

ANNUAL REPORT 2023





About the image concept of the Annual Report 2023

In 2020, mobilezone adopted a sustainability strategy that has since been implemented across the company. It puts the focus on the five sustainability topics of governance and compliance, employees, customers, the smartphone cycle and environmental management. The 2021 report depicted mobilezone employees, while the 2022 report portrayed its customers. The current focus is on the smartphone cycle – the images in this Annual Report document the individual steps from the sale of devices in shops and online to the return of devices from private and business customers, refurbishing or repair steps and resale as used devices. We look over the shoulders of salespeople and technicians, track down old mobile phones and give you, dear reader, an exclusive look behind the scenes of our company.

The cover image shows a technician at work in the workshop of mobilezone in Rotkreuz. The technicians are responsible for repairing defective smartphones, tablets and other devices as well as refurbishing used smartphones, some of which are still intact.

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mobilezone posts strong sales volumes and a dynamic strengthening of its MVNO position in Switzerland and Germany

Dear Shareholders

With growing sales figures in both Switzerland and Germany, mobilezone has further strengthened its market position in 2024. Business in Germany developed well in the second half of the year after a weaker first half.

- ✓ Negotiated telecommunications contracts (Postpaid, Internet and TV):
 - Switzerland: 462,000 / +5.7 per cent (previous year: 437,000)
 - Germany: 1,093,000 / +0.2 per cent (previous year: 1,091,000)
- ✓ The number of MVNO (Mobile Virtual Network Operator) subscription customers increased by 40 per cent during the reported year from 210,000 to 295,000.

Financial Guidance

With an operating income (EBIT) of CHF 65.7 million, the guidance for 2023 and market expectations were reached, despite further negative monetary influences of CHF 0.9 million.

Key figures at a glance

- ✓ Currency-adjusted net sales totalled CHF 1,042 million (+3.9 per cent). Adjusted for the acquisitions, organic sales amounted to CHF 1,028 million. Of the consolidated sales of CHF 1,013 million, 70 per cent was generated in Germany and 30 per cent in Switzerland (Previous year: 69/71 per cent).
- ✓ Gross profit totalled CHF 205.4 million (previous year: CHF 201.0).
- ✓ MVNO revenue increased from CHF 48.6 million (including Digital Republic: CHF 4.2 million) to CHF 63.7 million. This amounted to organic sales growth of 31 per cent.
- ✓ The MVNOs share of the EBITDA was CHF 22.7 million (previous year: CHF 16.3 million) or 29.4 per cent (previous year: 20.5 per cent) of the entire EBITDA of CHF 77.2 million. (Previous year: CHF 79.5 million)
- ✓ Operating income of CHF 65.7 million with an EBIT margin of 6.5 per cent, to which Switzerland and Germany contributed 54 per cent and 46 per cent respectively.
- ✓ The EBIT, excluding special effects, totalled CHF 71.1 million (previous year: CHF 73.3 million).
 - Negative foreign currency effects of CHF 0.9 million (previous year: CHF 2.7 million).
 - One-off costs of cost-cutting measures in Germany of CHF 2.0 million.
 - One-off charge of over CHF 1 million from the insolvency of the OPPO distributor in Switzerland in the fourth quarter.
 - First-time amortisation in Germany from the commissioning of the newly developed online platforms and acquisitions made in the first half of the year of CHF 1.5 Mio.
- ✓ Financial expenses increased by CHF 3.3 million to CHF 5.2 million (previous year: CHF 1.9 million).
- ✓ Tax expenses totalled CHF 11.4 million, a decrease of CHF 2.8 million compared to the previous year (Tax rate: 18.7 per cent, previous year: 20.7 per cent).
- ✓ Consolidated net income totalled CHF 49.5 million (previous year: 54.5 million).
- ✓ Gross cash flow from operating activities amounted to CHF 76.9 million (previous year: CHF 79.7 million).
- ✓ Net debt increased due to the acquisition of Digital Republic (Switzerland), SIGA exchange und ENO (both Germany) and an increase in net working capital of CHF 40 million to CHF 91 million.
- ✓ The ratio of net debt to EBITDA was 1.18 (previous year: 0.38).
- ✓ Equity in the individual financial statements of mobilezone holding Ltd totalled CHF 132 million (previous year: CHF 147 million).
- ✓ Earnings per share totalled CHF 1.15 (previous year: CHF 1.25).
- ✓ The Board of Directors will propose a dividend of CHF 0.90 per registered share to the General Meeting, similar to the previous year.
- ✓ The share price was CHF 13.72 on 31 December 2023 compared to CHF 15.32 at the end of December 2022.



Markus Bernhard, CEO

Olaf Swantee, Chairman of the Board of Directors

Market area Switzerland

Business in Switzerland developed well.

- ✓ Revenue increased from CHF 305 million to CHF 308 million, or 0.9 per cent.
- ✓ The operating income (EBIT) totalled CHF 36.2 million (previous year: CHF 35.5 million), which corresponds to a return on sales of 11.7 per cent (previous year: 11.6 per cent).
- ✓ The number of shops totalled 127 (previous year: 124).
- ✓ Brokered contracts (postpaid, internet and TV) increased by 5.7 per cent to 462,000 (previous year: 437,000).
- ✓ Service sales (fleet management, data transfer, setting up smartphones and other services) totalled CHF 7.9 million (previous year: CHF 7.4 million).
- ✓ Sales of accessories increased by 2.4 per cent to CHF 25.5 million (previous year: CHF 24.9 million) and account for 8.3 per cent (previous year: 8.2 per cent) of sales in Switzerland.
- ✓ MVNO turnover from TalkTalk and Digital Republic totalled CHF 33.0 million (previous year: CHF 25.4 million). By the end of 2023 the number of postpaid subscription customers had increased by 33 per cent to 149,800 (previous year: 112,500).
- ✓ The number of refurbished smartphones sold under the brand-name jusit increased by 60 per cent.

Market area Germany

Business in Germany developed well in the second half of the year after a weaker first half.

- ✓ In local currency, the German organisation increased sales by 5.9 per cent to EUR 733 million (previous year: EUR 692 million). In the reporting currency, CHF, revenue increased from CHF 696 million to CHF 708 million, or 1.7 per cent.
- ✓ The EBIT amounted to EUR 30.8 million (previous year: EUR 35.4 million), which corresponds to a return on sales of 4.2 per cent (previous year: 5.1 per cent). In the reporting currency, EBIT amounts to CHF 30.0 million.
- ✓ In online business, 588,000 (previous year: 638,000) mobile phone contracts were negotiated, a reduction of 7.8 per cent.
- ✓ The volume of B2B trade increased by 11.5 per cent to 505,000 (previous year: 453,000) mobile phone contracts.
- ✓ In total, 1,093,000 (previous year: 1,091,000) «online» and B2B trade mobile phone contracts were negotiated, an increase of 0.2 per cent.
- ✓ Sales at MVNO HIGH totalled EUR 31.6 million (previous year: EUR 22.9 million). The number of postpaid customers were 145,000 (previous year: 98,000), an increase of 48 per cent.

Growth in the Second Life segment and Refurbishing of Smartphones

The second-life segment, or repairs and refurbishing of smartphones, continues to gain importance. 4.3 per cent of all smartphones sold by mobilezone in Switzerland were used smartphones (previous year: 2.8 per cent) and were re-introduced to the market as second-life devices in order to facilitate a sustainable device cycle. 12.4 per cent of the total number of smartphones sold were re-purchased by mobilezone in shops and online (previous year: 8.3 per cent). In Germany, mobilezone has been selling refurbished devices via Sparhandy since 2022.

Changes in Management

As already announced, CEO Markus Bernhard will step down as CEO of mobilezone Group on June 30, 2024. He will continue to be responsible for the company's strategic development, MVNO business, investor relations and M&A as operational delegate of the Board of Directors. Roger Wassmer (CEO mobilezone Switzerland) and Wilke Stroman (CEO mobilezone Germany) will take over group management as Co-CEOs on July 1, 2024.

General Meeting and Dividends

The General Meeting 2024 will take place on April 3, in the Gemeindesaal Dorfmatth in Rotkreuz.

The Board of Directors has decided to slightly adjust the dividend payout ratio to 60 to 80 per cent (previously 60 to 75 per cent) of consolidated net income. The Board of Directors will propose a dividend of CHF 0.90 per registered share to the General Meeting, similar to the previous year. 55 per cent of the distribution will come from retained earnings and 45 per cent from the capital contribution reserve, which corresponds to a payout ratio of 79 per cent of consolidated net income. If this proposal is accepted, the dividend will be paid out on April 12, 2024. The share will be traded ex-dividend from April 10, 2024.

Share buyback programme 2022 to 2025

Due to the three acquisitions of Digital Republic, SIGA and ENO in 2023, the share buyback programme will also be suspended in 2024.

Further development of sustainability reporting

mobilezone has a comprehensive sustainability strategy with five focus topics that cover the entire ESG spectrum (environmental, social and governance). In the reporting year, the CO₂ footprint of the entire Group was calculated for the first time, including emissions from the upstream and downstream supply chain. This was an important step in defining the group-wide CO₂ targets. The core of the sustainability strategy focuses on five topics:

- ✓ Governance and Compliance
- ✓ Employees
- ✓ Customers
- ✓ Smartphone cycle
- ✓ Environmental management

Sustainability reporting is based on the GRI standards and covers the non-financial reporting requirements stipulated by the Swiss Code of Obligations. The report on non-financial matters in accordance with Art. 964b of the Swiss Code of Obligations will be presented to the General Meeting for the first time on April 3, 2024, as part of a consultative vote.

Outlook 2024

Demand for telecommunications products remains high among the population. Accordingly, mobilezone remains confident about the coming years for all business areas in Germany and Switzerland.

The EBIT forecast for the 2024 financial year is CHF 68 to 75 million. The attractive dividend policy will be continued. In addition, we are still aiming to steadily increase the EBIT margin from 6.5 per cent today to 8.0 per cent in 2025.

For the MVNO business segment, including TalkTalk, Digital Republic and HIGH, we expect continued strong customer growth in the region of around 20 per cent to over 350,000 customers. We expect the MVNO EBITDA contribution to further significantly increase from its current level of 29.4 per cent.

We expect investments, excluding customer acquisition costs, to decrease from CHF 11.5 million to CHF 10.4 million in 2024. Based on a reduced cost base and increased recurring revenues for 2024, we are very confident that the Group will continue to develop positively.

Many thanks to our employees and shareholders

Special thanks go to our more than 1,000 employees, who have once again proved that they do their very best for our customers every day, even in a highly challenging environment.

Finally, we would like to thank you, our valued shareholders. With your support and trust, you enable us to continue to drive the development of mobilezone.

Rotkreuz, March 6, 2024



Olaf Swantee
Chairman of the Board of Directors



Markus Bernhard
Chief Executive Officer

Key figures

Group

(CHF 000 or as indicated)	2023	%	2022	%	2021	%	2020	%	2019	%
Net sales	1 013 354		1 002 701		981 537		1 237 662		1 324 022	
Gross profit	205 411	20.3 ¹	200 962	20.0 ¹	199 657	20.3 ¹	177 336	14.3 ¹	180 073	13.6 ¹
Operating income before depreciation (EBITDA)	77 185	7.6 ¹	79 516	7.9 ¹	76 325	7.8 ¹	53 776	4.3 ¹	67 812	5.1 ¹
Operating income (EBIT)	65 707	6.5 ¹	70 616	7.0 ¹	66 675	6.8 ¹	43 958	3.6 ¹	59 648	4.5 ¹
Consolidated net income	49 464	4.9 ¹	54 537	5.4 ¹	50 663	5.2 ¹	34 514	2.8 ¹	44 405	3.4 ¹
Earnings per share	1.15		1.25		1.13		0.77		1.04	
Dividend per share	0.90		0.90		0.84		0.56		0.60	
Net cash flow from operating activities	28 353		118 281		81 564		59 750		52 778	
Investments in property, plant and equipment and intangible assets without customer acquisition costs ²	-11 556		-12 934		-10 852		-10 599		-8 199	
Free cash flow before acquisitions, divestments and customer acquisition costs ²	16 797		105 347		70 712		49 151		44 579	
Customer acquisition costs ²	-10 373		-4 572		-3 086		-2 699		-1 837	
Number of mediated mobile, digital TV and internet contracts	1 555 000		1 528 000		1 417 000		1 354 000		1 406 000	
Total assets	357 536		377 408		326 800		353 789		390 541	
Shareholders' equity	23 382	6.5 ³	43 315	11.5 ³	44 342	13.6 ³	23 182	6.6 ³	15 051	3.9 ³
Shareholders' equity without offsetting of goodwill ⁴	51 810	13.4	66 496	16.6	95 484	25.3	102 286	23.6	132 530	26.1
ROCE (%) ⁵	71.7		77.0		57.7		31.7		47.6	
Net debt	91 285		29 949		75 892		119 578		130 876	
Net debt/EBITDA	1.18		0.38		0.99		2.22		1.93	
MVNO postpaid subscriptions (number) ⁶	295 300		210 500		114 900		88 300		71 700	
Number of employees (full-time equivalent)	970 ⁷		995		1 018		1 127		1 217	
Number of employees (full-time equivalent) on average during the reporting period	1 042		1 012		1 038		1 249		1 245	
Number of shops in Switzerland	127		124		124		123		117	

¹ In per cent of net sales

² Customer acquisition costs for the MVNO TalkTalk, Digital Republic und HIGH as well as the one-off acquisition of a customer base in Germany in the indirect B2B business in the first half of 2023

³ In per cent of total assets

⁴ Shareholders' equity and total assets excluding offsetting of goodwill/including amortisation (see page 120, Section 24)

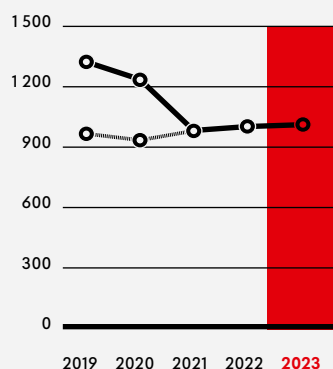
⁵ ROCE (Return on capital employed): EBIT for the last twelve months / (Ø shareholders' equity + Ø financial liabilities – Ø cash and cash equivalents – Ø real estate)

⁶ MVNO TalkTalk, HIGH and Digital Republic (is included from 2022)

⁷ The number of full-time employees as at 31 December 2023, excluding the companies acquired in the reporting year, was 914

Net sales

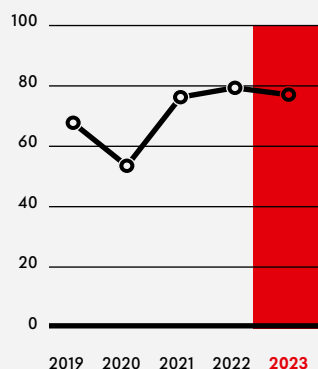
(CHF million)



—○— Swiss GAAP FER
—○— Pro forma figures excluding divested wholesale business in GER in 2021

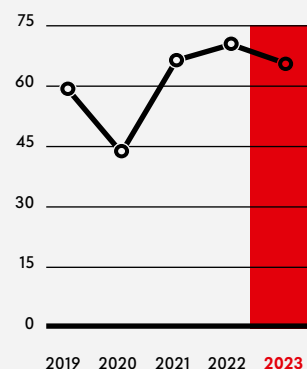
EBITDA

(CHF million)



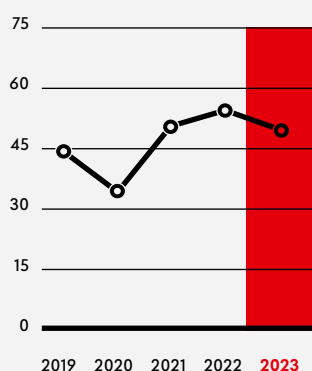
EBIT

(CHF million)



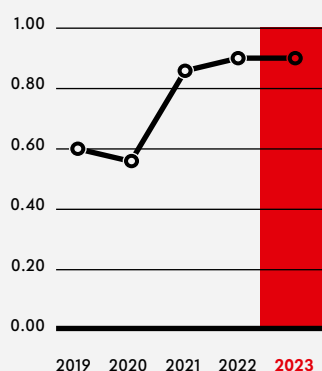
Consolidated net income

(CHF million)



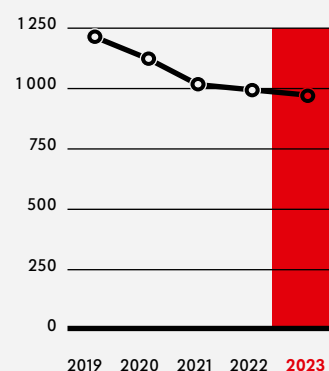
Dividend per share

(CHF)



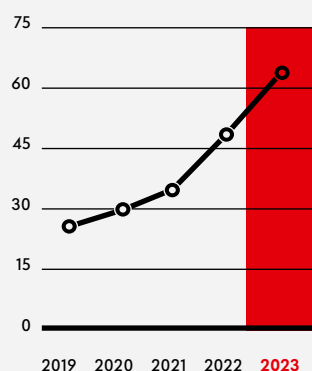
Employees

(Full-time equivalents)



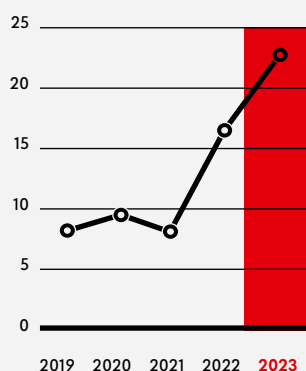
MVNO Net sales¹

(CHF million)



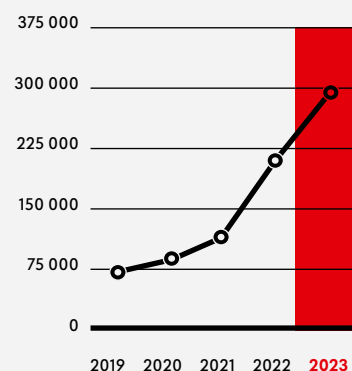
MVNO EBITDA¹

(CHF million)



MVNO postpaid subscriptions

(Number of subscriptions)



¹ MVNO HIGH, TalkTalk and Digital Republic (included from 2022)

Share

Share

(CHF or as indicated)	2023	2022	2021	2020	2019
Shares issued at year end (number)	43 229 135	44 000 000	44 781 213	44 781 213	44 781 213
Treasury shares at year end (number)	90 023	878 403	583 442	70 000	63 624
<i>thereof treasury shares from share buyback programme (number)</i>	0	770 865	444 570		
Weighted average number of shares outstanding (number)	43 135 573	43 693 650	44 639 429	44 709 172	42 792 890
Year-end price	13.72	15.32	13.62	10.08	10.86

Stock market capitalisation and shareholders' equity at year end

(CHF million or as indicated)	2023	2022	2021	2020	2019
Stock market capitalisation	593.1	674.1	609.9	451.4	486.3
Shareholders' equity	23.4	43.3	44.3	23.2	15.1
Shareholders' equity mobilezone holding ltd	131.6	147.4	174.7	176.9	174.9

Distribution to shareholders and share buyback

(CHF million or as indicated)	2023	2022	2021	2020	2019
Dividend per share (in CHF)	0.90	0.84	0.56	0.60	0.60
Dividend distribution	38.8	36.9	25.1	26.9	24.4
Payout ratio (in %)	71.1	72.8	72.7	60.6	61.7
Share buybacks	0	17.0	5.8		
Total distribution	38.8	53.9	30.9	26.9	24.4

Share price performance

2003–2023 (in CHF)



Share price performance

in CHF or as indicated

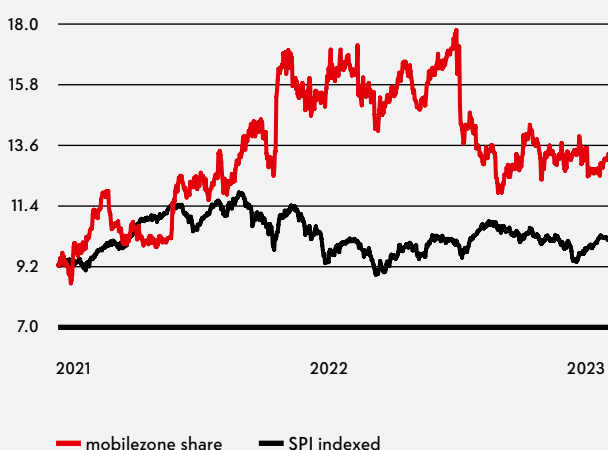
	2023	2022	2021	2020	2019
High	17.86	17.50	13.90	11.64	11.94
Low	12.14	12.56	9.14	7.21	8.78
Year-end price	13.72	15.32	13.62	10.08	10.86
Average price (end-of-day price)	14.25	15.63	11.57	9.14	10.09
Average dividend yield ¹	6.3 %	5.8 %	7.3 %	6.1 %	5.9 %
Price-earnings ratio – P/E ²	11.9	12.3	10.7	13.1	10.5
Average daily trading volume (units)	98 907	121 795	88 885	132 955	126 382

¹ Dividend in relation to the annual average price (end-of-day prices)

² Year-end closing price / earnings per share

Share price performance

2021–2023 (in CHF)



Shareholder structure

Number of shares

	2023	2022	2021	2020	2019
Top 20 shareholders	11 216 540	13 097 066	14 576 364	15 110 408	15 583 535
in %	26 %	30 %	33 %	34 %	35 %
Other registered shareholders	18 957 276	15 498 095	16 280 941	17 804 485	16 635 574
in %	44 %	35 %	36 %	40 %	37 %
Total number of non-registered shares	13 055 319	15 404 839	13 923 208	11 866 320	12 562 104
in %	30 %	35 %	31 %	26 %	28 %
Total shares issued	43 229 135	44 000 000	44 781 213	44 781 213	44 781 213
in %	100 %	100 %	100 %	100 %	100 %

Registered shareholders

Geographical location

	2023	2022	2021	2020	2019
Switzerland	7 834	5 480	5 243	5 781	5 388
Europe	165	133	103	112	111
Overseas	35	44	33	34	31
Total shareholders	8 034	5 657	5 379	5 927	5 530

Strategy

The strategic targets of mobilezone are, on the one hand, the cornerstones of its business development: independence, customer focus and partnership-based cooperation with mobile phone providers and device manufacturers. These should be continuously developed further. On the other hand, mobilezone intends to continue to grow organically by expanding its range and sales channels. The organic growth may be supported by further company acquisitions. The vast range of tariff offers makes independent, expert advice a necessity. With its proficiently trained staff, mobilezone extends support to its customers in selecting the optimal subscription and smartphone, available both in-shop and online.

