million)



## Dividend per share (CHF)



## Employees (Full-time equivalents)



- Swiss GAAP FER
- Pro forma excluding the wholesale business in Germany sold in 2021



# mobilezone at a glance

The mobilezone Group, based in Rotkreuz in Switzerland, was established in 1999 and is the leading, independent telecommunications specialist in the field of mobile and fixed-line telephony. The mobilezone Group operates in Germany and Switzerland. It has around 1,000 employees at its sites in Rotkreuz, Zurich, Urnäsch, Cologne, Bochum, Münster and Berlin.

mobilezone Switzerland operates a network of 124 shops across all language regions. The shops are equipped with a complete smartphone range including accessories (also of our own brand itStyle) and wearables and offer subscriptions for mobile and fixed-line telephony, digital TV and Internet from all providers. Independent specialist advice and other services supplement the product range. Under the jusit brand, mobilezone sells used and refurbished smartphones at attractive prices. mobilezone business offers independent advice and individual customer solutions in the telecommunications sector for SMEs and large companies. TalkTalk, the in-house Mobile Virtual Network Operator (MVNO), is a provider in the mobile, fixed-line and Internet sectors whose products are available online at talktalk.ch and in the shops. mobilezone reload covers the repair and second life business in Switzerland, is responsible for the management of the mobilezone workshops and operates repair centres for various partners. Digital Republic, an online MVNO specialising in digital services, was added to the mix at the beginning of January 2023.

In Germany, mobilezone operates the two strategic business areas of e-commerce and indirect B2B trade. The Sparhandy and Deinhandy brands specialise primarily in bundle deals – attractive offers consisting of a subscription and a mobile device. The tele-shopping channel Handystar offers deals on smartphones and

mobile subscriptions making it a useful addition to the online offer. The in-house MVNO HIGH is the counterpart to the Swiss. Indirect B2B trade is bundled under the umbrella brand mobilezone handel.

## Board of Directors as of 31.12.2022

### Olaf Swantee

Chairman, independent member

### Gabriela Theus

Independent member

### Peter K. Neuenschwander

Independent member

### Michael Haubrich

Independent member

### Lea Sonderegger

Independent member

## Group Management as of 31.12.2022

### Markus Bernhard

CEO

### Andreas Fecker

CFO

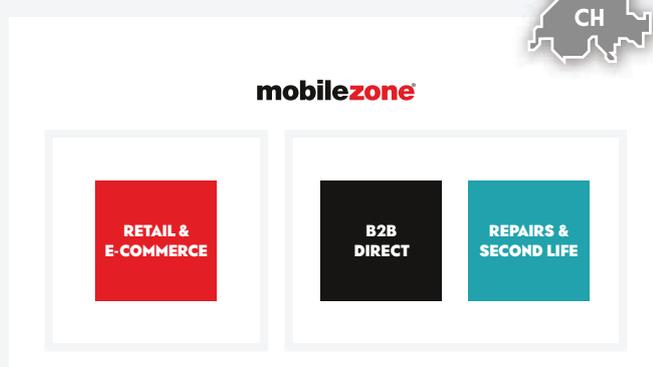
### Roger Wassmer

CEO Switzerland

### Wilke Stroman

CEO Germany

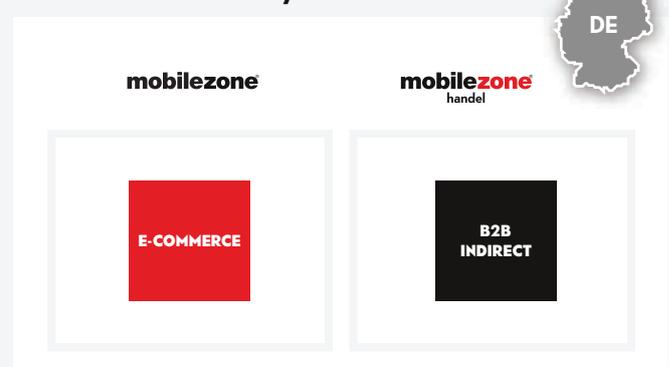
## mobilezone Switzerland



### Product and service brands



## mobilezone Germany



### Product and service brands



# Interview with Markus Bernhard

## CEO of the mobilezone Group

### Markus Bernhard, how do you rate the annual results for 2022?

The mobilezone Group remains on a steady path to success and can look back on an outstanding performance in the 2022 fiscal year. Increases in market share in both Germany and Switzerland, coupled with high profitability, contributed to an organic, currency-adjusted growth of 7.5 per cent. Group sales increased to CHF 1.0 billion. We were able to increase our operating profit or EBIT to CHF 70.6 million and the net profit to CHF 54.5 million. These results were achieved despite the negative foreign exchange impact of CHF 2.7 million on EBIT and CHF 1.6 million on net profit. Not only did we achieve good financial results, but we also made further progress in the area of sustainability.