Growth and acquisition of market share

mobilezone intends to continue on its current growth path in the future. This means growth in existing business segments, particularly online, in Swiss retail, in services and in specialist retail (B2B). The mobilezone Group concludes more than one million mobile phone contracts per year in Germany alone. Well over half of these are marketed through online platforms. With Handystar, mobilezone also operates its own television channel for selling mobile phone contracts. In the service business, mobilezone is constantly expanding its repair and service offering. In the online business, growth will be supported by the expansion of the online shops. mobilezone currently generates sales of around CHF 25 million in Switzerland accessories sales. With the launch of the new shop technology in the reporting year and its flexibility in offering accessories and bundles, mobilezone can tap into new customer groups in the accessories market in Germany.

In Germany and Switzerland, growth in the attractive-margin MVNO business is expected to continue – in Switzerland with TalkTalk, Digital Republic and in Germany with HIGH.

Online presence

With the market-leading portals Sparhandy and Deinhandy, mobilezone has an attractive market position as number 1 in the indirect online business in Germany. By bundling these two brands as well as Handystar and HIGH, mobilezone plans to further expand its market leader position in the indirect telecommunications market in Germany. With the launch of the new shop technology, mobilezone Germany is pushing ahead with its online strategy. In Switzerland, the expansion of the online presence – in particular with TalkTalk, Digital Republic and jusit – and the omnichannel approach are key components of the online market strategy.

Expansion of recurring revenue

mobilezone already offers a wide range of services to business and private customers. The further expansion of the range of services is an important strategic focus to achieve further income growth from services. Fleet management from the Swiss business customer division includes the company-wide management of the entire device fleet and the management of all interfaces to the mobile phone provider. For a monthly flat rate, it provides companies with smartphones and tablets and takes over all services to ensure smooth operation of the device pool. Companies benefit from a significant reduction in procurement and setup expenses for the devices as well as lower overall costs. With Device as a Service, mobilezone has created an easy-to-use and attractive offer for companies. One important concern for mobilezone is the ongoing development of the service offering, particularly in Switzerland. With its Fleet Management, Device as a Service and Service Subscription service offerings, as well as the acquisition of Digital Republic as an online MVNO, mobilezone is steadily increasing its recurring revenue. With the jusit product brand, mobilezone has created a range of used and refurbished smartphones in Switzerland. It offers the perfect choice for anyone who values a sustainable lifestyle or is looking for an affordable alternative for a second device.

Sustainability

For mobilezone, it goes without saying that the company's business activities follow sustainable and responsible business practices. In this regard, it is important to mobilezone that the sustainability strategy is aligned with the company's core activities. Accordingly, mobilezone has developed a sustainability strategy based on the five key topics of governance and compliance, employees, customers, the smartphone cycle and environmental management. For mobilezone, well-trained and motivated employees make a decisive contribution to sustainable economic success. Accordingly, they are provided with modern, contemporary and fair working conditions as well as a culture that is lived and cultivated by the provision of feedback at eye level. mobilezone creates added value for its customers by providing fair and honest advice at the interface between customers, mobile phone providers and device manufacturers. To create or maintain a trusting and sustainable customer relationship, mobilezone develops specific measures. In addition to its comprehensive range of new devices, mobilezone makes an important contribution to a sustainable circular economy as well as helping to preserve valuable resources with justit and a comprehensive range of repair services – particularly with regard to the manufacture of new devices. In this context, mobilezone also uses sustainable packaging and accessories and implements measures to reduce energy consumption.

Attractive dividend policy

Based on a solid balance sheet, stable cash flows and secure, cost-effective financing, the investment program is set to continue and an attractive dividend will be distributed to shareholders. mobilezone plans to distribute 60 to 80 per cent (previously 60 to 75 per cent) of its consolidated net income to shareholders as dividends. In addition, mobilezone intends to return excess capital below a net debt/EBITDA ratio of 1 to shareholders through special dividends or buybacks. This applies as long as no more efficient uses are seen for the excess capital.

GROWTH AND ACQUISITION
OF MARKET SHARE

ONLINE PRESENCE

EXPANSION OF RECURRING REVENUE

SUSTAINABILITY

ATTRACTIVE DIVIDEND POLICY

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 almost 1,000 employees at its sites in Rotkreuz, Urnäsch, Cologne, Bochum and Münster.

mobilezone Switzerland operates a network of 127 shops across all language regions. The shops are equipped with full range of smartphones, including accessories 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 and Digital Republic are the Swiss Mobile Virtual Network Operators (MVNO) of mobilezone. mobilezone reload covers the repair and second life business in Switzerland.

In Germany, mobilezone operates various e-commerce platforms. The brands Sparhandy.de and Deinhandy.de specialise primarily in bundle deals — attractive offers consisting of a subscription and a mobile device as well as accessories and insurance products. The home shopping channel Handystar offers deals on smartphones and mobile subscriptions making it a useful addition to the online range. HIGH is the German MVNO of the mobilezone Group. Indirect B2B trade is bundled under the umbrella brand mobilezone handel.

Board of Directors as at 31.12.2023

Olaf Swantee

Chairman, independent member

Gabriela Theus

Independent member

Michael Haubrich

Independent member

Lea Sonderegger

Independent member

Markus Bernhard

Executive member

Group Management as at 31.12.2023

Markus Bernhard

CEO

Andreas Fecker

CFO

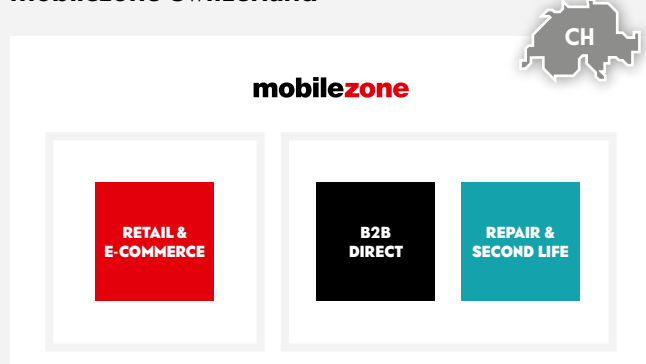
Roger Wassmer

CEO Switzerland

Wilke Stroman

CEO Germany

mobilezone Switzerland



Product and service brands

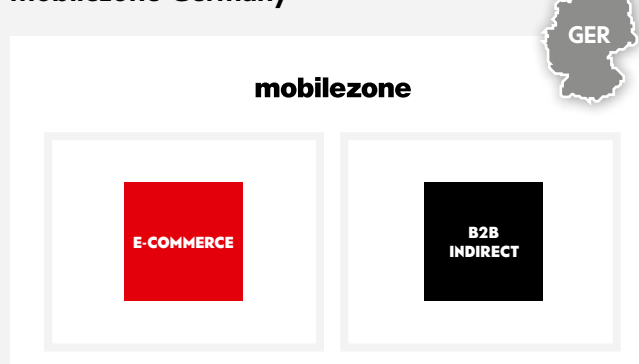
jusit

TALK
TALK

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digital
republic

mobilezone Germany



Product and service brands

sparhandy

DEINHANDY.
★★★★★
HANDYSTAR

HIGH

Market area Switzerland

Management Board Switzerland as at 31.12.2023

Roger Wassmer
CEO Switzerland

Bernhard Mächler
CFO Switzerland

Christoph Gisler
Chief Product Officer

Gregor Vogt
Chief Customer Officer

Thomas Gülünay
Chief Business Officer B2B

Nicola Lippolis
Chief Sales Officer B2C

Maud Hoffmann
Chief MVNO & Digital Officer

Renato Gubser
Chief Information Officer

mobilezone

RETAIL &
E-COMMERCE

B2B
DIRECT

REPAIR &
SECOND LIFE

iusit

TALK
TALK

it
style

digital
republic

mobilezone has 127 shops of its own in Switzerland. These offer a complete range of smartphones including accessories and wearables as well as subscriptions for mobile and fixed-line telephony, digital TV and Internet from Swisscom, Sunrise, Salt, TalkTalk, M-Budget, Yallo and Wingo. The offering is supplemented by independent specialist advice and numerous services, such as repairs, insurance products, service subscriptions, data transfers and the buyback programme for used mobile phones. With TalkTalk, mobilezone offers its own post and prepaid subscriptions, fixed-line telephony and Internet. With the acquisition of MVNO Digital Republic at the beginning of January 2023, mobilezone has expanded its MVNO offering and at the same time consolidated its status as a provider of a comprehensive telecommunications offering

mobilezone sells used and refurbished smartphones under the **jusit** brand. For SMEs and large companies, mobilezone offers independent advice and individual customer solutions and acts as an interface between the mobile phone providers, the device manufacturers and the companies. mobilezone also offers repair and second life services as well as related logistics services for mobile phones, tablets and other electronic devices. The company also runs a central workshop in Rotkreuz, where device repairs and smartphone refurbishments are carried out.

Private customers

Shops

mobilezone uses the omnichannel strategy in Switzerland. The company has set itself the target of providing its customers with bespoke and needs-based information as well as the desired product and service portfolio across all sales channels, so that advice can be provided and the sale concluded online or offline at the desired location. Accordingly, mobilezone continues to rely heavily on physical shops and is represented in prime locations to always be there for its customers. The future focus will be on continuously optimising the individual shops in order to further improve the sales experience – this will include shops conversions and redesigns, for example. In addition, mobilezone is also continuing to open shops in highly frequented areas. Last February, the company opened a new shop in the Métropole shopping centre in Lausanne. In March, mobilezone opened a new shop at the main railway station in Geneva, and in May at Hertensteinstrasse in Lucerne. Further new openings followed in July with a shop in Mendrisio, followed by a second shop in the Bern train station in November, and a second shop in the Zurich main station in December.

jusit

For around three years, mobilezone has been selling the latest generation of smartphones under the **jusit** brand. It refurbishes these in-house and returns them to the device cycle. The used devices are bought back by mobilezone and undergo a certified data deletion process to ensure that none of the previous user's personal data can be found on the device. The device is then checked, repaired if necessary, and sold online at www.jusit.ch and in selected mobilezone shops in all language regions of Switzerland. The mobile devices are available in four quality classes. All **jusit** devices can also be purchased as a bundle with a TalkTalk subscription. Smartphones from the **jusit** brand primarily come from customers who buy a new device from mobilezone and trade in their old one, or from business customers who sell their fleet of mobile devices that they no longer need to mobilezone – for example, to take advantage of their Device as a Service offer. Due to the increasing demand for used devices, mobilezone added the **jusit** range to more shops last year. Smartphones from **jusit** are now also available in the mobilezone shops in Winterthur Untertor, Zurich Letzipark and Geneva Planet Charmilles. In total, **jusit** smartphones are displayed in 16 shops.

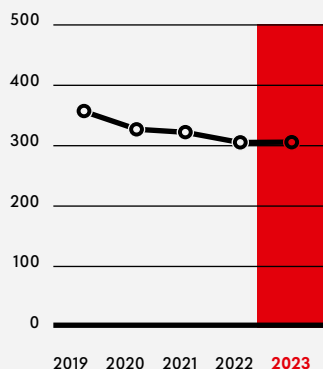
TalkTalk

Since its founding as a part of mobilezone in 1999, TalkTalk has grown to become one of Switzerland's top mobile virtual network operators (MVNOs), providing a variety of mobile, fixed network, and internet services, including prepaid plans, business and private mobile subscriptions, and home 4G and 5G subscriptions on the Sunrise network for individual customers. Last year, TalkTalk was ranked first by the Swiss consumer affairs show "Kassensturz" in the "Intensive use Switzerland & abroad" category, as TalkTalk was able to offer the best value for money with its "Swiss Flat + Roaming" offer. In the year 2024, TalkTalk is focusing in on the area of customer loyalty and intensifying cooperation with partners.

Digital Republic

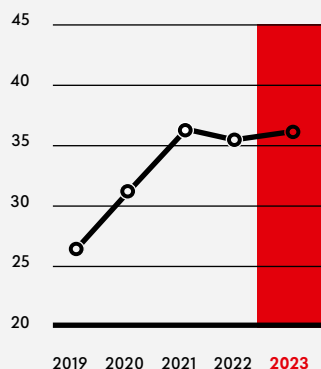
Digital Republic has been part of the mobilezone Group since 2023 and offers mobile internet for all needs. The provider offers fair and transparent mobile phone subscriptions. The subscriptions for smartphones, smartwatches, tablets, IoT devices and internet for private and business customers are flexible to use, easy to manage independently online and can be ordered as a SIM card or activated quickly as an eSIM. Digital Republic has been offering eSIM for around three years, and now it also offers these for the Apple Watch and Samsung Galaxy Watch. Digital Republic has been offering its services on the Sunrise network since 2020. In the Telekom Rating 2023 published by the Bilanz magazine, Digital Republic received the best ratings from both private and business customers and was voted the best mobile provider for business customers by qualitaetstest.ch.

Net sales (CHF million)



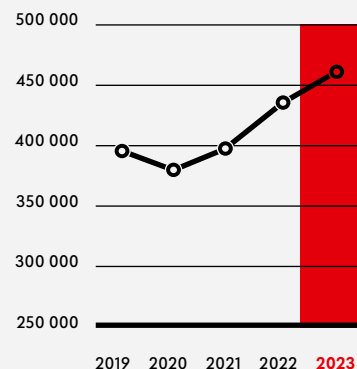
Net sales in Switzerland amounted to CHF 308 million (previous year: CHF 305 million).

EBIT (CHF million)



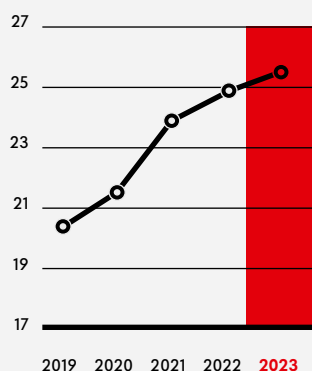
EBIT in Switzerland amounted to CHF 36.2 million (previous year: CHF 35.5 million), which corresponds to a sales margin of 11.7 per cent (previous year: 11.6 per cent).

Mobile, digital TV and internet contracts



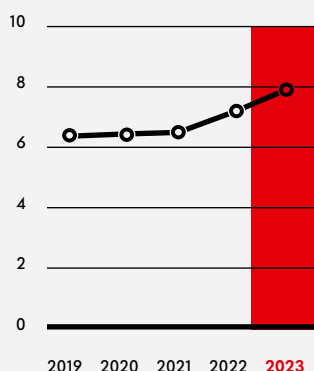
mobilezone offers customers contracts from all leading telecommunications providers. In the reporting year, the number of mediated mobile communications, digital TV and internet contracts was 462,000 (previous year: 437,000). Compared to the previous year, this was an increase of 5.7 per cent.

Mobile communications accessories (Net sales in CHF million)



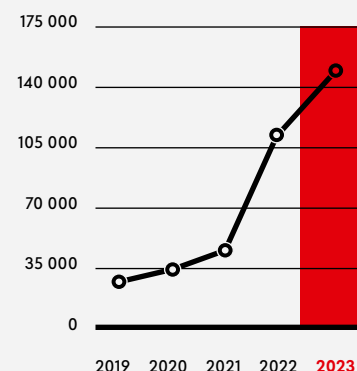
In the 127 mobilezone shops, in the B2B segment and online, mobilezone offers the largest range of accessories for mobile devices in Switzerland. In the reporting year, sales amounted to CHF 25.5 million (previous year: CHF 24.9 million). This represents an increase of 2.4 per cent compared to the previous year.

Services (Net 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 reporting year, sales from services amounted to CHF 7.9 million (previous year: CHF 7.4 million). This is an increase of 6.8 per cent compared to the previous year.

MVNO postpaid subscriptions (Number of subscriptions)



The postpaid subscriptions of TalkTalk and Digital Republic increased to 149,800 (previous year; 112,500). Digital Republic is included from 2022.

mobilezone Club

As a customer benefits programme, the mobilezone Club offers the opportunity to collect points when shopping, which can then be used for payment. Club members are also the first to be informed about new products and benefit from preferential treatment when new devices go on sale. They can also benefit from selected promotions. The mobilezone Club is under constant development, for example, through the establishment of appropriate cooperations from which Club members can benefit and which significantly improve the attractiveness of the Club. The aim is to enter into further attractive long-term partnerships in the current financial year 2024 to provide Club customers with even more opportunities for exciting offers. Furthermore, the focus on the mobilezone Club will also be sharpened among sales staff by carrying out additional training courses.

Second life and repair business

The repair business is of great strategic importance. On the one hand, mobilezone covers the repair needs of companies and private individuals with defective smartphones. On the other, the company can offer the entire value chain in-house, from selling smartphones and taking them back to the shops, to repairing and refurbishing them and reselling them as second life products.

The second life business includes repairing and refurbishing smartphones to return them to the device cycle. In addition to refurbishing used smartphones, mobilezone handles the entire lifecycle management of mobile devices and tablets for retail companies and mobile network operators. As an authorised aftersales partner, mobilezone offers certified repairs and other services from a single source. Moreover, mobilezone also carries out the repair of device fleets owned by companies, providing tailored solutions for repair management and operation of their mobile device fleet. This includes efficient repair solutions, comprehensive care services, and specialized options for repair and maintenance in the absence of warranty or after-sales provisions. In addition, mobilezone supplies the Swiss repair industry with original spare parts from selected manufacturers. As the importance of on-site repairs has steadily declined in recent years, they were closed at the end of June 2023 and mobilezone is relying on its central repair workshop in Rotkreuz. The workshop in Lugano, which will continue to operate, is not subject to the closure.

Business customers

mobilezone B2B

As a specialist and general contractor, mobilezone business undertakes all the work involved in managing mobile subscriptions and devices such as tablets and smartphones for companies. With bespoke offers, mobilezone responds to the individual needs of customers in order to find the best solution for them. This can include the management of mobile subscriptions, device maintenance and clarifications with the insurance company in the event of damage. However, it can also mean that services and processes in the area of fleet management are completely outsourced. The range of services here extends from standardised products to complex individual customer solutions.

Smartphones and subscriptions that are available to employees as fringe benefits are presented by mobilezone using an online customer portal. The customer portal is developed individually with the customer and is therefore tailored to their wishes. In addition to device procurement, it maps the entire administration of company contracts. The entire onboarding and offboarding process for employees is tailored to the customer's wishes. The integration of customised authorisation processes also makes it possible to respond even better to customer needs. The customer portal is constantly under development. Further investments in the user experience and increasing the level of digitalisation as well as improving processes on the customer and provider side are planned. With Device as a Service, companies can rent their mobile device fleet from mobilezone instead of buying it.

Communication between people, devices and industries is not only becoming faster, but also more complex. Together with Digital Republic, mobilezone business provides mobile Internet for business applications and devices to communicate; this includes monitoring or remote maintenance of photovoltaic systems, communication with security and monitoring systems as well as predictive maintenance of devices and installations.

Market area Germany

Management Board Germany as at 31.12.2023

Wilke Stroman
CEO Germany

Mathias Sieg
Chief Financial & Digital Officer

Feyzi Demirel
Chief Operations Officer

Dieter Kossmeier
Chief Sales Officer B2B

Daniel Blum
Chief People & Legal Officer

mobilezone

E-COMMERCE

B2B
INDIRECT

sparhandy

DEINHANDY.
★★★★★
HANDYSTAR

HIGH

mobilezone operates two strategic business areas in Germany: e-commerce for private customers and indirect B2B trade (retail and e-commerce) with mobilezone handel. All e-commerce end customer brands are combined in mobilezone. Indirect sales are bundled centrally under the mobilezone handel umbrella brand. mobilezone Deutschland is a partner of the network operators Vodafone, Deutsche Telekom and Telefónica Deutschland as well as the service providers freenet and 1&1 Drilisch. In addition, mobilezone Germany works in partnership with all relevant manufacturers of smartphones, tablets and wearables such as Apple, Samsung, Google and Xiaomi.

Private customers

Sparhandy and Deinhandy

With the home shopping channel Handystar, the brands Sparhandy and Deinhandy, mobilezone is number one in Germany's online business; the company outperforms its closest rival in marketing of mobile phone contracts by focusing on attractive bundle deals that include smartphones and corresponding subscriptions. Sparhandy and Deinhandy have helped mobilezone solidify its position as the top online retailer in Germany, marking a successful trajectory for the company. This is attributable to investments made over the last few years in the development of online shops and downstream customer processes. Since November 2022, refurbished smartphones have also been available on Sparhandy in combination with a mobile contract; this is very popular with consumers. With the "Electronics" category on Sparhandy, the range has been expanded to include products beyond the smartphone spectrum. The "Wearables" area has been given a stronger focus with the new "Add to plan" offering. For a monthly surcharge on their mobile phone contract, the customer also receives a smartwatch. Sparhandy and Deinhandy have further solidified their collaboration with Deutsche Telekom, being recognised by the latter as the key partner in expanding the Young tariffs range, thereby reaching out effectively to younger target demographics. To enable an even more direct approach to them, a TikTok channel was established for Sparhandy in 2023, which is growing rapidly.

Handystar

As a complement to the Sparhandy and Deinhandy range, the home shopping channel Handystar has been offering attractive offers for smartphones and mobile phone contracts on German television since 2014. Handystar stands as the sole brand in Germany catering specifically to the over-55 demographic, which constitutes the largest age group in the country and represents a robust market poised for significant growth. In mid-2023, TV commercial broadcasts were expanded with the RTL Group and DMAX. Due to its success, this will be continued in 2024. Activities on social media channels got off to a successful start in the 2023 financial year. The focus here will be intensified again in 2024. In addition, Handystar will migrate to the new shop technology at the beginning of 2024, making it even more attractive to use.

HIGH

As a mobile virtual network operator (MVNO), the HIGH brand offers cost-effective SIM-only tariffs on the Deutsche Telekom network, providing an attractive selection for young target groups in particular. To improve the customer experience, the area of loyalty is being further expanded with attractive offers. For example, the Self-Care Portal has been further developed to allow existing customers to conveniently order an eSIM and have it available immediately; this will be implemented in digital form for new customers in the first quarter of 2024. Since September 2023, HIGH mobile subscriptions have also been available in specialist shops and no longer just online as before. This development marks a significant step forward in the company's mobile communications strategy and brings many benefits for specialist retail partners and end customers alike. Since September 2023, HIGH has also been offering its customers the opportunity to book 5G as an option for new and existing customers. Since the beginning of the year, the focus has also been on expanding the marketing of bundles (devices with HIGH subscription).