The Board of Directors will propose a dividend of CHF 0.90 to the General Meeting in April, which is an increase of CHF 0.06 compared to the previous year, reflecting the company's strong financial performance.

**T**he mobilezone Group remains on a steady path to success and can look back on an outstanding performance in the 2022 fiscal year.

### How was 2022 from your perspective?

mobilezone has continued to make strides in both Germany and Switzerland, where it is regarded as a healthy, modern and forward-looking business.

We closed the first half of 2022 with yet another record result – both in Germany and in Switzerland. This was particularly encouraging, because the second half of the year tends to be more profitable with Black Friday, Cyberweeks, Christmas and the annual Apple launch event. The second half of 2022 also went well for us. Although our Swiss accessories business was 9.5 per cent behind the previous year mid-year, we were able to finish the year on a strong note with sales of CHF 24.9 million, representing a 4.2 per cent increase compared to the previous year. This was largely due to a very strong performance in the second half of the year. Similar to the previous year, 2022 was a very demanding year for our employees in Switzerland and Germany. In Germany, our employees were busy working on the development of the new e-commerce platform. Group-wide, our employees found it challenging to communicate availability information to our customers due to the limited availability of various smartphone models.

### Are you still feeling the effects of the coronavirus pandemic?

Over the last three years during the COVID-19 pandemic, we have demonstrated that we have a resilient business model.

China's zero COVID strategy had an impact on the production of the latest generation of Apple devices, especially the iPhone 14 Pro and Pro Max models, which in turn impacted our stock availability. By keeping customers well informed about availability, we were able to mitigate the impact of this to a large extent. Our customers are also feeling the effects of high inflation in Germany: People keep their mobile phones longer and sometimes switch to cheaper models. In Switzerland, we have not seen any negative effects of the relatively low inflation – on the contrary; customer traffic in our shops has increased.

### The question about the company's purpose is currently a hot topic in the economy. How would you describe the purpose of mobilezone in an elevator pitch?

The purpose of our company has remained unchanged since its founding almost 25 years ago: to offer customers the best deals in the telecommunications market in Switzerland and Germany. This, combined with the motivation and skills of our employees, is the basis for long-term economic success. In addition to cost leadership and efficiency, environmental and social responsibility are also key pillars of our thinking.

### mobilezone shares are highly popular with investors, and their value has risen by 12.7 per cent over the past year. Why are the shares so popular?

mobilezone shares have risen by more than 50 per cent since the summer of 2021. Investors have thus rewarded our operational performance and the confirmation of our resilient business model. Telecommunication products and services are always needed; there is a reason why they are part of essential services. Over the last 10 to 15 years, we have proven to be a stable dividend-paying company, being one of the top-performing companies in Switzerland with an annual dividend yield between 5 and 7 per cent. Our shares are also very stable, which can be attributed to the following: In January 2021, we divested our highly volatile wholesale business in Germany. The fluctuations in margins and the lack of transparency were not easy for our investors to understand. As a result, we are in a much more stable situation today. Confidence in our shares has also been boosted as more analysts are now covering us. This is certainly also due to our active communication with analysts and financial journalists. In the autumn, we bought back 770,865 shares as part of our share buyback programme 2022-2025.



We are very satisfied with both the financial results and the strategic development: Interview with Markus Bernhard, CEO of the mobilezone Group.

At the upcoming General Meeting, we will propose the cancellation of these shares through a capital reduction, which will reduce the number of outstanding shares from today's 44 million by 1.8 per cent.

Our goal for the coming years is a sustainable increase in dividends, combined with share buybacks. We will propose a dividend of CHF 0.90 to the General Meeting in April, representing an increase of 7 per cent.