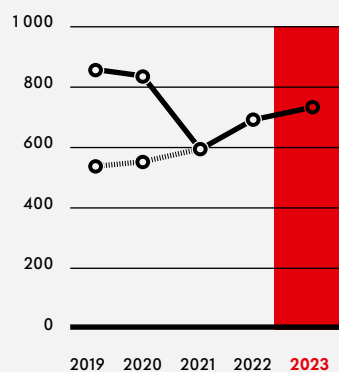
Business customers

mobilezone handel

mobilezone handel is an independent full-service provider in the mobile, internet and fixed network telephony sector and covers the B2B business of mobilezone Germany. This includes purchasing, sales and logistics for a large and heterogeneous partner landscape. These include the end customer brands MEDIMAX, EP and various e-commerce retail partners, such as Logitel and Motion TM. The partner group also includes retail and distribution partners such as SafeToNet and Talk-Point as well as a large number of other key account partners, independent specialist retailers and Ashop concept operators. Retail partners are offered the entire product range from the mobile communications, Internet and fixed-line sectors. Here, retail partners can find the offerings of major and well-known telecommunications brands under one roof. For mobile communications, these are the brands of the German network operators Deutsche Telekom, Vodafone and Telefónica as well as the 1&1/Drillisch online rate plans of the MVNO brands yourfone and 1&1. All network operators such as Deutsche Telekom, Vodafone and Telefónica are also represented in the fixed-line and DSL sector. The company markets fixed-term contracts primarily with a subsidized end device in conjunction with original products from network operators. mobilezone exchange GmbH (formerly SIGA exchange GmbH), which operates the telecommunications business at US Army bases, has been part of the mobilezone group since January 2023, and the network operator business of ENO telecom GmbH since April 2023.

Net sales

(EUR million)

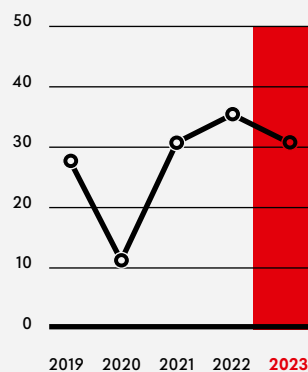


Net sales in Germany amounted to EUR 733 million (previous year: EUR 692 million).

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

EBIT

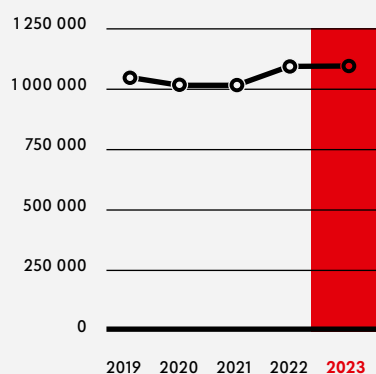
(EUR million)



EBIT in Germany fell from EUR 35.4 million to EUR 30.8 million, which corresponds to a return on sales of 4.2 per cent (previous year: 5.1 per cent).

Mobile, digital TV and internet contracts

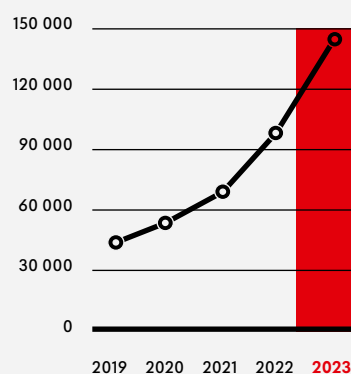
(Number of contracts)



mobilezone mediated over 1,093,000 mobile and DSL/internet contracts through its own platforms Sparhandy and Deinhandy, and its own TV channel Handystar and sales partners (previous year: 1,091,000).

MVNO postpaid subscriptions

(Number of subscriptions)



In the postpaid segment, HIGH was able to increase the number of subscriptions by 48 per cent to 145,500 (31.12.2022: 98,000).



Untapped potential of no longer needed smartphones

On average, people in Switzerland use their smartphones for three years before buying a new one. The old device usually ends up in the drawer as a replacement device in case their main smartphone gets broken. There is significant untapped potential within Swiss households – cutting-edge phones in good condition lose value rapidly due to quickly advancing technologies or lack of software support. Mobile phones also contain valuable minerals such as gold, silver, platinum, palladium and aluminium as well as plastic, glass and ceramic. Long-term use makes sense from this perspective – or the device is passed on. mobilezone Switzerland buys back devices from private and business customers and gives them a second life as refurbished smartphones. The entire second-life process is also economically viable, having spawned a thriving industry that generates additional income and secures jobs. And it is also beneficial for the environment.

Sustainability Report

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Return to mobilezone – used smartphones are worth hard cash

mobilezone has been buying back used smartphones from private and business customers since 2014, making it a pioneer in Switzerland. Devices can be returned to the shops or sent in and customers will be refunded the residual value of any devices that are still intact. The smartphones are subjected to a grading process by mobilezone. The devices are categorised as "original packaging", "like new", "very good" and "good". Depending on their condition, the mobile devices may need to be repaired. The residual value of the device, which is refunded to the customer, also depends on the grading.

Letter to the stakeholders

Dear readers

The mobilezone Group's business model is unique. In addition to smartphones, accessories and subscriptions from all providers as well as appropriate services, we also offer neutral advice and sustainable solutions in the form of refurbished smartphones and repairs – in short, our customers benefit from the "everything from a single source" approach across all touchpoints. The telecommunications industry, with its myriad subscription options and device choices, presents a complex landscape that can significantly influence customers' decisions to select mobilezone as their service provider. Aside from our commitment to delivering fair and appealing offerings to our customers through all channels and ensuring comprehensive support even post-sale, we also hold responsibilities towards other stakeholders, including employees, partners, investors, and legislators.

The increasing importance of sustainability at mobilezone is not only by the expectations of our diverse target audiences, but also by the evolving legal and regulatory landscape on both global and regional levels: for example, the new requirements pursuant to Art. 964 et seq. of the Swiss Code of Obligations with regard to transparency on non-financial matters and child labour or the data protection laws in Switzerland and Germany.

In addition, there are global, regional and market-specific sustainability aspects that affect us as a company and that we need to address. The telecommunications market is almost completely saturated, which means that new markets need to be developed or existing markets need to be redeveloped. We also offer customers a large number of smartphones and mobile phone subscriptions. We can influence this by offering the best possible advice both online and offline. Due to the constantly improving technologies, customers are keeping their devices longer on average than before – mobilezone offers appropriate services such as repairs or insurance to support customers.

Like many companies, mobilezone is also experiencing a shortage of skilled workers – new measures are needed to make it an even more attractive employer. In the reporting year, the focus in the area of employees was further sharpened in order to improve employee satisfaction, among other things. This includes, for example, the further improved, targeted management of talent and its further development in the coming years.

The business with used and refurbished smartphones continued to grow in the 2023 financial year, which shows that there is demand for alternatives to a new device. The challenge here is to satisfy this demand by offering customers incentives to buy back enough smartphones. A change in the repair market has already become apparent in recent years: customers used the decentralised repair service less and less, so mobilezone decided to close the workshops in the stores at the end of September 2023 and rely on the central repair workshop in Rotkreuz instead. In Germany, trading in refurbished smartphones became an integral part of the business model.

In the reporting year, we continued to pursue the sustainability strategy we developed in 2020. We have also increased our focus on improving and formalising data collection and data quality and have calculated the Group-wide CO₂ footprint, including that of the upstream and downstream supply chain, for the first time. This was an important step in defining a CO₂ target for the group as a whole.

This Sustainability Report and the report on non-financial matters in accordance with Art. 964b of the Swiss Code of Obligations were approved by the Board of Directors of mobilezone holding Ltd on 6 March 2024.

The forthcoming pages will offer you a transparent view into our commitment, advancements and aspirations in the realm of sustainability.



Our resilient business model creates trust among employees, customers, investors and other dialogue groups – this is an important pillar of our sustainability strategy.

Markus Bernhard, CEO of the mobilezone group

Olaf Swantee
Chairman of the Board of Directors

Markus Bernhard
Chief Executive Officer

Martina Högger
Sustainability Manager

1. Materiality analysis and key topics GRI 3-1

mobilezone's sustainability efforts align with the ESG criteria encompassing environmental, social, and governance factors. The following steps describe the procedure for determining material topics. According to the GRI, there are no specific industry standards for the telecommunications industry and related industries.

A materiality analysis was carried out in summer 2020, taking the standards of the Global Reporting Initiative (GRI) into account.

This process aims to identify and assess the key sustainability topics for mobilezone and incorporate them into the sustainability strategy. The materiality analysis was carried out as follows:

- ✓ Over 30 interviews were conducted with analysts, decision-makers at device manufacturers and mobile phone providers, members of the Board of Directors and Management, employees, associations, customers and media representatives.
- ✓ A Group-wide employee survey was conducted on the topic of sustainability.
- ✓ Impact analysis of the various business activities carried out by the mobilezone Group.
- ✓ Workshops with members of management and employees.
- ✓ Analysis within the telecommunications industry and related industries.

On the basis of the materiality analysis, the following material issues were defined; these form the basic framework of the sustainability strategy.

- ✓ **Attractive employer:** Offering attractive jobs, ensuring the physical and mental health and safety of our employees and paying fair wages.
- ✓ **Equality and diversity:** Creating equal opportunities for all employees and promoting mixed teams as well as working conditions for a good work-life balance.
- ✓ **Training and further education opportunities:** Promoting training and further education opportunities for employees, offering apprenticeships and internships for young people.
- ✓ **Greenhouse gas emissions:** Measurement and disclosure of greenhouse gas emissions along the mobilezone value chain

based on the Greenhouse Gas Protocol. Implementation of measures to reduce greenhouse gas emissions and increase CO₂ efficiency.

- ✓ **Energy consumption:** Setting targets to reduce energy consumption in our own companies. Develop and offer solutions that help to reduce customers' energy consumption.
- ✓ **Responsibility along the value chain:** Responsible supply chain with regard to minerals from conflict and high-risk areas, child and forced labour, human rights, corruption, social and environmental concerns.
- ✓ Customers are offered **transparent, responsible and honest advice**.
- ✓ **Circular economy / sustainable consumption:** Buyback, refurbishment and sale of used smartphones and offering repair services to extend the life cycle of devices. If repair is not possible, the used appliances are recycled properly.
- ✓ Information on the sustainability level of **the offered products**.
- ✓ **Governance and Compliance:** Compliance with the legal and regulatory framework in Switzerland and Germany. This includes the requirements of commercial law and data protection laws.

To better categorize the key topics in terms of their significance for mobilezone, opportunities and risks and positive and negative impacts were identified for all areas.

Material issues	Opportunities / positive impacts	Risks / negative impacts
Attractive employer	<ul style="list-style-type: none"> ✓ High employee motivation ✓ Personal development of the workforce ✓ Lower absenteeism due to illness and accidents / better employee health ✓ Low turnover 	<ul style="list-style-type: none"> ✓ Negative impact on profitability (limited)
Equality and diversity	<ul style="list-style-type: none"> ✓ More productive and innovative teams ✓ Improving the company's reputation ✓ Better adaptability to changing conditions 	<ul style="list-style-type: none"> ✓ Discrimination against employees ✓ Difficulties in implementation due to demand and supply
Training and further education	<ul style="list-style-type: none"> ✓ Access to qualified labour ✓ Increased efficiency, motivation and employee loyalty 	<ul style="list-style-type: none"> ✓ Costs for training and further education ✓ Lack of employees attending training sessions in day-to-day operations
Greenhouse gas emissions / environmental concerns	<ul style="list-style-type: none"> ✓ Savings via lower energy consumption ✓ Reputation and perception on the market 	<ul style="list-style-type: none"> ✓ Increased environmental risks along the value chain, leading to delivery delays and/or additional costs ✓ Higher insurance premiums
Responsibility along the value chain	<ul style="list-style-type: none"> ✓ Fulfilment of legal requirements ✓ Sensitising employees and partners to the various topics ✓ Perception as a responsible company / employer ✓ Prevention / reduction of violations of human rights (child or forced labour, discrimination, racism, etc.) and violations of environmental laws, regulations and standards 	<ul style="list-style-type: none"> ✓ Violation of human rights (child or forced labour, discrimination, racism, etc.) ✓ Violation of environmental laws, regulations and standards, environmental pollution ✓ Corruption ✓ Acquisition of goods with conflict minerals ✓ Additional costs to ensure compliance with rights and standards
Transparent, responsible and honest advice	<ul style="list-style-type: none"> ✓ Increase in profitability ✓ Long-term customer loyalty ✓ Corporate reputation ✓ Increased trust from customers and partners 	<ul style="list-style-type: none"> ✓ Lower contribution margins in the short term due to non-profit-oriented consulting / sales maximisation
Smartphone cycle / sustainable consumption	<ul style="list-style-type: none"> ✓ Sustainable image of mobilezone ✓ Efficient use of resources 	<ul style="list-style-type: none"> ✓ Additional costs for reconditioning / refurbishing appliances ✓ Reduction in sale of new appliances
Governance and Compliance	<ul style="list-style-type: none"> ✓ Compliance with laws, regulations and standards ✓ Trust ✓ Tax and Legal Governance ✓ Positive perception of the company among customers, suppliers, partners, authorities and the public 	<ul style="list-style-type: none"> ✓ Violations ✓ Loss of reputation ✓ Fines
Sponsoring with added social value, charitable work or donations to non-governmental organisations (NGOs)	<ul style="list-style-type: none"> ✓ Corporate reputation ✓ Positive perception on the labour market and among customers 	<ul style="list-style-type: none"> ✓ Political risks ✓ Reputational risk

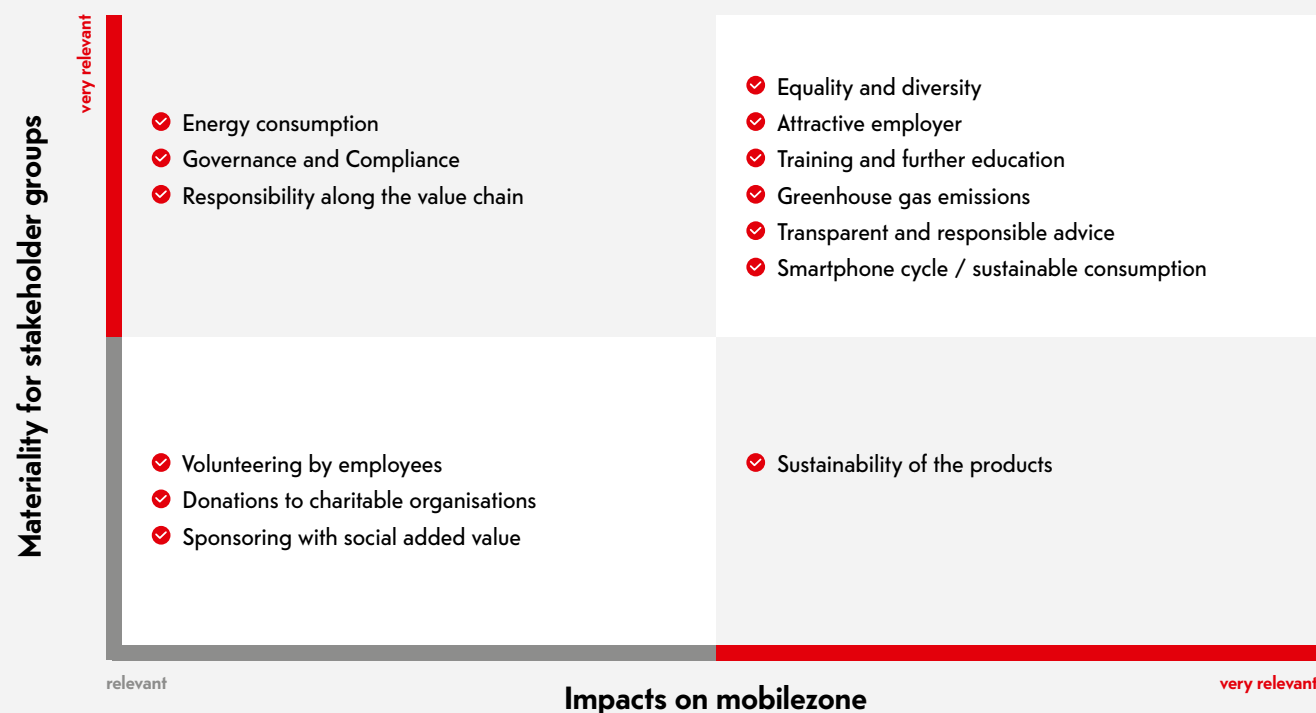
For our **Employees**, who are directly affected, as well as for the Board of Directors, Group Management, and Management, it is paramount that mobilezone remains an attractive employer and demonstrates a steadfast commitment to equality and diversity. Regularly conducting an employee survey and the measures derived from it increase satisfaction and in turn raise motivation and loyalty to the company. The satisfaction of our **Customers** is at the heart of everything we do. Transparent and fair advice and customer satisfaction across the entire mobilezone Group are key for the

sustainable development and long-term optimisation of the company. By providing products that prolong the lifespan of smartphones or offering alternatives with a reduced ecological footprint, we are tackling the issue with the most significant ecological impact. We summarise the associated activities in the **Smartphone cycle** section. As part of our **Environmental management**, we strive to optimize our energy and material consumption as well as reduce greenhouse gas emissions. We are increasingly taking responsibility for our partners along the supply chain.

The results of the materiality analysis and in particular the key topics "Employees", "Customers", "Smartphone cycle" and "Environmental management" are reviewed annually for their validity. The materiality analysis is reviewed in collaboration with the Group Management and the Sustainability Committee of the Board of Directors, taking into account feedback from partners, analysts and other stakeholders from day-to-day business. Global developments on ESG topics, market trends and legal and regulatory changes are also taken into account. Corporate sustainability has become much more important in recent years, especially for listed companies. In this year's update, the area of **Governance and Compliance** was identified as an additional focus topic and integrated into the report due to regulatory developments in Switzerland and Germany. Compared to the previous year's report, certain related topics have also been consolidated to improve readability. It is important for us to continue working on the original topics, as mobilezone's sustainability strategy is designed for the long term and measures in the focus areas will also be implemented in the longer term. We plan to carry out a new double materiality analysis for 2024. This will be based on the Corporate Sustainability Reporting Directive (CSRD) and will in turn involve both external and internal stakeholders.

Material issues GRI 3-2

The outcomes of the management workshop and the risk analysis were ultimately summarised in a materiality matrix as follows:



Impacts

Material issues	Governance & Compliance	Employees	Customers	Smartphone cycle	Environmental management
Attractive employer		●			
Equality and diversity	●	●			
Training and further education		●	●		
Greenhouse gas emissions	●		●	●	●
Energy consumption			●	●	●
Responsibility along the value chain	●	●		●	●
Transparent and responsible advice			●	●	
Sustainability of the products			●	●	●
Governance and Compliance	●	○	●		
Volunteering by employees		○			
Donations to charitable organisations		○			
Sponsoring with social added value		○			

○ Small impacts ● Medium impacts ● Big impacts

2. Sustainability strategy

Sustainability vision: For mobilezone, practising sustainability means embodying responsibility across all facets of our organisation. This includes fostering a safe and attractive workplace for our employees and providing our customers with thorough and expert guidance throughout the entire lifecycle of a device, from purchase and repairs to refurbishment and disposal. We build on long-term customer relationships and, where possible, offer sustainable or environmentally neutral alternatives. In the upstream value chain (e.g. suppliers and manufacturers) and in the downstream value chain (e.g. customers and users), we minimise negative impacts and maximise or optimise positive impacts. In doing so, we strive to minimise our ecological footprint and foster long-term success while adhering to relevant laws and guidelines at all times.

For mobilezone, sustainability means changing things for the better where we have the greatest leverage and opportunities. Consequently, the sustainability strategy deals with our social responsibility, our employees and customers, the business in the smartphone cycle and our ecological footprint.

Sustainability is a key component of mobilezone's strategy (see Strategy section, p. 10). Our sustainability strategy has been in place since 2020 and includes the results of a materiality analysis. Since then, the sustainability strategy has been reviewed, updated, and annually approved by the Board of Directors (as of December 2022, this responsibility has been assumed by the Sustainability Committee, which comprises all members of the Board of Directors). It applies to all companies in the mobilezone Group and is divided into strategic directions for the Group as a whole and for the Switzerland and Germany business areas. Implementation at operational level takes place within the individual divisions in Switzerland and Germany.

Sustainability strategy Group

- ✓ **Employee training:** We support our employees with training and further education. To this end, we actively train skilled workers in the telecommunications industry and thus play our part in maintaining Switzerland as a business location.
- ✓ **Added value:** We generate a large part of the added value in our impact markets and thus contribute indirectly through our employees to the positive development of public coexistence at our locations.

- ✓ **Energy-saving measures:** We promote energy-saving measures at the workplace and in the shops. Employees are regularly informed about how energy-saving potential can be exploited in the workplace. We have been recording our CO₂ footprint since the 2023 financial year and have set ourselves the goal of continuously reducing it over the coming years.
- ✓ **Due diligence obligations regarding child labour:** With our Code of Conduct for Suppliers, we have been obliging our most important suppliers to assume their responsibility with regard to ecological, social and human rights criteria and the avoidance of corruption as well as forced and child labour since the reporting year.
- ✓ **Governance and Compliance:** We comply with the mobilezone Code of Conduct as well as legal and regulatory requirements.

Sustainability strategy Switzerland

- ✓ **Smartphone repair:** We offer repairs for all common smartphones. Customers can conveniently return their device to one of our shops or send it directly to the mobilezone repair workshop. We are an official partner of all relevant mobile phone brands. This means that the smartphone is repaired by certified technicians using only original parts. The manufacturer's warranty therefore remains valid even after the repair. This ensures the security of the smartphones and increases their service life.
- ✓ **Refurbished smartphones:** mobilezone buys back used smartphones via the shops or online, has them repaired in the mobilezone workshop and then sells them as refurbished smartphones online and in selected shops under the brand justit. This approach allows customers to actively participate in the circular economy.

- ✔ Sustainable alternatives: In addition to conventional smart-phones, we offer our customers more sustainable alternatives whenever possible.

Sustainability strategy Germany

- ✔ Climate-friendly, CO₂-compensated shipping for online shops with DHL's GoGreen service.
- ✔ Sale of sustainable smartphone alternatives such as Fairphone and refurbished Apple iPhones.
- ✔ Support of a non-profit organisation that works to improve the quality of pre-school and school education in Mozambique through an employee exchange programme and financial support.
- ✔ Sustainable employee retention through our own training and trainee programme.
- ✔ Outlook 2024: Conversion of all print materials for partners to Forest Stewardship Council (FSC) products.

Sustainability report and reporting

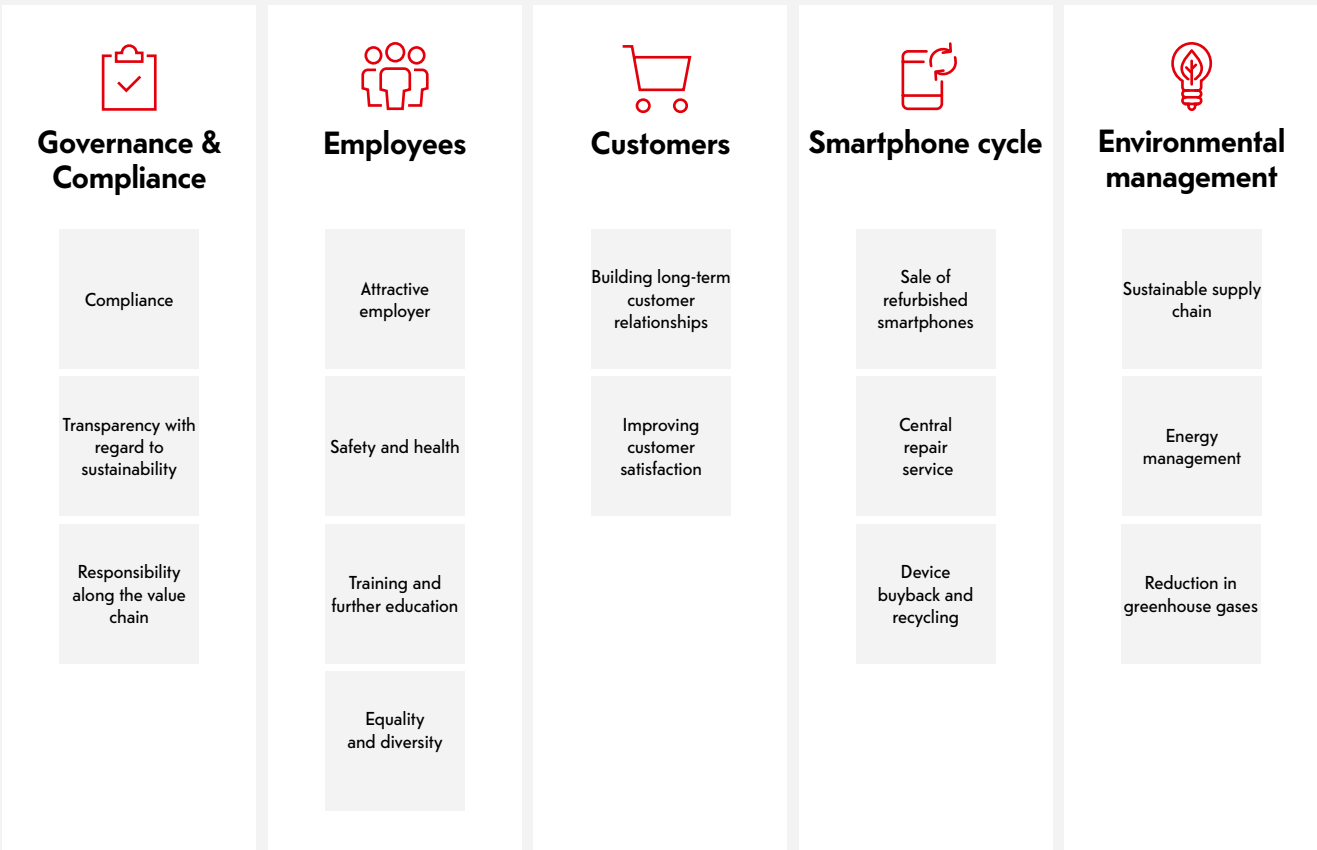
mobilezone's sustainability strategy is based on transparency towards our stakeholders. Since 2020, we have been publishing an annual Sustainability Report showcasing our sustainability performance through key figures. The 2023 report has been prepared with reference to the GRI Standards.

In April 2024, mobilezone shareholders will have the opportunity, for the first time, to vote on the report on non-financial matters in accordance with the Swiss Code of Obligations (CO) for the financial year 2023.

Sustainability strategy at a glance

The five focus areas of the sustainability strategy and their defined sub-themes are shown below. Each sub-topic includes responsibilities, activities and progress as well as key figures for effective monitoring.

The five pillars of the sustainability strategy



3. Our key sustainability figures

Key figures	Value 2023	Status 2023	2024 target
Governance & Compliance			
Proportion of employees trained in cyber security	81.3%	📌	85.0%
Proportion of employees trained in the Code of Conduct	n.a.	📌	85.0%
Proportion of the purchasing volume of suppliers who have signed the mobilezone Supplier Code of Conduct or equivalent guidelines	83.1%	📌	85.0%
Proportion of purchasing volume for goods deliveries from suppliers who have signed the mobilezone Supplier Code of Conduct or equivalent guidelines	95.1%	📌	96.0%
Employees			
Employee satisfaction	75.9%	📌	80.0%
Unplanned turnover	13.7%	📌	13.0%
Number of apprentices	155	📌	160
Number of newly recruited apprentices	74	📌	55
Success rate of apprentices in the final apprenticeship examination	90%	📌	92%
Education and training days per employee	11.2	📌	11.5
Accident and sick days per employee	7.1	📌	6.5
Proportion of women on the Board of Directors	40.0%	📌	40.0%
Proportion of women in senior management is to be increased to 20 per cent by 2030	7.1%		n.a.
Customers			
Customer satisfaction index (base year 2020: 100)	103.7	🔴	105.0
Number of mobilezone Club customers	238 000	🔴	300 000
Smartphone cycle Switzerland			
Refurbished smartphones in relation to smartphones sold	4.3%	📌	4.5%
CO ₂ savings through the sale of refurbished smartphones in tonnes	214	📌	250
Repurchased smartphones in relation to total new smartphones sold	12.4%	📌	13.0%
The number of successful repairs in proportion to the total number of repair orders	85.3%	🔴	85.0%
Environmental management			
CO ₂ emissions Scope 1 and 2 in tonnes	810	📌	800
CO ₂ emissions Scope 3 in tonnes	96 492	📌	96 000
Fuel consumption in litres	92 351	📌	90 000
Power consumption in MWh	2 556	📌	2 500

📌 2023 target achieved 📌 First-time target for financial year 2024 🔴 2023 target not achieved

4. Stakeholder groups

Stakeholder groups of mobilezone and their involvement GRI 2-29

mobilezone is not only committed to itself, but is also confronted with a large number of stakeholder groups with mutual demands. Accordingly, mobilezone is in regular contact with these stakeholder groups in various ways. This exchange determines, among other things, the course and further development of the sustainability strategy. Furthermore, we involve all stakeholders with whom we work directly as part of our supply chain and who are directly affected by the impact of our business activities in our sustainability strategy.

We have defined the following stakeholder groups:

Customers

The satisfaction of our customers is at the heart of everything we do. We advise them across all channels and are constantly developing our channels to offer them a shopping experience that exceeds their expectations. We train our employees accordingly so that they have the appropriate tools for providing advice and continue to develop our platforms so that the digital customer experience is constantly improving. We regularly survey our customers' satisfaction and derive appropriate measures from the results.

Suppliers and partners

We create long-term relationships founded on mutual trust with our suppliers and partners. We are in constant dialogue with them. One of the things that unites us is our understanding of fair and respectful competition. We also expect our partners to comply with agreements, laws and guidelines, including those relating to sustainability, and in turn we commit to complying with these. In the 2023 reporting year, we defined a process for supply chain management. Among other things, this includes a Code of Conduct for suppliers and partners, which we have them sign.

Employees

We promote regular, open and transparent dialogue with our employees across various channels. Active communication on equal footing across all management levels is important to us. Short official channels and flat hierarchies contribute to a better corporate culture and quick decision-making. In an annual employee survey, we ask our employees about their satisfaction and derive appropriate measures.

Investors, analysts and rating agencies

We inform investors, analysts and rating agencies twice a year as part of our annual reporting in addition to the General Meeting. We also maintain a constant dialogue at investor events and roadshows. Investors expect mobilezone to have a profitable and future-oriented business model that generates income in the form of rising share prices and attractive dividends. Furthermore, mobilezone is expected to communicate transparently and comprehensively, including on the subject of sustainability.

Media representatives

We see media representatives as partners and intermediaries to the public. They expect us to respond to their inquiries promptly and to treat all media professionals equally. We engage in dialogue with them by promptly responding to media inquiries and pro-actively providing regular updates through ad hoc and press releases. Media representatives are contacted directly by the CEO or via the official media office.

Public

We reach the general public through numerous campaigns throughout the year, consisting of digital and analogue measures. We also communicate and engage through our social media channels, websites, e-mail and trade shows.

Authorities and legislators

We adhere to the applicable laws and regulations in the countries where we operate. In response to developments surrounding the topic of sustainability, we continually educate ourselves by participating in relevant events and training sessions to ensure compliance with applicable requirements and to network with relevant stakeholders as needed.

5. Governance and Compliance

In the area of Governance and Compliance, mobilezone focuses on responsible company management, the continuous development of transparency in sustainability reporting and compliance with legal and ethical standards. In the reporting year, we increasingly focussed on fulfilling our social, human rights and environmental responsibilities along our value chain.

5.1 Governance structure and responsibilities for sustainability in the company GRI 2-14

Clear responsibilities and robust leadership are essential to ensure the operational implementation of mobilezone's sustainability strategy. It is imperative to ensure organisational alignment of sustainability management across the entire Group, from the Board of Directors to various management levels and all employees. Responsible management with regard to social, environmental and governance issues strengthens the company and ensures long-term value creation.

Board of Directors

The Sustainability Committee consists of all members of the Board of Directors. It acts as the highest decision-making body and approves the sustainability strategy. The Sustainability Committee meets twice a year on the topic of sustainability with the aim of monitoring and advancing the operational implementation of the sustainability strategy.

CEO and Group Management

Ultimately, the CEO of the mobilezone Group holds the responsibility for the sustainability strategy. Together with the Group Executive Board, he forwards sustainability issues to the Board of Directors. The members of Group Management, in collaboration with their division heads, bear the responsibility for executing the sustainability strategy within their respective departments and determine specific measures to be taken. This approach ensures that the focal points of the sustainability strategy are firmly and bindingly integrated into the company.

Sustainability Committee

A five-member Sustainability Committee, consisting of managers and employees from the German and Swiss organisations, was established to root the topic of sustainability in the company's operations. Regular communication takes place between the Group Management and the Sustainability Committee, as well as between the Sustainability Committee and business managers from both countries. The Sustainability Committee has responsibility for the following areas:

- ✓ Operational development of the sustainability strategy
- ✓ Development of a roadmap
- ✓ Coordinating the implementation of the materiality analysis to identify and prioritise sustainability topics
- ✓ Development of a communication strategy for the topic of sustainability
- ✓ Monitoring sustainability-related key figures
- ✓ Reporting to the Group Management
- ✓ Contact point for employees on sustainability issues
- ✓ Ensuring sustainability reporting

The Sustainability Committee coordinates the activities of those responsible for our five focus topics and ensures that the measures introduced are in line with our sustainability strategy.

Responsibilities for our five focus areas

Governance and Compliance: Responsibility for governance and compliance lies with the Group Management and the Board of Directors. The committees ensure that mobilezone acts in accordance with the applicable legal provisions and internal guidelines and that management is transparent, responsible and legally compliant. mobilezone also has a Group-wide risk management system. The Board of Directors is the highest authority for assessing risks. Group-wide coordination of risk management is carried out by the CFO.

Employees: The Group CFO in Switzerland and the Chief People & Legal Officer in Germany work closely together to exploit synergies in the focus area of employees and the various sub-topics such as occupational safety, training of apprentices and trainees and the employee satisfaction survey.

Customers: All matters pertaining to customers, their satisfaction, and the enhancement of customer services are strategically embedded within the roles of the Chief Customer Officer in Switzerland and the Chief Operations Officer in Germany. Both roles are in regular contact with a view to exploiting synergies.

Smartphone cycle: The topic of the smartphone cycle is currently mainly managed in Switzerland. The Managing Director of mobilezone reload is responsible for implementation in the area of repairs and refurbishing. The Director Chief Product Officer is responsible for the strategic development and growth of the refurbished brand jusit. In Germany, the Chief Operations Officer is responsible for refurbished smartphones

Environmental management The topic of environmental management is managed by the Sustainability Committee in both Switzerland and Germany. Responsibility for this lies with the Group CEO together with the Group Management as the company's chief sustainability officer.

5.2 Compliance GRI 2-24

As a responsible company, mobilezone endeavours to comply with all legal and regulatory requirements. This section provides an overview of the measures and processes that mobilezone has implemented to ensure that all business activities comply with applicable laws, regulations and ethical standards.

Risk management

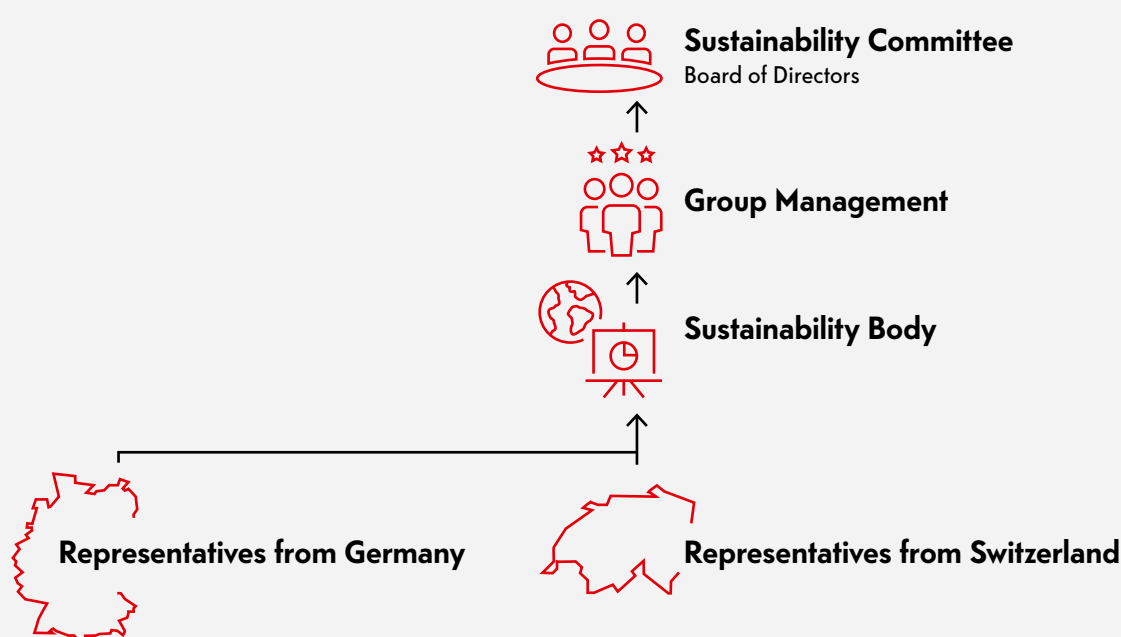
mobilezone recognises the importance of systematic risk management. As part of a continuous process to ensure business continuity, risks are identified and assessed throughout the Group on an ongoing basis and the necessary measures are taken if required.

The Group Management monitors the risk management process through active dialogue and meetings with the corporate divisions. This ensures a standardised process for dealing with risks across all areas of the company. The consolidation of risks and the annual reporting to the Board of Directors are conducted by the Group Management and overseen by the CFO.

The company-wide risk management process is also supported by a business continuity process. This ensures that potential disruptions to business-critical services are mitigated, or that the organisation's full functionality is restored as quickly as possible if such disruptions occur.

mobilezone divides the recorded risks into four categories: strategic, operational, financial and market.

Organisational structure of sustainability management



The **strategic risks** include the risks of the industry and the market, external stakeholders, social and environmental developments, company management and catastrophic events.

The **operational risks** comprise risks along the value chain, risks from investment activities and personnel risks. mobilezone also regularly assesses and minimises the risks of cyber attacks and corresponding data loss.

The **financial risks** category summarises currency risk, liquidity and credit risk, the capital structure and compliance with tax and accounting regulations.

Market risks include the availability of devices, and changes in customer behaviour, and increased competition for example.

Sustainability risks are transferred to one or more of these corporate risk categories based on their impact at Group level and at country level. The latter are subsequently subdivided into environmental and employee risks, risks relating to human rights violations along the value chain, governance and compliance and social risks.

Environmental risks GRI 201-2

Previously rare weather phenomena are occurring more and more frequently due to global **climate change**. From mobilezone's perspective, this could result in potential disruptions in supply chains, increased insurance premiums, and extended delivery times, all of which could directly impact key financial metrics.

Furthermore, mobilezone acknowledges that the extraction of raw materials for the production of smartphones or accessories may be linked to human rights violations and environmental impacts, particularly in connection with **conflict minerals**.

Violations of environmental laws, regulations and standards can create ethical or legal risks and cause reputational damage. We therefore monitor new regulations and assess their potential impact on our business activities.

Employee risks

We depend on access to dedicated and skilled employees to fulfil our operational requirements. Due to demographic trends in the countries where mobilezone operates, there is a potential risk of a **labour shortage** in the future. Risks also arise if we fail to respond promptly to the evolving demands in a volatile market environment, thereby falling short of meeting our employees' expectations for a modern working environment. This includes the need for a workplace that fosters diversity, equality, integration and a sense of belonging. This would not only pose a risk for talent recruitment, but also for employee retention.

Social risks / human rights violations

Increasing regulation leads to an increase in social risks. Until now, violations in the area of due diligence in the supply chain were primarily associated with reputational risks. However, the legal obligation means that human rights issues are now receiving more attention and also entail financial and procedural risks. The risks with regard to human rights violations are manifold. They include **discrimination and unequal treatment** of employees based on various characteristics such as age, race, skin colour, religion, disability, marital status, pregnancy, gender identity, political affiliation, sexual orientation, social origin and national origin. In a global manufacturing process, there is a possibility that **child labour or forced labour** used to produce the devices. Labour **conditions along the supply chain** could be poor, as evidenced by low wages and inadequate working hours. **Social standards** such as fair wages and reasonable working hours may not be met.

Governance and Compliance

Lack of **transparency** in relation to our sustainability reporting entails the risk of not meeting the stakeholders' expectations. The increasing regulatory requirements call for additional expertise, which must either be built up internally or provided by external partners. These circumstances can affect all business areas and have direct impacts on operational activities. At the same time, they entail increased administrative expenses to ensure compliance with relevant requirements or new laws.

Corruption incidents point towards poor company management. Their disclosure may lead to the termination of business relationships and have a negative impact on the share price or on the valuation of the company by existing and potential investors. Furthermore, corruption can cause direct financial damage to local companies and the Group. This may result in legal consequences such as fines and sanctions that may be imposed by supervisory authorities or courts. In addition, the cases mentioned above can cause indirect financial damage.

The risk of **data breaches** occurring could affect the rights of data subjects and result in financial loss for mobilezone.

Risks are assessed according to the probability of occurrence and the amount of the potential loss or the severity of the negative impact. Once the risks have been identified and assessed, targeted measures are developed to reduce the probability of occurrence and/or the potential for damage.

Code of Conduct of the mobilezone Group GRI 2-23

Companies are assessed not only on the basis of their economic performance, but also on the basis of the methods chosen to achieve their objectives. Here, the financial success of a company should be in harmony with the legal framework as well as sustainable and responsible business practices. The highest level of integrity and professionalism is required to achieve this. The mobilezone Code of Conduct outlines the principles by which the mobilezone Group operates and which are expected by its stakeholders.

- ✓ We expect our business partners to respect human rights and treat their employees respectfully.
- ✓ We maintain open and constructive communication based on respect and dignity.
- ✓ We will not stand for any sexual harassment, and strictly oppose conduct that is considered to be intimidating, coercive or bullying, and will punish such conduct accordingly.
- ✓ We commit to maintaining high health and safety standards in all areas of business.
- ✓ We consider ourselves to be a training and teaching company.
- ✓ We treat confidential information with care.
- ✓ mobilezone in no way tolerates theft, corruption or the unfair granting of any kind of benefits.
- ✓ We comply with laws and regulations.
- ✓ We take care of our environment. By this we mean not only ecological aspects, but also economic and social aspects.
- ✓ We use resources circumspectly and sparingly, and ensure that we minimise the release of pollutants and other emissions to the greatest possible extent.
- ✓ We treat all the personal data of our employees, customers and business partners with the greatest care.
- ✓ We avoid conflicts of interest or disclose them.

The Code of Conduct is an integral part of the employment contracts of all employees. When signing the employment contract, every employee must confirm that their actions are in line with the content of the Code of Conduct. Every employee is obliged to report possible violations of the Code of Conduct. The first point of contact is the direct superior. However, the Group CEO, the CEO Switzerland, the CEO Germany and the CFO are also available for this purpose. It is also possible to report offences anonymously via the Ethics Hotline.

Our target for 2024 is to have at least 85 per cent of employees trained in our Code of Conduct.

Ethics Hotline GRI 2-25, GRI 205-3

In connection with the introduction of the EU Whistleblower Protection Act, the mobilezone Group introduced the "Ethics Hotline" throughout the Group. The CFO is responsible for managing and processing the Ethics Hotline. The Ethics Hotline is provided by an external partner to ensure anonymity. The reports are sent directly to the CFO and the CEO of the mobilezone Group without revealing the identity of the person making the report. This allows violations of the Code of Conduct to be reported anonymously and without the possibility of tracing the sender.

The existence and operation of the Ethics Hotline are regularly communicated and publicised on the mobilezone Group website. Every report is treated confidentially and checked in accordance with the applicable data protection regulations. The Ethics Hotline increases confidence in the Code of Conduct and the Supplier Code of Conduct and reduces the risk of corruption or other fraud.

In the reporting year, we received seven reports, all of which we investigated. mobilezone uses the findings from the reported incidents to optimise and further develop processes and guidelines. The Ethics Hotline is available to suppliers and partners and other external stakeholder groups to report any possible irregularities from outside the company. No external reports or reports in connection with cases of corruption were received in either the reporting year or the previous year.

Number	2023	2022
Notifications received	7	3
Notifications from employees	7	3
Notifications from external sources	0	0
Notification in connection with corruption	0	0

Compliance reporting process GRI 2-26

mobilezone has a standardised compliance reporting process, which is documented in writing and communicated regularly. The members of the Management Board are responsible for complying with and implementing the Code of Conduct and national laws and standards. They are also responsible for ensuring that the processes and procedures necessary for compliance with the Code of Conduct are regularly reviewed and adapted. All new employees receive the Code of Conduct and confirm that they have understood the principles by signing their employment contract and will comply with them in the course of their employment. Furthermore, employees and, in particular, the management are required not to accept money, gifts and other personal benefits under any circumstances and to report and authorise individual business courtesy gifts or invitations.

Regulatory and competition law procedures GRI 2-27, GRI 206-1

In the reporting year and in the previous year, no legal action was brought against the mobilezone Group for anti-competitive behaviour, anti-competitive cartel or monopoly practices or involvement in corruption. In addition, mobilezone did not face any fines or non-monetary penalties for breaches of legal provisions in the reporting year.