**O**ur investors have approved our operational performance and the confirmation of our resilient business model.

**What measures do you plan to take to make the shares even more attractive?**

Our objective is to keep delivering strong financial results and market performance. Our active cost management, which is a key part of our strategy, coupled with our focus on growth and increasing margins across all financial KPIs, provides a solid foundation for our continued success. Takeovers can also strengthen our position.

**You are committed to continue increasing the EBIT margin steadily in the coming years. What measures do you intend to take to achieve this in view of the intense competition?**

The competition is indeed very fierce. The market we operate in is saturated and competitive; it is not a growth market. This makes very consistent cost management all the more important. We want to grow especially in the service business. In Germany and Switzerland we are doing very well as mobile virtual network operators (MVNO) with HIGH and TalkTalk. With the acquisition of the Swiss company Digital Republic at the beginning of 2023, we were able to further strengthen our position in the MVNO market in Switzerland.

## How did TalkTalk perform?

TalkTalk has done very well in fierce competition. At the end of January 2023, we had 70,000 postpaid subscription customers in Switzerland. Since the end of 2020, we have more than doubled our customer base. We are able to add a few thousand new customers every month. We have a long-standing, very motivated team at TalkTalk who put their heart and soul into their products every day.

**T**he market we operate in is saturated and competitive; it is not a growth market. This makes very consistent cost management all the more important.

**Even in times when online business is booming, mobilezone continues to rely on its dense network of shops throughout Switzerland. You have also converted all your shops by the end of 2022. What measures are planned to further enhance the shopping experience in the shops?**

In our Swiss retail business, we achieved stronger growth than expected in 2022. We added a total of 437,000 mobile and fixed-line contracts, representing an increase of 39,000 contracts or 9.8 per cent. I am very proud of the sales performance we have achieved in Swiss retail over the years. This cannot be taken for granted and is only possible thanks to our very strong sales team. The shop network is continuously being optimised, and new locations are added where viable and practicable. Nevertheless, we expect the number of our shops to remain stable over the next few years.

**You are also focusing on increasing accessory sales. How do you plan to achieve this?**

We plan to continue growing in the double digits in the accessory segment in both Germany and Switzerland. At CHF 3 million, the sales generated in Germany are still comparably modest. But with the launch of the new shop technology for the two online platforms, Sparhandy and Deinhandy in the first half of the year, we are well positioned to gain market share quickly in Germany as well. In Switzerland, we are working on significantly expanding our product range, particularly regarding tablets and watches. The range of accessories, including cases and covers, will also become more varied in line with current trends and needs.

**Sustainability is an integral part of your corporate strategy. What has your progress been so far?**

In the past, we have addressed topics that can be considered part of sustainability, but without defining any KPIs, targets or conducting measurements. In short, we were not strategic in the area of sustainability. This changed in the summer of 2020, when we developed our sustainability strategy and defined our focus areas.

A lot has happened in this area since then. Employees and managers in all business units in Germany and Switzerland are working on sustainability issues and implementing measures. As the Group and Management Board, we are committed to sustainability by firmly incorporating it into our corporate strategy. We have recently established a Sustainability Committee, which is strategically embedded in the Board of Directors and supported directly by the Sustainability Body and business. In addition, part of the remuneration of the members of the Management Board is based on employee and customer satisfaction. In September 2022, the mobilezone Group was admitted as one of about 140 companies into the sustainability indices of the Swiss stock exchange SPI ESG and SPI ESG Weighted. The indices introduced at the beginning of February 2022 facilitate more transparency for investors who want to invest in the shares of Swiss companies with a standardised and well-founded sustainability profile.

**I**t is our belief that it is the right thing to do, to conserve valuable resources and the latest generation of high-quality smartphones for as long as possible.

**And what do the specific sustainability measures look like?**

In December, we conducted our employee survey for the second time. 90 per cent of our employees are satisfied and would recommend mobilezone as an employer. We routinely seek feedback from our customers on their satisfaction after most transactions. We were able to improve both employee satisfaction and customer satisfaction. We are in the process of collecting data for a Group-wide assessment of our carbon footprint. A project is also underway in Switzerland to further reduce plastic in packaging used for delivery. With HIGH green, the mobilezone Group has embarked on a project to launch its first "green" mobile subscription in Germany. And we have been successfully selling used and refurbished smartphones under the justit brand for over two years. Details can be found in our sustainability report from page 33 onwards.