Information security and data protection

Information security and data protection are a high priority for mobilezone. We aim to create added value for our customers by utilising data. Secure and modern infrastructures, transparency and the responsible handling of this data are key concerns for us.

To ensure a high level of protection for our employees, customers, partners, and the entire company, mobilezone employs numerous organisational and technical measures. We are guided by proven frameworks and management systems for information security and risk management such as NIST CSF and ISO 27000. At mobilezone, we always view information security from the perspectives of identification, prevention, detection, response, recovery and improvement.

With the introduction of the new Data Protection Act (DPA) in Switzerland on 1 September 2023, mobilezone has reviewed the existing measures for the protection of personal data. Where necessary, the required adjustments or additions were made to the guidelines to fulfil the current requirements.

In the current threat landscape with ever more professional attackers and rapidly increasing frequency of attacks, mobilezone uses state-of-the-art technologies. We leverage the possibilities offered by artificial intelligence to identify and combat risks and attacks. We always endeavour to achieve the highest possible degree of automation.

We are convinced that our employees are also very important in the area of information security. They are our last line of defence in cases that are not detected even by the most modern systems. We therefore attach great importance to user awareness training and sensitising our employees to the conscious and secure handling of data.

Performance indicator	2023	2024 target
Proportion of employees trained in cyber security	81.3 %	85.0 %

Non-financial matters in accordance with the Swiss Code of Obligations (CO)

In accordance with Art. 964b CO, mobilezone must submit a report on non-financial matters for the first time for the reporting year. In so doing, mobilezone is obliged to fulfil due diligence obligations along the supply chain with regard to environmental, social and employee concerns, anti-corruption initiatives and compliance with human rights. In addition, there are due diligence and reporting obligations in connection with child labour. A separate breakdown of mobilezone's material topics on non-financial matters in accordance with the Swiss Code of Obligations is provided in a corresponding reference table on page 60 of this Annual Report.

Tax compliance

The Federal Act on Tax Reform and OASI Financing (STAF) came into force on 1 January 2020. The tax reform abolished the tax regimes for holding, domiciliary and mixed companies and introduced new tax incentives focusing on promoting innovation and transitional measures in line with OECD principles. As part of the OECD's "BEPS 2.0 initiative", more than 135 countries agreed in October 2021 to implement the Global Anti-Base Erosion Rules (GloBE – Pillar 2), which aim to ensure that large multinational companies pay at least 15 per cent income tax in every Country in which they operate. In December 2021, the OECD released the corresponding GloBE model rules, which establish a coordinated framework to enforce the 15 per cent tax based on a globally standardised tax base, along with a mechanism for imposing supplementary taxes if deemed necessary. The regulations came into force on 1 January 2024. mobilezone analyses the new requirements and initiates appropriate measures to meet the new compliance requirements starting from the 2024 financial year.

Fraud management

We are actively working to minimise the risks of fraud to avoid or uncover economic losses. We achieve this by implementing measures based on our own experiences and incidents with customers and partners. The combination of detection and prevention measures and the use of suitable resources (tools and personnel) have the following effects:

- ✓ Transparent presentation of fraud risks
- ✓ Prevention or avoidance of fraud cases
- ✓ Rapid detection of fraud cases to close security gaps
- ✓ Reduction of financial losses and possibility to recover misappropriated assets
- ✓ Strengthening our reputation and increasing trust of our customers and partners

5.3 Transparency with regard to sustainability

mobilezone attaches great importance to transparent communication of its sustainability measures. In line with this principle, the company has been publishing a Sustainability Report since 2020 with reference to the principles of the Global Reporting Initiative (GRI). These standards are the most widely used global standards for sustainability reporting.

In the reporting year, mobilezone is disclosing its energy consumption and the resulting CO₂ emissions for the first time on page 58.

This Annual and Sustainability Report also fulfils the requirements of the Swiss Code of Obligations with regard to non-financial matters. The non-financial report was prepared in accordance with Art. 964a et seq. of the Swiss Code of Obligations (CO). Companies are required to report annually on non-financial matters and implement a due diligence process to cover potential risks related to child labour and conflict minerals. This obligation applies for the first time for the 2023 financial year, with companies having to publish their first reports in 2024. The legislator also provides for the implementation of the internationally recognised recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) for non-financial reports published in 2025. The reporting covers the impact of climate change on us as a company and the impact of mobilezone's business activities on climate change. mobilezone will implement this in the Sustainability Report 2024.

Since 2014, the companies mobilezone reload ltd and mobilezone ltd have been assessed by the ratings agency EcoVadis. Both companies were honoured with an EcoVadis Bronze Medal for their actions in terms of corporate social responsibility. EcoVadis assesses companies' commitment to sustainability, environmental protection and social and ethical responsibility. Around 100,000 companies from 175 countries have already been assessed.

The measures and progress within our five focus areas are communicated internally and externally. Internal target groups are informed of employee information via info screens and internal newsletters. The information is made available to external target groups in this Sustainability Report.

Sustainability monitoring and reporting

Sustainability monitoring is organised centrally and the corresponding key figures are collected in order to control sustainability management. Monitoring is carried out as part of the internal sustainability management system in which all mobilezone business units and companies are integrated. Monitoring is employed to ascertain areas where additional measures are necessary to accomplish the targets. This is evaluated as part of the regular dialogue within the Sustainability Committee. The Sustainability Committee of the Board of Directors receives a sustainability update twice a year with the aim of monitoring and advancing the operational implementation of the sustainability strategy.

5.4 Responsibility along our value chain

The mobilezone Group generates its entire value added with activities in Switzerland and Germany. In the Swiss market, mobilezone operates 127 shops. The shops are equipped with full range of smartphones, including accessories and wearables and offer subscriptions for mobile and fixed-line telephony, digital TV, and Internet from all providers. Under the brand jusit, 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 and Digital Republic are the Swiss Mobile Virtual Network Operators (MVNO) of mobilezone. mobilezone reload covers the repair and second life business in Switzerland. In Germany, mobilezone operates various e-commerce platforms. The Sparhandy and Deinhandy brands specialise primarily in bundle deals — attractive offers consisting of a subscription and a mobile device as well as accessories and insurance products. The teleshopping channel Handystar offers deals on smartphones and mobile subscriptions making it a useful addition to the online offer. HIGH is our German MVNO. Indirect B2B trade is bundled under the umbrella brand mobilezone handel.

Our customers expect us to offer an extensive range of products, which we source from suppliers and partners in different geographical regions. The import of smartphones, accessories and wearables has an impact on the environment, economy and society along the value and supply chain in terms of sustainability. In addition, the manufacturing process involves workers in different regions and under different working conditions, who have a right to fair working conditions and fair pay for the work they perform.

Against this backdrop, mobilezone is aware of its ecological, social and human rights responsibilities as a company and therefore attaches great importance to safeguarding and complying with these aspects within the procurement process.

In addition to all other suppliers, mobilezone also aims to hold smartphone manufacturers and network operators to account to ensure compliance with human rights due diligence obligations and the exclusion of conflict minerals in the manufacture of products.

The process, from design and development through to raw material extraction to production and delivery, constitutes a significant part of the entire value chain that falls outside the operational control of the mobilezone Group. mobilezone's ability to influence the most important smartphone manufacturers and network operators is therefore limited, taking into account our share of the total volume of these partners and our positioning in the value chain.

We fulfil our responsibility along the value chain wherever we can, specifically in the following areas:

- ✓ We create and maintain added value: Our business activities, namely the sale of services and consumer goods as well as the purchase of capital goods, contribute to economic development in our impact markets of Switzerland and Germany.
- ✓ We create and maintain jobs in our impact markets: As an economically healthy and resilient company, we ensure added economic value at our locations both as an employer and as a taxpayer.
- ✓ We reduce our CO₂ footprint as far as possible: The CO₂ footprint within the entire value chain, i.e. that resulting from the production of smartphones, smartwatches, tablets and accessories, lies outside mobilezone's sphere of influence. As a first step, we are focusing on potential savings that we can implement directly within mobilezone. In a further step, we look for potential savings outside our direct sphere of influence and take appropriate measures.

- ✓ We promote the use of devices over a long period of time: We are committed to keeping appliances in the product cycle for as long as possible by offering attractive repair services and enabling appliances to extend their life cycle through refurbishment. This helps us to conserve resources (more information in the section on the smartphone cycle on page 52).

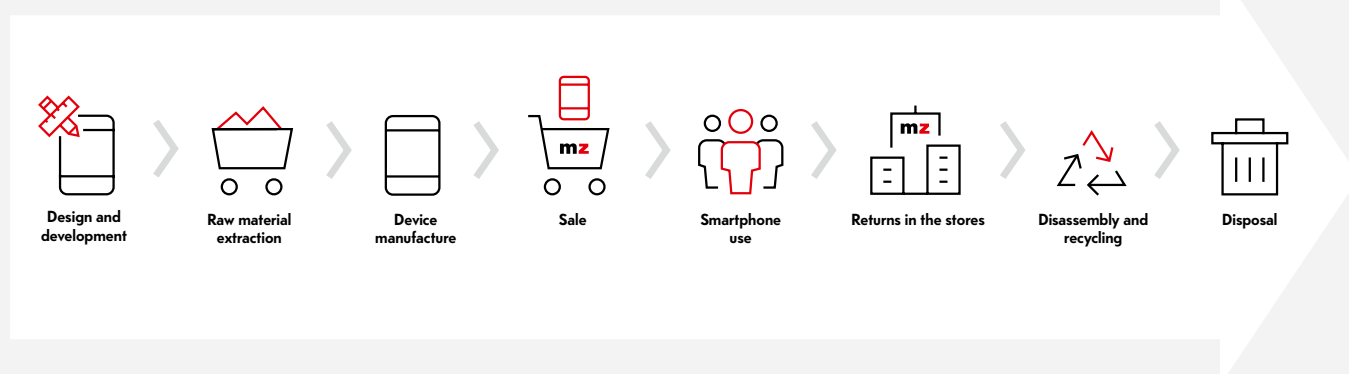
- ✓ We include our suppliers and partners in our responsibility: we want to initiate and implement sustainability projects together with our suppliers and partners. In addition, mobilezone, along with its suppliers and partners, assumes responsibility in the areas of human rights, labour, the environment and anti-corruption. mobilezone is convinced that our ambitious goals can only be achieved together.

- ✓ We fulfil our legal and regulatory responsibilities: The end products from our business activities, such as smartphones, smartwatches, tablets and accessories, contain raw materials from numerous countries, the extraction of which is often associated with environmental and social risks. We are committed to ensuring that these laws and regulations are adhered to by suppliers upstream in the value chain.

Code of Conduct for Suppliers GRI 2-23

In the 2023 financial year, the Code of Conduct for Suppliers and Business Partners was drawn up and integrated into operational processes. The Code forms the basis for an ethical and environmentally friendly supply chain. The Code of Conduct applies to all suppliers and business partners as well as their employees, representatives and subcontractors. It is based on international standards, such as the United Nations Guiding Principles on Business and Human Rights (UN Global Compact), the OECD Guidelines for Multinational Enterprises and the Declaration on Fundamental Principles and Rights at Work of the International Labour Organization (ILO). The Code contains guidelines in the areas of human rights, prohibition of forced and child labour, social standards, environmental protection, safety, corruption, conflict minerals and compliance. With the Code, we oblige our business partners to recognise and accept their responsibility along the supply chain.

Our value chain



Suppliers and partner management

According to the revised Art. 964a et seq. of the Swiss Code of Obligations (CO), mobilezone is obliged to exercise due diligence along the supply chain with regard to environmental, social and employee concerns, anti-corruption initiatives, the avoidance of forced and child labour and compliance with human rights. In this context, the mobilezone Group's supplier structure was subjected to a systematic risk analysis. Our supplier structure can be summarised as follows:

- ✓ The mobilezone supplier base comprises around 1,500 partners from various countries. Mobile network operators and smartphone manufacturers account for around 70 per cent of the purchasing volume.
- ✓ Almost all suppliers of the mobilezone Group are based in Switzerland or the European Union or in a country in which the risk of child labour is classified as low according to the UNICEF Children's Rights in the Workplace Index.
- ✓ Almost 80 per cent of the purchasing volume is accounted for by purchases of smartphones, accessories and wearables.

in per cent	in relation to the total number of all suppliers	in relation to the total purchasing volume in CHF
Suppliers based in the EU or Switzerland	99.9 %	≈ 100 %
Suppliers based in a country with a low risk of child labour	≈ 100 %	≈ 100 %
Suppliers of smartphones, wearables and accessories	8.1 %	77.4 %
Manufacturers and network operators	0.8 %	69.1 %

The analysis shows that the majority of suppliers are based in countries that have similar legal, regulatory and normative requirements to mobilezone. The risk posed by these direct suppliers is therefore classified as low. However, smartphones, accessories and wearables account for almost 80 per cent of the purchasing volume. These goods are produced in various regions of the world, some of which have complex supply chains. The risks along the supply chain in connection with the purchase of these goods are therefore classified as inherently higher. The following measures have been taken to fulfil the statutory duties of care:

- ✓ The Supplier Code of Conduct was submitted for signature to those suppliers of smartphones, accessories and wearables as well as the most important service providers who account for the largest purchasing volume. The Code was also sent to all suppliers based in a Country with an increased risk of child labour.
- ✓ 42 Suppliers have signed and returned the Supplier Code of Conduct or referred to their own code or guidelines that at least meet the standards of mobilezone. These suppliers cover 83 per cent of the total Group-wide purchasing volume.
- ✓ Of our suppliers for smartphones, wearables and accessories, 21 have signed our Supplier Code of Conduct or have referred to their own code or guidelines that at least meet the standards of mobilezone. In this way, we cover more than 95 per cent of the purchasing volume for hardware.

- ✓ In recent years, on-site visits have been made to the production facilities of various device manufacturers in China, South Korea, Vietnam and Taiwan. The visits revealed no evidence of child or forced labour or other violations of our Code of Conduct.
- ✓ In the event of potential breaches of the Code of Conduct, mobilezone seeks dialogue with the suppliers concerned and seeks solutions to improve the situation. We reserve the right to impose appropriate sanctions up to and including cancellation of the contract.

The following table shows the proportion of the Group-wide purchasing volume accounted for by suppliers who have signed the mobilezone Supplier Code of Conduct or equivalent guidelines.

in per cent	in relation to the total purchasing volume per category in CHF
All suppliers	83.1 %
Suppliers of smartphones, wearables and accessories	95.1 %
Suppliers based in a country with a low risk of child labour	100 %

Evaluation and outlook GRI 308-1, GRI 408-1

The analysis of the supplier base and the findings from the implemented measures allow mobilezone to conclude that there is no reasonable suspicion of child labour along the supply chain and that minimum standards are observed with regard to environmental, social and employee matters and the fight against corruption. Nevertheless, the implementation of the following additional measures is planned for the 2024 financial year:

- ✓ The proportion of suppliers who have signed the Code of Conduct for Suppliers is to be further increased. Existing suppliers are asked to sign the Supplier Code of Conduct again at regular intervals to maintain awareness of the issue.
- ✓ We are increasing the proportion of suppliers who have signed our Supplier Code of Conduct or equivalent guidelines from 83 per cent to 85 per cent of the total group-wide purchasing volume.
- ✓ We are increasing the proportion of suppliers for smartphones, wearables and accessories, who have signed our Supplier Code of Conduct or equivalent guidelines from 95 per cent to 96 per cent of the total group-wide purchasing volume for hardware.
- ✓ New suppliers sign the Code of Conduct at the time of signing the contract or are able to refer to their own codes or guidelines that at least meet the standards of mobilezone.
- ✓ We plan to introduce a questionnaire for suppliers to further improve our supplier management and ensure compliance with environmental and social standards. The questionnaire also systematically enquires about any certifications in the area of sustainability.
- ✓ We carry out further on-site visits to selected suppliers, taking into account compliance with our Supplier Code of Conduct.

6. Employees

Without our employees and their knowledge and skills, mobilezone would be unable to do business. Consequently, we depend on specialists from various fields throughout our company. Some of these specialists are recruited externally, with our company offering them an attractive workplace with modern working conditions and employee benefits, as well as a culture based on trust, generosity and communication on equal terms. mobilezone also offers apprenticeship programmes that train future specialists, identify and support promising candidates and offer them attractive opportunities for further development.

6.1 Attractive employer

mobilezone strives to meet the needs of employees in a variety of life and family situations. This includes not only part-time opportunities and the ability to work flexibly and remotely (depending on job profile and responsibilities), but also parental leave (maternity leave, paternity leave and adoption leave) and the ability to return to work afterwards. Employees aren't the sole beneficiaries; we as

a company benefit too, by reacquiring valuable employees and the knowledge they possess. The vast majority of our employees return to the company when their parental leave ends.

Employee satisfaction provides a foundation for sustainable business at mobilezone. To drive this point home, managers' salaries are based on a variable model that factors in employee satisfaction.

Culture of open communication

One important feature of mobilezone culture is open communication on a first-name basis, independent of hierarchy levels. This can be seen in the raft of measures implemented by the company across all departments and business units.

Employee appraisals: Employees meet with their supervisors at least once a year for one-on-one talks, during which they have the opportunity to give feedback, review shared goals and assess the current situation for the purpose of a mutual assessment.

Employees¹ at mobilezone GRI 2-7

Number of employees by gender, region and employment contract GRI 2-7 a, 2-7 b

Country		2023				2022				2021			
		♂	%	♀	%	♂	%	♀	%	♂	%	♀	%
Switzerland	temporary ²	133	27.3	51	31.3	130	25.5	51	30.2	125	24.1	52	29.7
	permanent	355	72.7	112	68.7	380	74.5	118	69.8	393	75.9	123	70.3
	Total	488	100	163	100	510	100	169	100	518	100	175	100
Germany	temporary ²	9	4.2	12	7.4	6	2.7	8	5.5	4	1.8	3	2.1
	permanent	203	95.8	151	92.6	214	97.3	138	94.5	218	98.2	140	97.9
	Total	212	100	163	100	220	100	146	100	222	100	143	100
mobilezone Group	Total	1 026 employees				1 045 employees				1 058 employees			

Number of employees by employment type and gender GRI 2-7 b

Gender	Workload	2023		2022		2021	
		Employees	%	Employees	%	Employees	%
♂	Part-time	53	7.6	40	5.5	43	5.8
	Full-time	647	92.4	690	94.5	697	94.2
	Total	700	100	730	100	740	100
♀	Part-time	106	32.5	84	26.7	75	23.6
	Full-time	220	67.5	231	73.3	243	76.4
	Total	326	100	315	100	318	100
mobilezone Group	Total	1 026		1 045		1 058	

¹ Number of employees given in headcounts in each case

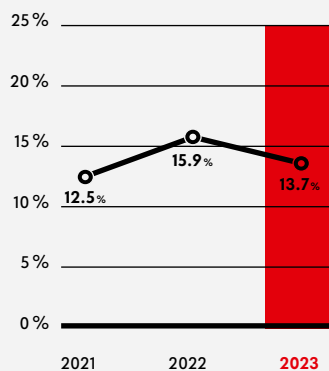
² Temporary contract types include apprentices.

Results of the employee survey

Employee satisfaction

Country	2023	2022	2021
Switzerland	84.0 %	86.4 %	84.4 %
Germany	61.0 %	76.4 %	76.2 %
mobilezone Group	75.9 %	82.7 %	81.8 %

Turnover (unplanned)¹ GRI 401-1 b



Total number and rate of unplanned turnover by age group, gender and region GRI 401-1 b

Country	Age (in years)	2023		2022		2021	
		♂ %	♀ %	♂ %	♀ %	♂ %	♀ %
Switzerland	< 25	24 11.2	11 15.7	24 11.0	13 16.6	14 7.2	14 19.1
	25–35	34 20.4	8 12.3	41 23.6	20 32.0	33 17.1	17 23.6
	35–45	14 15.1	1 4.5	14 15.0	4 20.0	10 10.0	6 27.3
	> 45	3 8.0	3 21.4	6 20.3	3 28.6	4 11.4	2 16.0
	Total	75 14.7	23 13.5	85 16.5	40 23.3	61 11.7	39 21.7
Germany	< 25	5 62.5	4 24.2	2 18.2	3 18.8	3 35.3	1 8.3
	25–35	12 18.8	10 14.3	17 22.4	7 11.2	16 18.5	5 7.6
	35–45	9 12.5	5 9.1	5 6.1	6 13.2	8 10.3	1 2.2
	> 45	3 3.8	1 3.4	2 3.8	0 0.0	0 0.0	0 0.0
	Total	29 13.0	20 11.7	26 11.7	16 11.1	27 12.1	7 4.9
mobilezone Group	Total	104 14.2	43 12.6	111 15.1	56 17.7	88 11.8	46 14.2

Other departures (planned² and natural³ departures):

2023 Switzerland: Men younger than 25 y: 48; 22.4% | 25–35 y: 34; 20.4% | 35–45 y: 12; 13.0% | older than 45 y: 9; 24.0% | 2022 Switzerland: Men younger than 25 y: 30; 13.8% | 25–35 y: 26; 14.9% | 35–45 y: 12; 12.8% | older than 45 y: 7; 23.7% | 2021 Switzerland: Men younger than 25 y: 54; 27.7% | 25–35 y: 15; 7.8% | 35–45 y: 6; 6.0% | older than 45 y: 6; 17.1%

2023 Switzerland: Women younger than 25 y: 17; 24.3% | 25–35 y: 7; 10.8% | 35–45 y: 6; 27.3% | older than 45 y: 1; 7.1% | 2022 Switzerland: Women younger than 25 y: 19; 24.2% | 25–35 y: 11; 17.6% | 35–45 y: 2; 10.0% | older than 45 y: 1; 9.5% | 2021 Switzerland: Women younger than 25 y: 16; 21.8% | 25–35 y: 13; 18.1% | 35–45 y: 3; 13.6% | older than 45 y: 3; 24.0%

2023 Germany: Men younger than 25 y: 3; 37.5% | 25–35 y: 15; 23.4% | 35–45 y: 15; 20.8% | older than 45 y: 12; 15.2% | 2022 Germany: Men younger than 25 y: 2; 18.2% | 25–35 y: 4; 5.3% | 35–45 y: 8; 9.8% | older than 45 y: 5; 9.5% | 2021 Germany: Men younger than 25 y: 2; 23.5% | 25–35 y: 14; 16.2% | 35–45 y: 6; 7.7% | older than 45 y: 5; 9.8%

2023 Germany: Women younger than 25 y: 3; 18.2% | 25–35 y: 12; 17.1% | 35–45 y: 9; 16.4% | older than 45 y: 6; 20.7% | 2022 Germany: Women younger than 25 y: 4; 25.0% | 25–35 y: 10; 16.0% | 35–45 y: 5; 11.0% | older than 45 y: 2; 10.0% | 2021 Germany: Women younger than 25 y: 3; 25.0% | 25–35 y: 15; 22.9% | 35–45 y: 3; 6.6% | older than 45 y: 1; 4.9%

%-figure indicates the rate of new employees in proportion to the average number of employees during the reporting period by age group, gender and region.