**How is the justit business doing?**

The sale of used mobile phones is an important part of our sustainability strategy. We are convinced that it is right to conserve valuable resources and to use the latest generation of high-quality smartphones for as long as possible. I am impressed by the demand for this type of service. The challenge lies in being able to buy back enough smartphones in Switzerland so that we have enough devices available through justit. In contrast, the majority of our competitors buy their devices abroad. The refurbishing business is a solid and meaningful complement to our core business, but it always has to make sense commercially as well.

**Growth and gaining market share are at the core of your strategy. Where do you see opportunities for further growth?**

We do business in Germany and Switzerland. These are cultures that we do understand. We believe that there is enough room for further growth in both countries. In recent years, we have been able to grow our business organically and through company acquisitions. This will continue with a clear focus on increasing margins in each business area. One of our goals is to further develop recurring revenue streams (MVNOs, airtime, fleet management), which currently generate around CHF 108 million.

**mobilezone's most important business continues to be the sale of mobile and fixed-line plans (Internet and TV). How have the sales figures developed?**

In our core business of mobile and fixed-line contracts (Internet and TV), we achieved record sales figures in both Switzerland and Germany. In Switzerland, we concluded a total of 437,000 contracts (previous year: 398,000). In Germany, we were able to increase the number of contracts concluded by 7.1 per cent to 1,091,000.

**W**e do business in Germany and Switzerland – cultures we understand well – and we believe there is room for growth in both countries.

**What are your priorities in 2023 for the mobilezone Group in general, and the Swiss business in particular?**

We have strengthened our market position by growing sales in Switzerland and Germany in 2022. We aim to capitalise on this momentum and continue our growth trajectory. While we anticipate intense competition in our core business of mobile and fixed-line contracts, we remain confident in our ability to sustain mid-single digit growth. We have also set ambitious targets for our accessories business in both Germany and Switzerland. The focus in e-commerce in Switzerland is on TalkTalk, jusit and the newly acquired Digital Republic.

**A few weeks ago, you announced that you would be stepping down as CEO of the mobilezone Group in mid-2024, and that you intended to continue supporting mobilezone as an operational delegate of the Board of Directors. What prompted you to take this step?**

I will be 60 next year and will have been CEO for 10 years and have been operationally active in the company for 17 years. We have an established, well-diversified management team in both Germany and Switzerland, led by Wilke Stroman, Roger Wassmer and Andreas Fecker. I remain motivated and committed to helping mobilezone reach its full potential, even after the move to the role of operational delegate of the Board of Directors. My main tasks will be the strategic development of mobilezone, M&A activities, investor relations as well as business reviews of the operational performance with the management in Germany and Switzerland.

# Agenda items and motions

## 1. Report on the financial year 2022

### 1.1 Approval of the 2022 Annual Report and consolidated financial statements

The Board of Directors proposes that the General Meeting approves the Annual Report and consolidated financial statements 2022.

### 1.2 Approval of the 2022 financial statements of mobilezone holding ag

The Board of Directors proposes that the General Meeting approves the 2022 financial statements of mobilezone holding ag.

## 2. Discharge of the Board of Directors and Group Management

The Board of Directors proposes that the General Meeting grants discharge to all members of the Board of Directors and Group Management for fiscal year 2022.

## 3. Resolution on the appropriation of available earnings, an ordinary dividend and a withholding-tax-free distribution from reserves from capital contribution

On the basis of the distribution rule introduced on 1 January 2020 with the corporate tax reform of the capital contribution principle for companies listed on a Swiss stock exchange, a withholding-tax-free distribution from reserves from capital contribution can only still be carried out if taxable dividends of at least the same amount are distributed. Therefore, the Board of Directors proposes the distribution of a dividend from the available earnings and a distribution from reserves from capital contribution of CHF 0.45 in each case.

Treasury shares held by mobilezone holding ag and its subsidiaries are not entitled to dividends. Therefore, the reported dividend or distribution amount may change accordingly.

### 3.1 Appropriation of the 2022 available earnings and distribution of an ordinary dividend of mobilezone holding ag

Profit carried forward from previous year	CHF	90 251 420
Capital reduction	CHF	-5 349 252
Net profit in 2022	CHF	26 401 051
Available earnings at the disposal of the General Meeting	CHF	111 303 219

The Board of Directors proposes that the General Meeting dispose of the 2022 available earnings as follows:

Distribution of a dividend of CHF 0.45 per dividend registered share	CHF	-19 800 000
Profit carried forward to new account	CHF	91 503 219

If this proposal is accepted, the payment on 14 April 2023 (ex-date 12 April 2023) will be with deduction of the Swiss withholding tax of 35 per cent on the dividend amount of CHF 0.45 per share.

### 3.2 Withholding-tax-free distribution from reserves from capital contribution of mobilezone holding ag

Reserves from capital contributions – carried forward from previous year	CHF	48 191 654
Capital reduction	CHF	-5 349 252
Reserves from capital contributions at the disposal of the General Meeting	CHF	42 842 402
Distribution of a dividend free of withholding tax in the amount of CHF 0.45 per dividend registered share	CHF	-19 800 000
Reserves from capital contributions carried forward to new account	CHF	23 042 402

If this proposal is accepted, the distribution of CHF 0.45 per share from the reserves from capital contribution on 14 April 2023 (ex-date 12 April 2023) will be free from withholding tax.

#### **4. Amendment to the articles of association**

##### **Amendment to Article 3 (reduction in share capital)**

The General Meeting of 6 April 2022 authorised the Board of Directors, at its discretion, to carry out share buybacks for a maximum total amount of CHF 45 million until the General Meeting of 2026 for the purpose of reducing the share capital. In the first tranche of the share buyback programme, 770,865 registered shares were repurchased using the second trading line on the SIX Swiss Exchange in the period from 22 August 2022 to 20 October 2022 in the total amount of CHF 12 million. These shares are to be cancelled and the share capital reduced accordingly. BDO AG, the auditors of mobilezone holding ag, confirmed in a special report dated 5 April 2023 for the attention of the General Meeting that from today's perspective, the claims of the creditors are fully covered even after the proposed reduction of the share capital.

The Board of Directors proposes to the General Meeting:

- To reduce the share capital by CHF 7,708.65 (from CHF 440,000.00 to CHF 432,291.35) by cancelling 770,865 own registered shares bought back in the period from 22 August 2022 to 20 October 2022.
- To amend Article 3 of the Articles of Association to the following new wording: "The share capital of the company amounts to CHF 432,291.35 and is fully paid up. It is divided into 43,229,135 registered shares with a nominal value of CHF 0.01 each".

#### **5. Remuneration for members of the Board of Directors and Group Management**

##### **5.1 Advisory vote on the remuneration report for the fiscal year 2022**

The Board of Directors proposes that the General Meeting approves the remuneration report for fiscal year 2022 on the basis of an advisory vote.

The remuneration report (from page 74 of the Annual Report 2022) states the decision-making competencies and presents principles and elements of the remuneration of the Board of Directors and the Group Management. It lists the remuneration paid in the reporting year to the members of the Board of Directors and the Group Management and also indicates their shareholdings in mobilezone holding ag. An advisory vote will be held in relation to the report.

##### **5.2 Approval of the total amount of the maximum permissible remuneration for the Board of Directors for the period up to the next General Meeting**

The Board of Directors proposes to the General Meeting to approve the total amount of the maximum permissible remuneration of the Board of Directors, consisting of five members, for the period until the next General Meeting of a maximum of CHF 0.55 million (previous year: CHF 0.63 million).

##### **5.3 Approval of the total amount of the maximum permissible remuneration for Group Management for fiscal year 2024**

The Board of Directors proposes that the General Meeting approves the total amount of the maximum permissible remuneration for Group Management, consisting of four members, for fiscal year 2024 in the sum of CHF 3.9 million (previous year: CHF 4.3 million).

#### **6. Elections**

The one-year term of office of all members of the Board of Directors expires at the General Meeting on 5 April 2023. Peter K. Neuenschwander will resign from the Board of Directors at the General Meeting at his own request. The Board of Directors proposes Markus Bernhard as his successor. Due to his function as CEO of mobilezone holding ag since 2014 and as CFO in the period from 2007 to 2013, he is not considered independent in the definition of the Swiss Code of Best Practice for Corporate Governance of economiesuisse. In the event of his election by the 2023 General Meeting, his activities on the Board of Directors in that year will take place without additional remuneration. The Chairman and all other members to be elected by the General Meeting are standing for re-election.