¹ Unplanned turnover means that the employee terminated their employment contract with mobilezone on their own initiative. It is calculated based on the sum of the employee headcount at the start and end of the year divided by two, in proportion to the unplanned departures.

² Planned turnover covers all departures where the employment relationship was terminated by mobilezone.

³ Natural turnover includes departures caused by the end of a fixed-term contract, retirement or death of the employee.

Employee events: In addition to providing written information to employees via digital channels, the company holds regular employee events. These are designed to present additional information in need of further explanation, and to give employees a chance to provide feedback and ask questions directly. The events take the form of virtual and in-person meetings, employee breakfasts and more. Sustainability is one of the subjects whose importance is driven home to the staff at these events. mobilezone has made it a priority to improve its communication on the subject of sustainability – not just externally, but internally as well. Sustainability comes up regularly at employee events, and reports are given on current activities. Employees are encouraged to make suggestions and give feedback about sustainability. In this way, we as a company ensure that sustainability is fully embedded in our company. Additional events, such as Christmas parties, apéritifs, the "mobilezone Football Tournament", ski days and team outings, are ways that we express appreciation for the employees at our various locations and encourage team cohesion across departments.

Evaluation and outlook

One of last year's goals was to conduct a Group-wide employee survey. The survey was carried out and will be conducted annually from now on. In the reporting year, employee satisfaction was at 75.9 per cent, 6.8 per cent lower than the previous year. The decrease is primarily due to the restructuring effort in Germany, which has negatively impacted employee satisfaction. Unplanned turnover is another indicator of employee satisfaction. Unplanned turnover in the reporting year was 13.7 per cent, which is lower than in the previous year (2022: 15.9 per cent).

In terms of employee satisfaction, the following targets have been set for the 2024 financial year:

- ✓ In 2024, we will conduct another Group-wide employee survey.
- ✓ We will increase employee satisfaction to 80 per cent.
- ✓ For the 2024 financial year, we aim to achieve an unplanned turnover of less than 13.0 per cent.

6.2 Safety and health in the workplace GRI 403

Employee health and well-being are important to us. For that reason, we take seriously our responsibility to be a good employer, to do our best to help our employees do their jobs and to provide them with a safe workplace.

We use a variety of measures and further training to ensure the safety and health of our employees. A safety plan ensures that mobilezone is prepared for a variety of internal and external risks and is capable of reacting adequately at all times should an incident occur. Every employee at mobilezone contributes to workplace safety, thanks in part to the training mobilezone provides on a regular basis, for example, on the subject of fire safety and evacuation. Individual employees are trained as fire safety assistants, whose knowledge of fire fighting and evacuation procedures can be relied on in the event of a fire. In the area of logistics, employees observe the applicable safety standards in line with their training, for example, how to drive a forklift correctly or dress properly.

Our repair shop is ESD compliant by design to protect repaired devices from voltage spikes and hidden damage. The technicians are provided with suitable clothing and trained in accordance with ESD guidelines.

In the area of **information security**, employees at mobilezone are trained on a regular basis, for example, via e-learning and email campaigns or in-person safety training and courses. In the reporting year, 81.3 per cent of employees received training on cybersecurity.

In addition, mobilezone supports a range of health services at the company, such as Bike to Work, company bikes and fitness club memberships.

Evaluation and outlook

mobilezone will continue to focus on employees, their well-being and their development at the company. The activities described above are constantly being expanded with the goal of meeting our targets and achieving or improving the corresponding key figures. This is made possible in part thanks to better use of synergies between the German and Swiss personnel departments. In addition to activities that directly affect employee satisfaction and well-being, such as strategic talent management, mobilezone is also introducing technical measures, for example, a new system for logging work hours and absences in Switzerland. The targets for the 2024 financial year are:

- ✓ We want to reduce the number of absences due to illness/accident at our company from 7.1 days to 6.5 days per employee (see page 45).
- ✓ The proportion of employees who receive cybersecurity training in 2024 should increase to 85 per cent.

6.3 Education and training GRI 404-1

mobilezone wants to remain an attractive employer. For that reason, the company supports its employees with their personal development whenever possible, in directions that suit their individual talents and ambitions. Finding and retaining the right employees is important to mobilezone. And it is possible in part thanks to mobilezone's unique culture, as well as to the variety of measures we implement across every department and subsidiary. The goal is to strengthen each employee's sense of loyalty to the company. Furthermore, we seek to play an active role in managing talent and keeping it in the company.

Apprentices and trainees in Switzerland

mobilezone has been training apprentices in Switzerland since 2001. The approach of training talented people ourselves and then integrating them into the company is best exemplified by our trainee programme. It enables mobilezone to recruit and train tomorrow's skilled workers today. Requirements for apprentice training in Switzerland have increased due to reforms to apprentice training in retail sales in "Sales 2022+" as well as "KV Reform 2023". mobilezone has adapted its training plan accordingly.

In the summer of 2020, mobilezone introduced the trainee programme in Switzerland with the goal of recruiting talented young people with university or college degrees and integrating them into the company. Early integration of young, skilled workers will deepen their knowledge of the company and its processes and increase their loyalty to the company.

Training programme in Germany

Switzerland's successful track record for training has also inspired mobilezone Germany to develop a training plan in the reporting year based on what has worked so well in Switzerland. Nine apprentices have participated in the German programme since August 2023. To raise awareness of the training offered by mobilezone subsidiaries in Germany, mobilezone has attended a variety of job fairs. During the same period, 15 trainers were trained throughout the company.

The trainee programme was launched in Germany in October 2022, with one trainee in the Trade Marketing department and one in the SEO & Content Team, one of which went on to become a full-time employee after completing the programme. In the financial year 2023, the trainee programme was expanded to include an apprenticeship in the Product & Innovation department. Another innovation in the German trainee programme is the extension of the programme from six to twelve months.

As of 2024, mobilezone now offers another option for training in Germany: Applicants can combine theory and practice in the "dual study" programme. Candidates bring a bachelor's degree to the table and can choose between a part-time and a full-time model.

Support for further training

To keep talent in the company, mobilezone supports internal and external training for employees in their specialist fields. Our education and training are tailored to individual needs of the employee and of the company, and are discussed and defined as part of strategic talent management.

Apprentices	2023	2024 target
Education and training days	11 477	
Education and training days per apprentice	76.5	70.0
All employees	2023	2024 target
Education and training days	12 092	
Education and training days per employee	11.2	11.5

Strategic talent management GRI 404-2

mobilezone conducts targeted and strategic talent management with the goal of acquiring, identifying, retaining and training qualified employees. With this goal in mind, mobilezone has developed a concept based on tailoring performance reviews to include "Tasks", "Performance" and "Potential". These topics are discussed and jointly documented by the supervisor and the employee. This is followed by calibration and a final assessment. These serve as the basis for an individual development plan, which is drawn up in the form of actions, such as further training. The new process includes not only a traditional employee appraisal focusing on performance, but also development discussions and plans. It also addresses issues that may lead an employee to leave the company. Employee appraisals in Switzerland have been partly based on the new process since 2023. In 2024, development discussions will be added in Switzerland and the process will be expanded to include employees in Germany.

Parental leave GRI 401-3 a-e

Country		2023		2022		2021	
		♂ %	♀ %	♂ %	♀ %	♂ %	♀ %
Switzerland	Total parental leave requests	13	5	10	3	5	4
	Total parental leave taken	13	5	10	3	5	4
	Returned to work after parental leave ¹	13 100	4 80	10 100	3 100	5 100	4 100
	Still employed 12 months after returning ²	N/A	n.a	6 60.0	3 100	0 0.0	1 25.0
Germany	Total parental leave requests	6	10	7	15	5	15
	Total parental leave taken	5	9	7	15	2	15
	Returned to work after parental leave ¹	2 40.0	5 55.5	5 71.4	9 60.0	2 100	3 20.0
	Still employed 12 months after returning ²	N/A	N/A	4 80.0	7 77.8	2 100	3 100

Parental leave is handled differently at different locations in the mobilezone Group depending on local laws. In Switzerland, paternity leave was introduced as of 1 January 2021.

¹ Rate of return: Number of women and men who returned to work after parental leave in proportion to the total number of prearranged returns to work.

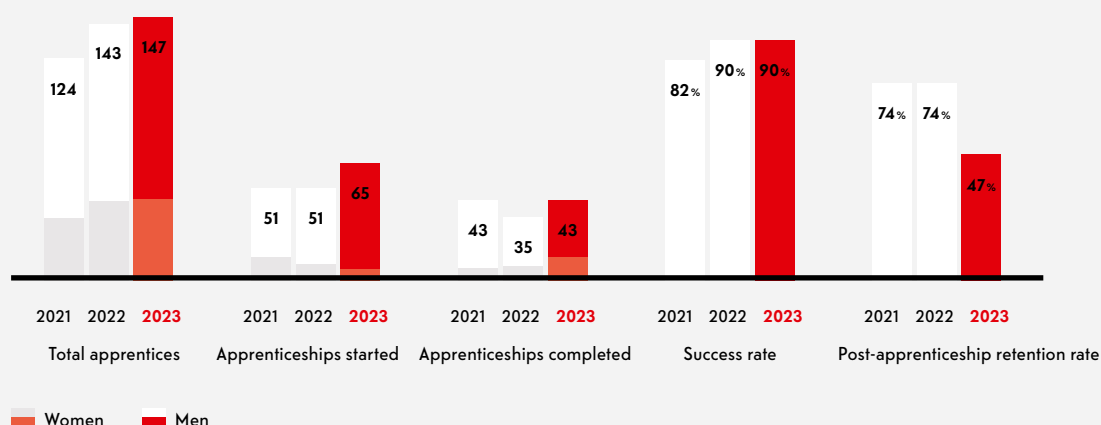
² Retention rate: Number of women and men who were still employed 12 months after returning to work in proportion to the total number of women and men who returned to work. Values indicate the year for which parental leave was requested (2023 pending).

Sick days and accident days (SD) GRI 403-6

Country		2023	2022	2021
Switzerland	Number of SD	4 110	3 075	4 656
	Ø number of employees	683	673	704
	SD per employee	6.0	4.6	6.6
Germany	Number of SD	3 547	4 890	3 392
	Ø number of employees	393	362	367
	SD per employee	9.0	13.5	9.2
mobilezone Group	Number of SD	7 657	7 965	8 048
	Ø number of employees	1 076	1 035	1 071
	SD per employee	7.1	7.7	7.5

Number of employees given in headcounts in each case

Apprentices in Switzerland



Evaluation and outlook

In the reporting year, 65 apprentices began their apprenticeship at mobilezone in Switzerland. We have therefore exceeded our target of 45 apprentices for the financial year 2023. By the end of the financial year 2023, mobilezone in Switzerland employed a total of 147 apprentices (previous year: 143). In the reporting year, 43 apprentices earned our congratulations for completing their apprenticeship (previous year: 35). This is a success rate of 90 per cent (previous year: 90 per cent). 20 of the successful graduates (47 per cent) went on to accept jobs at mobilezone (previous year: 74 per cent). The set target to retain 60 per cent of the apprentices who successfully completed the programme was not realized. In Germany, nine apprentices were hired in the reporting year, thereby exceeding last year's target of five to eight new apprentices.

The new employee appraisal and development process, which was introduced back in 2023 and will be rolled out to all of Switzerland and Germany in 2024, aims to identify talent and to promote and develop it purposefully. Furthermore, in terms of apprentices, who number more than 140 in Switzerland (20 per cent of employees), more resources are being deployed to support the mentorship and development of junior employees. mobilezone has defined the following targets for training and further education in 2024:

- ✓ We will hire at least 50 apprentices in Switzerland.
- ✓ We will hire at least five apprentices in Germany.
- ✓ In Switzerland and Germany, we aim for a success rate of over 92 per cent in the final apprenticeship exam.
- ✓ We will increase the number of education and training days per employee from 11.2 to 11.5.
- ✓ The employee appraisal and development process (strategic talent management), which was newly defined in Switzerland in this reporting year, will be expanded to include Germany.

Equality and diversity

mobilezone culture is notable for its diversity. All of our locations are staffed by people from a total of 49 countries (previous year: 47). However, mobilezone employees are diverse not just in terms of their nationality, but with regard to their professional background and numerous other qualities. mobilezone sees this diversity as an advantage for customer service, as a guarantee of innovation and as a opportunity for dialogue and for the development of the company as a whole. Promoting diversity at different levels and in different areas will remain an important goal in the future as part of our sustainability strategy.

Evaluation and outlook

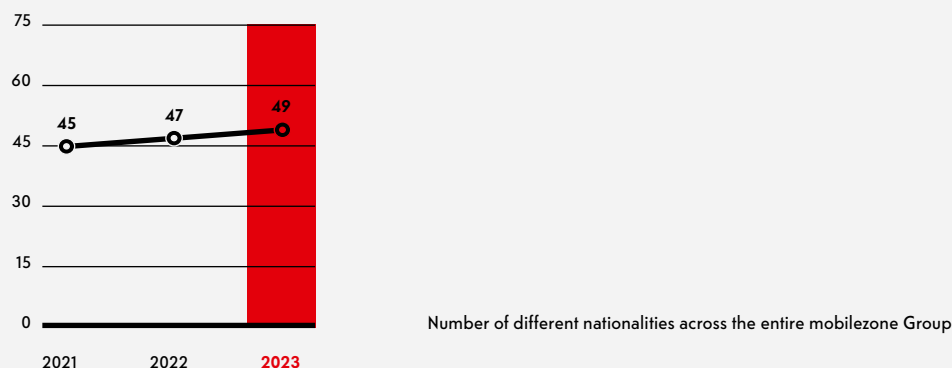
With employees from more than 49 countries (previous year: 47), the culture within the mobilezone group is already highly diverse. With regard to women in management positions, we have set goals that meet the regulatory requirements in Switzerland. When people with comparable qualifications apply to work with us, preference is given to the candidate who will make a positive contribution to the diversity of the Board of Directors or of management. The following targets have been defined:

- ✓ The proportion of women in senior management should be increased to 20 per cent by 2030.
- ✓ The proportion of women on the Board of Directors should remain at least 40 per cent.

Diversity in regulatory bodies and among employees GRI 405-1

Position in the company	Age (in years)	2023				2022				2021			
		♂	%	♀	%	♂	%	♀	%	♂	%	♀	%
Senior management	< 25	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
	25	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
	35	4	28.6	0	0.0	9	50.0	0	0.0	6	37.5	0	0.0
	> 45	9	64.3	1	7.1	7	38.9	2	11.1	9	56.3	1	6.3
	Total	13	92.9	1	7.1	16	88.9	2	11.1	15	93.7	1	6.3
Middle and lower management	< 25	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
	25	14	17.7	7	8.9	9	11.3	11	13.8	14	16.1	5	5.8
	35	31	39.2	9	11.4	39	48.8	6	7.5	44	50.6	6	6.9
	> 45	14	17.7	4	5.1	12	0.2	3	3.7	15	17.2	3	3.5
	Total	59	74.6	20	25.4	60	75.0	20	25.0	73	83.9	14	16.1
Employees	< 25	122	16.2	36	4.8	138	25.8	49	6.4	105	13.3	44	5.6
	25–35	182	24.2	112	14.9	214	40.1	102	13.3	243	30.7	118	14.9
	35–45	120	16.0	62	8.3	126	23.6	56	7.3	126	15.9	64	8.1
	> 45	84	11.2	33	4.4	56	10.5	25	3.3	64	8.1	27	3.4
	Total	508	67.6	243	32.4	534	69.7	232	30.3	538	68.0	253	32.0
Apprentices	< 25	108	59.3	53	29.2	112	61.9	54	29.8	101	61.6	43	26.2
	25–35	12	6.6	9	4.9	8	4.4	7	3.9	12	7.3	7	4.3
	35–45	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
	> 45	0	0.0	0	0.0	0	0.0	0	0.0	1	0.6	0	0.0
	Total	120	65.9	62	34.1	120	66.3	61	33.7	114	69.5	50	30.5
mobilezone Group	Total	700	68.2	326	31.8	730	69.9	315	30.1	740	69.9	318	30.1

Nationalities



Newly hired employees by age group, gender and region GRI 401-1 a

Country	Age (in years)	2023				2022				2021			
		♂	%	♀	%	♂	%	♀	%	♂	%	♀	%
Switzerland	< 25	89	41.5	32	45.7	91	41.8	43	54.8	74	37.9	31	42.2
	25–35	35	21.0	8	12.3	37	21.3	18	28.8	40	20.7	24	33.3
	35–45	9	9.7	3	13.6	21	22.5	4	20.0	8	8.0	7	31.8
	> 45	1	2.7	0	0.0	2	6.8	3	38.6	10	28.6	2	16.0
	Total	134	26.2	43	25.1	151	29.3	68	39.7	132	25.2	64	35.6
Germany	< 25	6	75.0	13	78.8	10	90.9	13	81.3	4	47.1	6	50.0
	25–35	17	26.6	16	22.9	13	17.1	20	32.0	17	19.7	11	16.8
	35–45	22	30.6	8	14.5	15	18.3	6	13.2	18	23.1	11	24.2
	> 45	8	10.1	1	3.4	4	7.6	2	10.0	11	21.6	0	0.0
	Total	53	23.8	38	22.3	42	19.0	41	28.5	50	22.3	28	19.5
mobilezone Group	Total	187	25.5	81	23.7	193	26.2	109	34.5	182	24.4	92	28.4

%-figure indicates the rate of new employees in proportion to the average number of employees during the reporting period by age group, gender and region.

7. Customers

Our customers, who buy our products and use our services, are the reason the company exists. They come from all age groups and have a multitude of different needs and characteristics. We reach them online through digital platforms, at our shops in Switzerland, by telephone via customer service, by email, chat and many other communication channels. Our strategy is based on an omnichannel approach. We meet our customers wherever they prefer to shop and guarantee them the appropriate customer journey. Our goal is to offer our customers an optimal individual customer experience and to ensure that they come back, and that we can build customer relationships based on trust. We are well-positioned to provide customers with in-depth and satisfactory support in the aftersales process as well.

In the materiality analysis carried out while developing our sustainability strategy, mobilezone identified customers as another key area of focus. Since then, the company has taken a more customer-centric approach. We have recognised that satisfied customers are loyal customers, who are eager to return. In creating the mobilezone Club we have built a structure that rewards long-term customers. By constantly training every employee who comes into contact with customers, we ensure that customers receive help quickly in the event of an incident. And by allowing our customers to send us direct, digital feedback, which we analyse regularly in detail, we enable mobilezone to improve as a company – continuously and sustainably.

We know that our company could not exist without satisfied customers. That's why we prioritise the customer target group and constantly develop additional measures to reach this target – whether in the area of education and training for employees who deal with customers, in developing customer loyalty offers or in delivering sustainable alternatives in the fields of telecommunications and technology. We want to afford our broad range of customers of all ages service that constantly exceeds their expectations, by providing them with supplementary offers and services and finding unconventional solutions for them.

7.1 Building long-term customer relationships

mobilezone Switzerland established the mobilezone Club in 2020. Customers who are members of this customer advantage programme benefit from attractive discounts and special offers, as well as priority status when new mobile devices hit the shelves. They also earn points with each purchase, which can then be applied towards future purchases. At the same time, the registration process has been simplified by way of technical optimisations to deliver a more convenient customer experience. In the past financial year, the company has managed to expand its cooperation with various partners. mobilezone Club customers benefit from numerous attractive recreational offers, discounts and offers outside the realm of telecommunications. Club members also receive a birthday gift. The mobilezone Club numbered 238,000 members at the end of 2023 (previous year: 165,000). We therefore fell short of our target of 250,000 members.

The following targets have been set for the mobilezone Club:

- ✓ By the end of 2024, we want to have 300,000 mobilezone Club members. We can achieve this by making the Club even more attractive, for example, through partnerships.
- ✓ By 2025, we want the mobilezone Club to have 350,000 members.

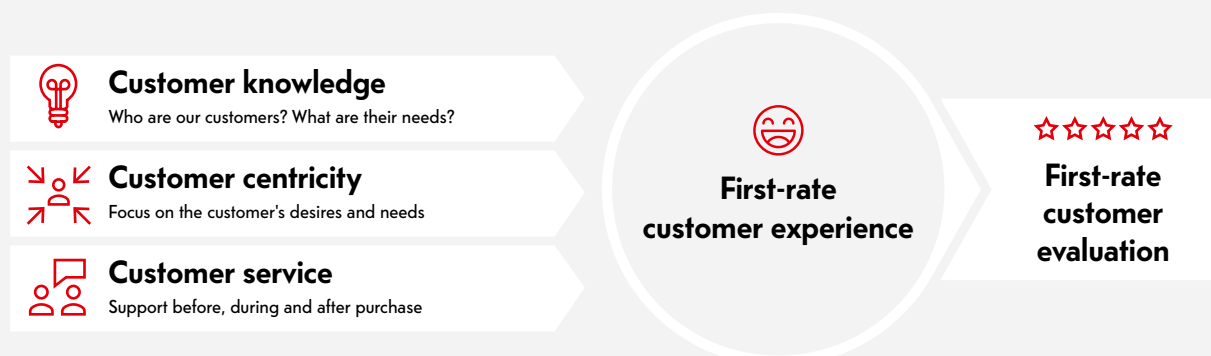
7.2 Customer satisfaction

For mobilezone, customer satisfaction forms the basis for sustainable customer relationships. The company places correspondingly high value on customer orientation, which means that customers are an area of focus for company management. To drive this point home, managers' salaries are based on a variable model that factors in customer satisfaction. Customer satisfaction depends largely on customers' perception of the shopping experience at mobilezone. With that in mind, we have launched initiatives over the years at all points of contact to maintain customer satisfaction.

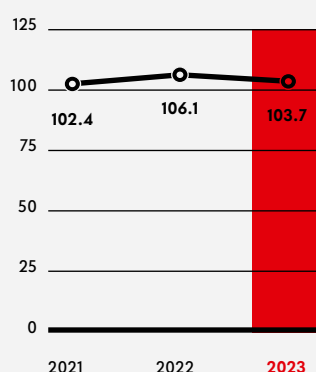
mobilezone's view of customer retention involves constantly improving the customer experience across all channels to increase customer loyalty. We achieve this through various activities that have been developed for specific channels and are regularly tested for effectiveness.

However, customer loyalty is also achieved through strategic customer relationship management, which allows mobilezone to meet customers' needs individually and automatically by means of customised offers.