Detailed information on the members of the Board of Directors, namely their curricula vitae, mandates and other significant activities, can be found in the Annual Report 2022, chapter Corporate Governance starting on page 65, or on our web portal under the link <https://www.mobilezoneholding.ch/en/about-us/organization/board-of-directors.html>.

### **6.1 Members of the Board of Directors**

The Board of Directors proposes to the General Meeting that the following five people be elected individually as members of the Board of Directors for a term of office of one year:

- a) Re-election of Olaf Swantee
- b) Re-election of Gabriela Theus
- c) Re-election of Michael Haubrich
- d) Re-election of Dr Lea Sonderegger
- e) Election of Markus Bernhard

### **6.2 Chairman of the Board of Directors**

The Board of Directors proposes to the General Meeting that Olaf Swantee be elected as Chairman of the Board of Directors for a term of office of one year.

### **6.3 Members of the Compensation Committee**

The Board of Directors proposes to the General Meeting that the following three people be elected individually as members of the Remuneration Committee for a term of office of one year:

- a) Re-election of Olaf Swantee
- b) Re-election of Michael Haubrich
- a) Election of Dr Lea Sonderegger

If Olaf Swantee is elected, it is the intention of the Board of Directors to appoint him as Chairman of the Compensation Committee.

### **6.4 Independent proxy**

The Board of Directors proposes that the General Meeting appoint "Hodgskin Rechtsanwälte, Zürich" as independent proxy until the conclusion of the next General Meeting.

### **6.5 Auditor**

The Board of Directors proposes that the General Meeting appoint BDO AG, Schiffbaustrasse 2, Zurich, as auditors for fiscal year 2023.

# Organisational information

## **Annual Report / minutes of the General Meeting 2022**

The Annual Report 2022 with the Annual Report, consolidated financial statements, financial statements, remuneration report of mobilezone holding ag, auditor reports, proposal by the Board of Directors on the appropriation of available earnings as well as the other proposals of the Board of Directors and the minutes of the General Meeting of 6 April 2022 are available for inspection at the company's headquarters at Suurstoffi, 22, 6343 Rotkreuz. In addition, the Annual Report is available in electronic form on the company's website.

<https://www.mobilezoneholding.ch/en/investors-1/reports-and-presentations.html>

## **Voting right**

Shareholders with voting rights who are entered in the share register with voting rights by 28 March 2023 (5:00 p.m. CET), will receive this invitation to the General Meeting with the agenda items and motions of the Board of Directors sent directly to them. No entries will be made in the share register from 29 March 2023 to 5 April 2023. Registered shareholders who sell their shares before the General Meeting are no longer entitled to vote.

## **Issue of a written power of attorney and corresponding instructions**

By signing the power of attorney on the reply form, shareholders can authorise the independent proxy, Mr Martin Dietrich, Hodgskin Rechtsanwälte, Tödistrasse 17, PO Box 1814, 8027 Zurich, to represent their shareholder vote(s). Please use the power of attorney form on the back of the reply form to grant a power of attorney and issue your instructions.

## **Issue of an electronic power of attorney and corresponding instructions**

Shareholders can issue a power of attorney and instructions to the independent proxy using electronic remote voting. Electronic participation and any changes to electronically submitted powers of attorney and instructions are possible up to and including Monday, 3 April 2023, 11.59 a.m. (CEST). In such a case, please register on the website at <https://mobilezone.netvote.ch> and follow the instructions. The login data required for this will be sent to the shareholders together with the written documents for the General Meeting.

## **Sustainability**

If you wish to receive information about invitations to general meetings by e-mail in the future, you can notify us online at <https://mobilezone.netvote.ch>. If you choose this option, you will in the future receive an email with a link to the online portal, where you will be able to view the General Meeting documents, issue a power of attorney and instructions electronically (electronic voting) or order the admission tickets to the General Meeting. This approach significantly reduces paper waste. Any tickets you order for admission to the General Meeting will still be delivered by post.