Prerequisites for a good customer experience



Development of customer satisfaction



Consolidated index of all customer satisfaction surveys across the entire mobilezone Group (base year 2020: 100).

Training of sales staff at mobilezone Switzerland

mobilezone operates a network of 127 shops across all language regions in Switzerland. Customers benefit from direct contact with well-trained sales staff. The main goal is to provide customers with service that exceeds their expectations. This means that employees who come into direct contact with customers have to be trained to deliver on that promise. Alongside their knowledge about devices and accessories where the technology keeps improving, sales staff must stay current on the broad range of offers for mobile, landline, TV and internet subscriptions and how they combine with devices.

In the reporting year, training focused on the qualitative and quantitative development of sales staff, as well as on the topic of aftersales. In addition, device manufacturers led training sessions with sales staff from mobilezone to increase their product know-how. In particular, there were trainings relating to market launches for the Google Pixel and the Nothing Phone, alongside training for

established brands such as Apple and Samsung. A total of 180 store managers, sales representatives and sales trainees took part in last year's training.

One of the focal points in sales training last year was to establish the training team. This team, led by the Head of Sales Education, has been expanded as of April 2023 to include the role "Sales Manager Education". From 2024, mentoring efforts will be intensified in western Switzerland through the addition of a Sales Manager Education for Romandy.

In 2024, we will continue to emphasise the three pillars of quality, quantity and aftersales with the aforementioned training topics and the expansion of on-site coaching led by the Sales Manager Education. In 2024, additional emphasis will also be placed on topics such as mindset, motivation and recognition/appreciation, with training provided on these topics alongside existing subjects.

Coaching and training for customer service staff

To provide customers with the best possible service, customer service staff undergo regular training and development. Measures developed in past years to improve customer service remain in place. Continuous quality monitoring ensures that customer feedback is constantly tracked and evaluated, and that opportunities for improvement are identified so as to further improve customer service. Pain points along the customer journey are systematically recorded, categorised, passed on to the Customer Service department and processed accordingly.

Supporting the customer experience

To further improve the customer journey at a high level, the focus in the financial year 2023 was on the accessibility and availability of resources at various touchpoints between mobilezone and customers. To ensure that peak times are covered, the focus this year (2024) is on the topic of accessibility. Artificial intelligence (AI) was another topic explored by mobilezone last year in connection with the customer experience. In 2023, AI was used when replying to customer enquiries, for example, relating to cancellations, order revocation and termination. The development of AI continues in the financial year 2024: For example, the company has established a task force whose role is to observe how AI is used in the market for customer service, to evaluate various solutions and to develop a concept for mobilezone.

Evaluation and outlook

After every interaction with a customer, mobilezone uses a variety of tools to determine their satisfaction level. As a result, we have developed a weighted, Group-wide index for customer satisfaction. It consists of a range of key figures, including the CSAT, the NPS, Google Reviews and reviews on Trusted Shops and Trust Pilot. It has seen extremely positive and sustained development at a high level since its introduction. In the 2023 financial year, the customer satisfaction index changed from 106.1 to 103.7 compared to the previous year. As a result, the target was not met.

- ✔ For the financial year 2024, the mobilezone Group has set its sights on raising the customer satisfaction index to 105.



Repairing, not discarding – longer life cycle for smartphones

In addition to refurbishing smartphones, mobilezone also keeps damaged smartphones alive. Frequent repairs carried out by the technicians in the workshop in Rotkreuz include rectifying minor moisture damage and bent devices. Damage caused by drops or knocks is also repaired; in these cases, the smartphone casing or display is often damaged. The technicians remove defective smartphone displays for replacement, which are then acquired by a partner company that professionally refurbishes them. This means that the displays also get a second life. Repairs are carried out exclusively with original spare parts to retain the manufacturer's warranty.

8. Smartphone cycle

A growing number of mobilezone customers are interested in used smartphones or in extending the service life of their devices. Constantly improving technologies are part of the reason for this. Other reasons might include the initial costs for a new device or sustainability factors, both of which lead customers to consider refurbished smartphones. Because of its infrastructure in Switzerland, mobilezone is able to buy back used devices, refurbish them and sell them as used devices under its in-house brand jusit. As a result, mobilezone is able to satisfy this demand for used devices.

With regard to sustainability, mobilezone strives to exert influence wherever it can achieve the most. This was one of the key insights from the 2020 materiality analysis. An important lever in this respect is the company's core business. As such, mobilezone has designated the smartphone cycle as the fourth of five focus areas. The others include 'second life' services, such as repairs and smartphone refurbishing. In this way, mobilezone is making a major contribution to reducing emissions and resource consumption. mobilezone is the only company in Switzerland to cover the entire value chain in-house, from selling smartphones in its shops and through a range of online portals, to repairing devices, buying them back in its shops, refurbishing and reselling them through its own channels. This enables the company to extend the lifetime of valuable smartphone products, saving resources in the process. By selling refurbished smartphones, mobilezone was able to save around 214 tonnes of CO₂ in the reporting year, representing around one third of Group-wide emissions in Scope 1 and Scope 2 (see section 9.3 Reducing greenhouse gas emissions). Buybacks, refurbishing and reselling of used smartphones relate to Switzerland. Refurbished smartphones have been sold in Germany as well since 2022.

Steadily rising sales figures at jusit prove that there is demand for used devices as an alternative to new ones. Sales figures are rising in the German market, too. The challenge of buying back and refurbishing enough devices has to be met here with new approaches. Another challenge here is the decline in repair volumes in Switzerland, a trend that has been developing for years. Offering refurbished smartphones will allow mobilezone to make full use of its workshop and technicians.

8.1 Sale of refurbished smartphones

jusit.ch – refurbished smartphones in Switzerland

The overall market for refurbished smartphones is a growth market, as the previous financial year has demonstrated. In 2022, refurbished smartphones accounted for 2.8 per cent of all smartphones sold, exceeding the target of 1.75 per cent by a clear margin. And in 2023, the company exceeded the target of 3 per cent with 4.3 per cent. Consequently, mobilezone sees room here for further growth in Switzerland. It aims to achieve this by offering high-quality refurbished devices at attractive prices.

The success of used, refurbished smartphones can be attributed in part to the search for a sustainable alternative to a new device and the need for a second device. To meet rising demand for sustainable alternatives to smartphones, mobilezone continues to develop its refurbishing portfolio. In early 2023, the company introduced a polishing service, which offers the option to polish a display screen as a sustainable alternative to replacing it. In addition, jusit devices are no longer delivered with cables or chargers, the reasoning being that most customers already have the right cable and charger. Anyone who needs a cable can use the accompanying coupon to buy the corresponding accessory at a discount at any mobilezone shop. mobilezone in Switzerland is also looking into refurbishing tablets and wearables, such as smartwatches, for future inclusion in the jusit portfolio.

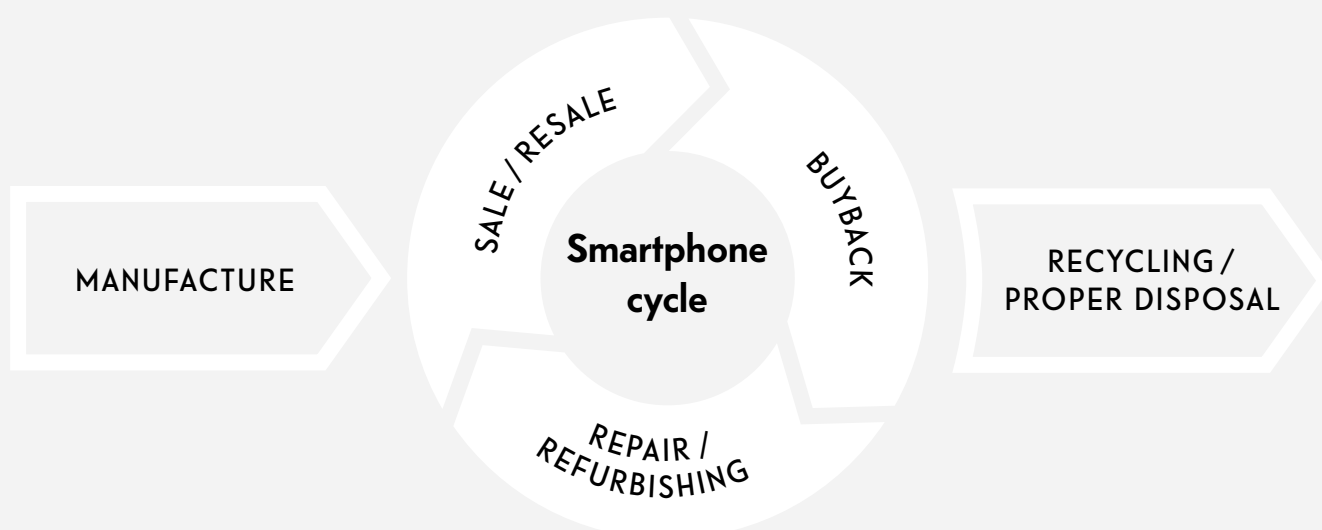
Refurbished smartphones in Germany

Demand for used, refurbished smartphones exists not just in Switzerland, but in Germany too. Since 2022, mobilezone has offered used, refurbished smartphones from Apple in bundles, that is, a device combined with a mobile phone contract. The devices are refurbished solely with original spare parts and sold online at Sparhandy.de. In 2023, we took the opportunity to gain a better understanding of the refurbished market and the needs of customers in Germany. In the meantime, the sale of used devices has become a permanent fixture in the business for mobilezone Germany. The company is currently planning a range of activities to raise awareness of this offering, including an expansion of marketing efforts. It is also considering whether to add other manufacturers besides Apple to the portfolio.

Overview of the smartphone cycle focus area in Switzerland

Focus 2023	KPI	Actions	Target achievement 2023	Outlook and targets
Refurbished smartphones	Number of refurbished smartphones sold in proportion to the total number of new smartphones sold	<ul style="list-style-type: none"> ✓ Sale of refurbished smartphones in Switzerland ✓ Sale of refurbished smartphones in Germany 	<ul style="list-style-type: none"> ✓ With refurbished smartphones accounting for 4.3 per cent of all smartphones sold in Switzerland, we managed to exceed the target of 3.0 per cent in the 2022 annual report by a wide margin. 	<ul style="list-style-type: none"> ✓ In 2024, 4.5 per cent of the smartphones sold in Switzerland are refurbished smartphones. ✓ In 2025, 5.0 per cent of the smartphones sold in Switzerland are refurbished smartphones.
	CO ₂ savings through refurbished smartphones		<ul style="list-style-type: none"> ✓ By selling refurbished smartphones, we were able to save 214 tonnes CO₂. 	<ul style="list-style-type: none"> ✓ By 2024, we aim to save 250 tonnes of CO₂ through refurbished smartphones.
Device buyback and recycling	Repurchased smartphones in relation to total new smartphones sold	<ul style="list-style-type: none"> ✓ Buyback programme ✓ Familiarising sales personnel with the buyback process ✓ Proper disposal of devices 	<ul style="list-style-type: none"> ✓ In financial year 2023, we bought back 12.4 per cent of the smartphones sold in Switzerland, thereby exceeding the target of 9.0 per cent. 	<ul style="list-style-type: none"> ✓ In financial year 2024 we will buy back 13 per cent of the smartphones sold each year in Switzerland.
Central repair service	The number of successful repairs in proportion to the total number of repair orders	<ul style="list-style-type: none"> ✓ Repairs for private and business customers 	<ul style="list-style-type: none"> ✓ We are still number one for smartphone repairs in Switzerland, both for the overall market and for network operators. ✓ With a repair quota of 85.3 per cent, we fell just short of the targeted 88.0 per cent. 	<ul style="list-style-type: none"> ✓ We are still number one for smartphone repairs in Switzerland, both for the general market and for network operators. ✓ We are aiming for a repair quota of 85.0 per cent.

The life cycle of a smartphone



8.2 Central repair service in Switzerland

Smartphone repair is another way that mobilezone manages to extend the lifetime of a smartphone, saving resources in the process. Repairs are made using only original spare parts from the manufacturer. As a result, the manufacturer's warranty remains valid. All repairs are carried out by manufacturer-certified technicians, which serves as a sign of quality.

A repair quota of 88 per cent was defined as the target for 2023. However, the actual value of 85.3 per cent fell short of the mark. This was due to the closure of the mobilezone workshops and the Swisscom Repair Centres in the course of the reporting year. The repair quota was quite high in the workshops thanks to direct contact with customers. Overall, the repair market is declining slightly. This is due in part to constant improvements in the quality of smartphones. For example, new construction methods mean that devices rarely sustain water damage any more. At the same time, technologies keep improving.

8.3 Device buyback and recycling

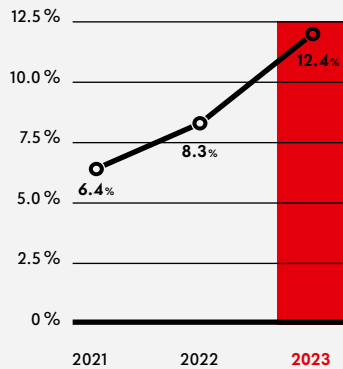
Devices that are no longer needed can be handed back to mobilezone at any time. mobilezone in Switzerland even buys back functioning devices at their trade-in value. This happens when, for example, a customer buys a new device in a shop and no longer needs the old one. mobilezone also buys back entire device fleets from companies, for example, when a company obtains device fleets from mobilezone as part of a Device as a Service contract and no longer needs the old devices. In the past financial year, the focus here was on raising customer awareness of the device buyback option. The topic has therefore been added to our sales training. The company raised awareness among business customers as well.

In the financial year 2023, we bought back 12.4 per cent of the smartphones sold in Switzerland, thereby exceeding the target of 9.0 per cent.

Devices that can no longer be repaired or used as refurbished devices can be returned or mailed back to a shop free of charge. They are passed on to recycling partners, who dispose of them properly. Defective smartphone displays that have to be removed and replaced by technicians are sent to a partner company that professionally refurbishes them. This means that the displays also get a second life.

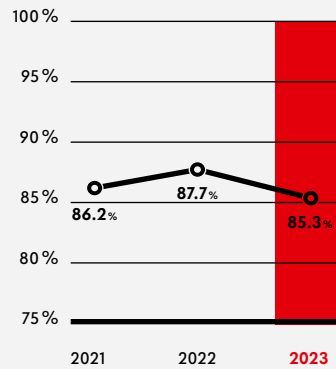
mobilezone Germany is not buying back devices for refurbishment or recycling at the moment due to its online focus.

Smartphone buyback



Number of smartphones bought back in proportion to the total number of new smartphones sold.

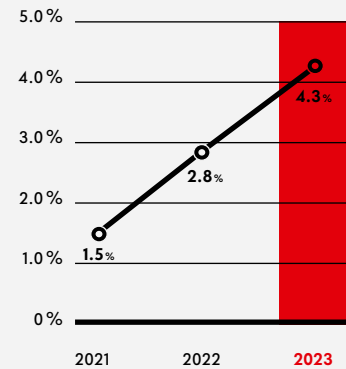
Successful repairs



Number of successful repairs in proportion to the total number of repair orders.

Sold refurbished smartphones

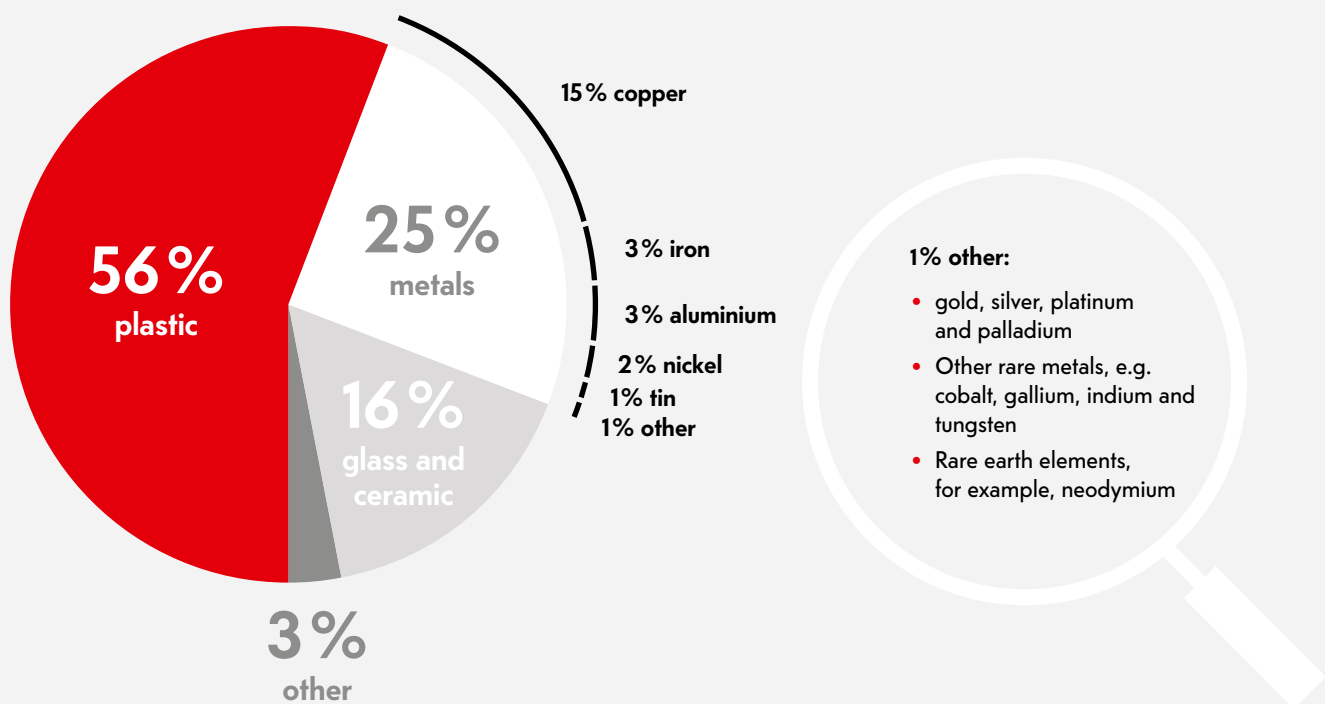
GRI 301-3



Number of refurbished smartphones sold in proportion to the total number of new smartphones sold.

What is a mobile phone made of?

GRI 417-1 ii



*Sources: Federal Ministry of Education and Research (BMBF): Die Rohstoff-Expedition (2012) [English: The raw material expedition]; Federal Ministry for the Environment, Nature Conservation and Nuclear Safety (BMU): Umwelt im Unterricht (Eng. The environment in the classroom) (2012); European Commission (2012)

9. Environmental management

We know that, as a company, we have to do our part to use resources responsibly. Our focus is therefore on reducing energy consumption and boosting initiatives that promote a closed-loop economy (see Smartphone cycle on page 52).

This reporting year marked the first time that a CO₂ balance sheet was drawn up for the entire mobilezone Group with the purpose of creating transparency on the sources of greenhouse gas emissions. mobilezone's goal is to sign the Commitment Letter of the Science Based Targets Initiative (SBTi) in the 2024 financial year. This commits us to scientifically based climate targets, which are in line with the goals of the Paris Climate Accords and will limit global warming to 1.5 degrees compared to pre-industrial levels.

In 2023, we also introduced a supplier code to ensure that every participant in the supply chain complies with the contractual standards and contributes to a sustainable supply chain.

9.1 Sustainable supply chain GRI 308-1 and GRI 308-2

The mobilezone supply chain primarily involves the purchase and resale of smartphones, tablets, wearables and accessories, such as headphones. It also includes the procurement of services and consumables, as well as transport service providers, financial institutions, building service providers, such as caretakers, cleaning companies and landlords, as well as disposal and recycling services. All told, we work with around 1,500 suppliers and partners. A binding Supplier Code of Conduct with guidelines for suppliers serves as the foundation of an ethical and sustainable supply chain. By signing the Code of Conduct, suppliers confirm their commitment to social and ecological responsibility along the supply chain. Suppliers who have signed the mobilezone Supplier Code of Conduct or equivalent guidelines account for 83 per cent of the purchasing volume in the reporting year.

More information on supply chain management, including the relevant performance indicators, can be found in Section 5.4. Responsibility along our value chain.

9.2 Energy management

In the reporting year, mobilezone drew up a CO₂ balance sheet for the first time (see page 58). It illustrates CO₂ emissions along the entire value chain. Greenhouse gas emissions are calculated based on the GHG Protocol in accordance with the operational control approach. The GHG Protocol is an internationally recognised series of standards for accounting for greenhouse gas emissions. Its development is coordinated by the World Resources Institute (WRI) and the World Business Council for Sustainable Development (WBCSD). The GHG Protocol is the most widely used standard for creating greenhouse gas balance sheets. Much like the principles of proper bookkeeping in accountancy, it is based on the fundamental principles of relevance, completeness, consistency, transparency and accuracy. It takes account of all of the relevant greenhouse gases specified in the Kyoto Protocol, including carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O), fluorinated hydrocarbons and perfluorocarbons (PFCs), sulphur hexafluoride (SF₆) and nitrogen trifluoride (NF₃). The greenhouse gas emissions are identified as CO₂ equivalents with a Global Warming Potential (GWP) of 100 years.

The purpose of the CO₂ balance sheet is to identify all of the relevant emission sources within the company and along the upstream and downstream stages of the value chain, and to evaluate their greenhouse gas potential. This provides the basis for developing a climate protection strategy that specifies targets, actions and responsibilities for reducing greenhouse gas emissions. In the years to come, we can give priority treatment to areas that account for the highest relative percentage of total emissions and that can be influenced through suitable actions.

Organisational matters

- ✓ The mobilezone Group is gradually converting its vehicle fleet to electric vehicles. In financial year 2023, seven vehicles with fossil fuel engines were replaced with electric vehicles. Electric vehicles already account for 26 per cent of the vehicle fleet.
- ✓ At the Urnäsch and Bochum sites, we use our own solar plants to generate electricity. The mobilezone business site in Urnäsch has a solar plant capable of producing 12 kWp (kilowatts peak) or 12,000 watts. The site in Bochum has likewise been equipped with solar plants capable of producing a total of 90.3 kWp.
- ✓ Virtual meetings replace business trips whenever possible.
- ✓ We reduce the amount of energy used for heating and electricity by regularly reminding employees to turn off lights and shut down computers and laptops when not in use.

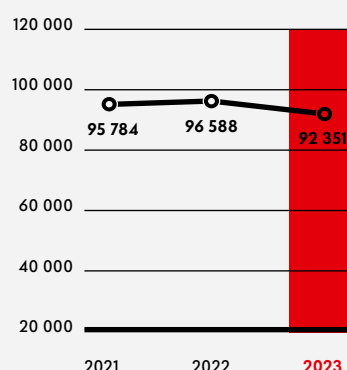
Our offering to customers

- ✓ In Switzerland, mobilezone buys back used smartphones at its shops or online, sends them to mobilezone workshops to be repaired and sells them online as refurbished smartphones at [jusit.ch](https://www.jusit.ch) or in select shops under the brand [jusit](https://www.jusit.ch). This approach allows customers to actively participate in the circular economy. By selling refurbished smartphones, we were able to save around 214 tonnes of CO₂.
- ✓ In Germany, we offer our customers the option of carbon-neutral, CO₂ compensated shipping.
- ✓ We also offer sustainable smartphone alternatives, such as Fairphone, Nothing Phone and refurbished Apple iPhones.

Transparency

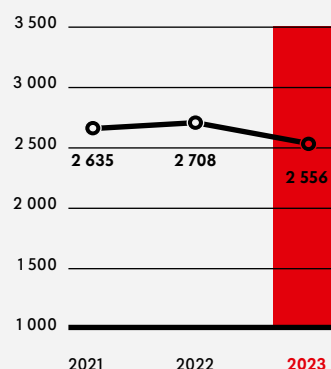
- ✓ Since 2023, the company has calculated and disclosed its carbon footprint along the value chain (scopes 1 to 3) (see page 58)
- ✓ The company discloses the Group-wide consumption of electricity and fuel.

Fuel consumption by the mobilezone Group



Fuel consumption is indicated in litres.

Power consumption by the mobilezone Group



Power consumption is indicated in MWh

9.3 Reduction in greenhouse gas emissions

Our activities affect the environment, including in the form of greenhouse gas emissions. This is especially true of activities connected with the upstream value chain. These effects are primarily caused by the goods and services that we purchase, as well as transport, usage by our customers and subsequent disposal. We are conscious of the ecological footprint of our activities and their indirect effects, and we do our best to avoid, minimise and mitigate negative effects on the environment.

Direct greenhouse gas emissions (scope 1) and indirect greenhouse gas emissions (scope 2) GRI 305-1, GRI 305-2

In 2023, CO₂ emissions (scopes 1 and 2) totalled 810 tonnes (2022: 841 tonnes), representing a decrease of 3.7 per cent. The main sources of CO₂ emissions were fuel for the vehicle fleet, electricity that we purchased or generated ourselves and the procurement of district heating.

Other indirect greenhouse gas emissions (scope 3) GRI 305-3

In 2023, CO₂ emissions (scope 3) totalled 96,492 tonnes (2022: 99,678 tonnes), representing a decrease of 3.2 per cent. These indirect greenhouse gas emissions (scope 3) can be grouped into the following main categories:

- ✓ Purchased goods and services and the resulting CO₂ emissions with 87,712 tonnes (2022: 88,729 tonnes), representing around 90 per cent of Group-wide greenhouse gas emissions.
- ✓ Use and disposal of products sold, such as smartphones, wearables and accessories with CO₂ emissions of 6,800 tonnes (2022: 8,815 tonnes).
- ✓ CO₂ emissions generated by employees travelling to and from work of 1,107 tonnes (2022: 1,253 tonnes).
- ✓ The upstream and downstream logistics of 355 tonnes (2022: 319 tonnes), business trips of 253 tonnes (2022: 242 tonnes) and waste of 100 tonnes (previous year: 141 tonnes).

Evaluation and outlook GRI 201-2

mobilezone's goal is to sign the Commitment Letter of the Science Based Targets Initiative (SBTi) in the 2024 financial year. This will commit us to scientifically based climate targets and to ongoing review by a world-renowned network. After submitting our targets, we will undergo validation by the SBTi, which is guided by current findings in climate science. The SBTi is a joint initiative of the Carbon Disclosure Project (CDP), a worldwide environmental non-profit, the UN Global Compact, the World Resources Institute (WRI) and the World Wide Fund for Nature (WWF). It was established in 2015 to help companies set emission reduction targets that align with current climate science and with the objectives of the Paris Climate Accords, with the goal of limiting global warming to 1.5 degrees compared to pre-industrial levels.

The project's objectives are:

- ✓ To identify and limit reduction potential (short- and/or long-term)
- ✓ To compare different reduction scenarios and formulate a reduction target
- ✓ To identify, evaluate and prioritise reduction measures within the company itself and along the supply chain to achieve the objectives (in consultation with the SBTi)
- ✓ To integrate these findings into the company's strategy
- ✓ To gain a better understanding of the risks associated with climate change and of any potential financial impact on mobilezone

mobilezone will implement these measures in an effort to reduce greenhouse gas emissions in scopes 1 and 2. Furthermore, mobilezone will advocate for reducing ongoing emissions across the value chain to achieve climate neutrality. mobilezone has also quantified scope 3 emissions, which arise primarily in connection with the purchase of commodities from suppliers and with upstream and downstream transport by third parties.

Our most important elements in scopes 1 to 3

Scope 1	Scope 2	Scope 3
<ul style="list-style-type: none"> ✓ Vehicle fleet ✓ Generated electricity 	<ul style="list-style-type: none"> ✓ Purchased electricity ✓ District heating 	<ul style="list-style-type: none"> ✓ Purchased goods and services ✓ Usage of disposal services for products sold ✓ Employee commutes ✓ Upstream and downstream logistics ✓ Business trips ✓ Waste

Greenhouse gas emissions (CO₂ equivalents)

	2023		2022	
	Tonnes	%	Tonnes	%
Scope 1	526	0.5	559	0.6
Vehicle fleet	216	0.2	301	0.3
Generated electricity	310	0.3	258	0.3
Scope 2	284	0.3	282	0.3
Purchased electricity	272	0.3	270	0.3
District heating	12	0.0	12	0.0
Scope 3	96 492	99.2	99 678	99.1
Purchased goods and services	87 712	90.1	88 729	88.2
Use and disposal of products sold	6 800	7.0	8 815	8.8
Employee commutes	1 107	1.1	1 253	1.2
Upstream and downstream logistics and distribution	355	0.4	319	0.3
Business trips	253	0.3	242	0.2
Waste	100	0.1	141	0.1
Other	165	0.2	179	0.2
Total (scopes 1 to 3)	97 302	100	100 519	100

Non-financial matters in accordance with Art. 964b of the Swiss Code of Obligations

This Annual and Sustainability Report covers the requirements specified by the Swiss Code of Obligations (CO) for non-financial reporting. The enclosed table shows the connection between key topics for mobilezone and non-financial matters in accordance with Art. 964b CO.

Our non-financial report has been drawn up in accordance with Art. 964a et seq. CO. Pursuant to Art. 964b CO, mobilezone must prepare a report on non-financial matters for the first time for financial year 2023. In that report, mobilezone is obliged to fulfil due diligence obligations along the supply chain with regard to environmental, social and employee concerns, anti-corruption initiatives and compliance with human rights. The report also covers duties of care and reporting requirements relating to child labour and conflict minerals. This obligation came into force in the financial year 2023, but the company does not have to publish the first reports until 2024. With respect to the duty of care regarding conflict minerals, we have concluded that mobilezone is not subject to the obligation to observe duties of care and the corresponding reporting requirements involving conflict minerals pursuant to Art. 964j – 964l CO. mobilezone does not put any minerals or metals containing tin, tantalum, cobalt or gold into free circulation in Switzerland, nor does it process them in Switzerland. The contents of the non-financial report are based on the legal requirements specified in the Swiss Code of Obligations and cover the following areas: environmental issues, social issues, employee matters, respect for human rights and anti-corruption initiatives. The following reference table can be used to locate a given topic in the Sustainability Report.

The report on non-financial matters in accordance with Art. 964b CO was approved by the Board of Directors of mobilezone holding Ltd on 6 March 2024 and will be submitted to the shareholders for a consultative vote at the General Meeting on 3 April 2024.

On behalf of the Board of Directors and Group management,



Olaf Swantee
Chairman of The Board of Directors



Markus Bernhard
Chief Executive Officer



Martina Högger
Sustainability Manager

Reference table of the Swiss Code of Obligations (non-financial matters in accordance with Art. 964b CO)

Legal requirements	Section	from page
General information	Strategy	10
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	Employees	41
Respect for human rights	Compliance	33
	Responsibility along the value chain	37
Anti-corruption initiatives	Code of Conduct	35
	Ethics Hotline	35
	Fraud management	37
	Responsibility along the value chain	37
Environmental concerns	Compliance	33
	Smartphone cycle	52
	Environmental management	56
Performance indicators	Our key sustainability figures	30

GRI content index

The following report is the fifth Sustainability Report by mobilezone holding Ltd. Since 1 January 2023, the Sustainability Report has been drawn up with reference to the current GRI 2021 standards. This report covers all business segments of the mobilezone Group in Switzerland and Germany.

The reporting period covers the period from 1 January to 31 December 2023. The environmental figures refer to the period from 1 January 2023 to 31 December 2023. The mobilezone Group informs its stakeholders each year about its activities and progress in the area of sustainability. The reports are drawn up each year as part of the annual report. This report was created with reference to the GRI 2021 standards. The report is available in German and English. The Sustainability Report by the mobilezone Group has not been audited by any third parties.

An overview of the selected standards and corresponding references can be found in the attached GRI index.

Contact for questions about the Sustainability Report: Markus Bernhard, CEO of the mobilezone Group, Martina Högger, Sustainability Manager at mobilezoneholding@mobilezone.ch.

GRI standard	Title	Remarks and omissions	Page
1. The organisation and its reporting practices			
GRI 2	General information		
2-1	Organisation profile		68
2-1a	Name of the organisation		68
2-1b	Ownership and legal form		68
2-1c	Location of headquarters		68
2-1d	Location of operations		68
2-2	Entities that are taken into account in the organisation's sustainability reporting		68, 105
2-3	Reporting period, reporting cycle and contact person		
2-3a	Reporting period and reporting cycle of the sustainability report	01.01.2023 – 31.12.2023 annual	
2-3b	Reporting period and reporting cycle of the Group report	01.01.2023 – 31.12.2023 annual	
2-3c	Publication date	08.03.2024	
2-3d	Who to contact with questions about the report	Markus Bernhard, CEO of the mobilezone Group, Martina Högger, Sustainability Manager at mobilezoneholding@mobilezone.ch	
2-4	Correction or restatement of information	No changes	
2-5	External audit	The Sustainability Report by the mobilezone Group has not been audited by any third parties.	
2 Activities and employees			
GRI 2	General information		
2-6	Activities, value chain and other business relations		37
2-7	Employees		41
2-7a	Number of employees by gender and region		41
2-7b	Number of employees by gender, region and employment contract		41
2-8	Employees that are not staff members	The mobilezone Group does not employ external temporary workers to any significant degree.	

3. Company management

GRI 2	General information		
2-9	Governance structure and constitution		71
2-10	Nomination and selection of the highest regulatory body		71
2-11	Chair of the highest regulatory body		71
2-12	Role of the highest regulatory body in overseeing the management of impacts		71
2-13	Delegation of responsibility for managing impacts		74
2-14	Role of the highest regulatory body in sustainability reporting	As an integral part of the annual report, the Sustainability Report is also submitted to the Board of Directors for review and approval.	23, 32, 60
2-15	Conflicts of interest		71
2-16	Communication of critical issues		35, 37
2-17	Collective knowledge of the highest regulatory body		72
2-18	Evaluation of the performance of the highest regulatory body		73
2-19	Compensation policy		81–94
2-20	Procedures for determining compensation		81–94; 73–74
2-21	Annual total compensation ratio	The ratio of the total annual remuneration for the highest-paid person in the Group (CEO) to the average total annual remuneration of all employees (excluding the highest-paid person) in 2023 was 20.9 (previous year 21.8). This corresponds to a reduction of 0.9. To calculate the ratio, the total remuneration of the CEO (CHF 1,560 thousand / previous year CHF 1,633 thousand) as reported in the Remuneration Report 2023 (page 92) and the total personnel expenses (CHF 79.3 million / previous year: CHF 77.4 million) as shown in the consolidated income statement (page 98) were used. The total personnel expenses of the mobilezone Group, consisting of wages and salaries, social security and pension benefits and other personnel costs, are divided by the average number of full-time employees (1,042 / previous year: 1,012, see the key figures table on page 6).	

4. Strategy, guidelines and practices

GRI 2	General information		
2-22	Statement on sustainable development strategy		28–29
2-23	Values, principles, standards and norms of behaviour		35, 38
2-24	Inclusion of political obligations		32–40
2-25	Procedures for eliminating negative effects		33–35
2-26	Mechanisms for seeking advice and raising concerns		35
2-27	Compliance with laws and regulations		32–40
2-28	Membership associations	mobilezone is a member of Swico, the trade association of the ICT and online sector.	

5. Inclusion of stakeholders

GRI 2	General information		
2-29	Approach for including stakeholder groups		31
2-30	Collective bargaining agreements	mobilezone does not employ any workers who are subject to collective bargaining agreements.	
Materiality assessment and list of key topics			
GRI 3	Material topics 2021		
3-1	Procedure for determining material topics		24–27
3-2	List of material topics		27
Economy			
GRI 3	Material topics 2021		
3-3	Management of material topics		2–6
GRI 201	Employment 2016		
201-1	Direct economic value generated and distributed		97–122
201-2	Financial consequences of climate change for the organisation and other risks and opportunities linked to climate change		25, 33–35
201-3	Liabilities for performance-based pension plans and other pension plans		108, 110
201-4	Financial support from the public sector	No financial support was obtained from the public sector in the reporting year	
Governance and Compliance			
GRI 3	Material topics 2021		
3-3	Management of material topics		32–40
GRI 205	Anti-corruption 2016		
205-3	Confirmed cases of corruption and measures adopted		35–36
GRI 206	Anti-competitive behaviour 2016		
206-1	Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices		36
GRI 308	Environmental assessment of suppliers 2016		
308-1	New suppliers that were assessed based on environmental criteria		40
GRI 408	Child labour 2016		
408-1	Child labour		40
Employees			
GRI 3	Material topics 2021		
3-3	Management of material topics		41–47
GRI 401	Employment 2016		
401-1a	Newly hired employees by age group, gender and region		47
401-1b	Total number and rate of turnover by age group, gender and region		42
401-3a-e	Parental leave		45

GRI 403	Occupational health and safety 2018		
403-6	Sick days and accident days		45
GRI 404	Education and training 2016		
404-1	Average number of hours of education and training per employee		44
GRI 405	Diversity and equal opportunities 2016		
405-1	Diversity in regulatory bodies and among employees		46 – 47
	Customers		
GRI 3	Material topics 2021		
3-3	Management of material topics		48 – 50
	Company indicator: Customer satisfaction	Voluntary supplementation of GRI standards	
	Smartphone cycle		
GRI 3	Material topics 2021		
3-3	Management of material topics		52 – 55
GRI 301	Materials 2016		
301-3	Reused products and their packaging materials		55
GRI 417	Marketing and labelling 2016		
417-1ii	Requirements for product and service information and labelling		55
	Environmental management		
GRI 3	Material topics 2021		
3-3	Management of material topics		56 – 59
GRI 305	Emissions 2016		
305-1	Direct greenhouse gas emissions (scope 1)		58 – 59
305-2	Indirect greenhouse gas emissions (scope 2)		58 – 59
305-3	Other indirect greenhouse gas emissions (scope 3)		58 – 59
GRI 308	Environmental assessment of suppliers 2016		
308-1	New suppliers that were assessed based on environmental criteria		56
308-2	Negative environmental effects in the supply chain and measures taken		56



Refurbishing – a second life for smartphones

Many people use their smartphone as a credit card and have health data, personal photos, contacts and many other items of sensitive data stored on it. None of this should fall into the hands of third parties. As the first step in the refurbishing process, mobilezone carries out a certified data deletion. This means that the data is deleted in a special process which ensures that cannot be restored. Smartphones often have slight scratches on the display. These can occur in everyday life during normal use. mobilezone removes these using a polishing machine, which makes the display look like new again. Cracked displays and batteries that no longer provide the usual battery life are also replaced, giving the mobile phone a second life. mobilezone grants a 14-day right of return and a one-year guarantee on refurbished smartphones.

Corporate Governance

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Corporate Governance

The principles and provisions of corporate governance are laid down in the Articles of Association and the Organizational Regulations of mobilezone holding Ltd. The published information complies with the Corporate Governance guidelines of the SIX Swiss Exchange and the applicable disclosure provisions of the Swiss Code of Obligations. The reporting date is 31 December 2023 unless otherwise stated.

1. Group structure and shareholders

1.1 Group structure

The mobilezone Group consists of the two business areas of Switzerland and Germany. mobilezone holding Ltd, Suurstoffi 22, 6343 Rotkreuz/ Switzerland, the parent company of the Group, is a public limited company under Swiss law. It is listed on the SIX Swiss Exchange in the domestic segment (security ID: 27683769, ISIN: CH0276837694). The market capitalisation as at 31 December 2023 amounted to CHF 593 million. The companies of the Group are:

Company, registered office	Country	Currency	Share capital (000)	Group share		Segment
				2023	2022	
mobilezone Ltd, Rotkreuz	CH	CHF	2 850	100 %	100 %	CH
mobilezone reload Ltd, Rotkreuz	CH	CHF	100	100 %	100 %	CH
TalkTalk Ltd, Rotkreuz	CH	CHF	100	100 %	100 %	CH
Digital Republic Ltd, Rotkreuz ¹	CH	CHF	102	100 %	n.a.	CH
IT Business Services GmbH, Rotkreuz	CH	CHF	40	100 %	100 %	CH
mobilezone Deutschland GmbH, Cologne	GER	EUR	25	100 %	100 %	GER
mobilezone handel GmbH, Bochum	GER	EUR	25	100 %	100 %	GER
mobilezone GmbH, Cologne	GER	EUR	778	100 %	100 %	GER
powwow Berlin GmbH, Bochum	GER	EUR	25	100 %	100 %	GER
mobilezone exchange GmbH, Bochum ²	GER	EUR	25	100 %	n.a.	GER
Bonamic GmbH, Bochum	GER	EUR	250	32 %	32 %	GER
einsAmobile GmbH, Obertshausen	GER	EUR	50	25 %	25 %	GER

¹ Digital Republic Ltd was acquired on 6 January 2023.

² mobilezone exchange GmbH (formerly SIGA exchange GmbH) was acquired on 6 January 2023.

1.2 Significant shareholders

As at 31 December 2023, the following significant shareholders and shareholder groups with a share of more than three per cent of the capital or voting rights were entered in the share register

Company ¹	2023	2022
UBS Fund Management (Switzerland) Ltd, Basel	6.68 %	6.57 %
Haubrich GmbH, Düsseldorf	5.18 %	5.09 %
Credit Suisse Funds Ltd, Zurich	5.11 %	5.02 %
Swiss Small Cap Invest Ltd, Zug	3.35 %	n.a.
Swisscanto Fondsleitung Ltd, Zurich	n.a.	3.73 %
BlackRock, Inc., New York, U.S.A.	n.a.	3.02 %

¹ The number of shares reported in the last disclosure notice is converted based on the number of shares issued as at 31 December.

The disclosure notifications in connection with shareholdings in mobilezone holding Ltd are published on the electronic publication platform of the SIX Swiss Exchange and can be accessed through the search form of the Disclosure Office using the following web link: www.ser-ag.com/en/resources/notifications-market-participants/significant-shareholders.html

We are not aware of any shareholders pooling agreement between the major shareholders.

1.3 Cross-shareholdings

We are not aware of any cross-shareholdings.

2. Capital structure

2.1 Capital

The share capital consists of 43,229,135 registered shares with a par value of CHF 0.01 each. All registered shares are fully paid up and listed on the SIX Swiss Exchange.

2.2 Authorised and conditional capital

At the ordinary General Meeting on 6 April 2022, the shareholders approved the creation of authorised capital at a maximum amount of CHF 40,000 through the issue of a maximum of 4,000,000 fully paid registered shares with a par value of CHF 0.01 each by 5 April 2024 at the latest. An increase in instalments is permitted.

There is no conditional share capital.

2.3 Changes in capital

On 22 August 2022, a share buyback programme was launched for the financial years 2022 to 2025, the aim of which is to buy back shares worth a maximum of CHF 45 million over a maximum of three years. The buyback is carried out for the purpose of capital reduction. The first tranche of the programme was completed on 20 October 2022. A total of 770,865 registered shares were repurchased at an average price of CHF 15.57 per share for a total of CHF 12.0 million, corresponding to 1.75 per cent of the share capital registered in the Commercial Register at that time. The registered shares were repurchased on a separate trading line on the SIX Swiss Exchange for the purpose of capital reduction. At the General Meeting of mobilezone holding Ltd on 5 April 2023, the shareholders approved a capital reduction by cancellation of 770,865 registered shares at the request of the Board of Directors. The capital reduction was entered in the commercial register as of 21 June 2023. After the capital reduction, the share capital consists of 43,229,135 registered shares (31.12.2022: 44,000,000) with a par value of CHF 0.01 each.

The 2022 to 2025 share buyback programme has been suspended for 2023 due to the acquisitions of Digital Republic Ltd and mobilezone exchange GmbH.

The other changes in capital for 2022 and 2023 are shown in the consolidated statement of changes in shareholders' equity on page 101 of this report and those for 2021 on page 75 of the 2021 Annual Report.

2.4 Shares and participation certificates

As at 31 December 2023, there were 43,229,135 registered shares with a par value of CHF 0.01 each. Of these, 90,023 (31.12.2022: 878,403) were shares held in treasury. The respective treasury shares do not carry voting or dividend rights. All other shares carry equal voting and dividend rights. There are no participation certificates.

2.5 Non-voting equity security

There are no non-voting equity securities.

2.6 Limitations on transferability and nominee entries

The transferability of the registered shares is not limited.

Nominees are entered in the share register without voting rights. There are no agreements with nominees regarding registration requirements.

2.7 Convertible bonds and options

No convertible bonds were outstanding on the balance sheet date.

On 29 December 2017, the Board of Directors approved a long-term incentive plan (LTI) for the management. The individual allocation is made by the Board of Directors on the basis of the option plan regulations of mobilezone holding Ltd. The exercise price is based on the higher price calculated on the basis of the average closing share price for a period to be determined by the Board of Directors prior to the allocation and the closing share price on the allocation date. All options have a term of seven years with a vesting period of three years.

The purpose of this plan is to offer selected mobilezone employees the opportunity to participate in the future, long-term and sustainable corporate success of mobilezone. The plan aims to further enhance participants' motivation for collective success and to foster the dedication of key employees to the company.

Options are allocated by the Board of Directors. The Board of Directors determines the content of this plan and has the right, at its own discretion, to interpret the provisions of the plan, to issue and supplement rules for the administration of the plan and to carry out all other activities necessary for the implementation and execution of the plan. It is at the discretion of the Board of Directors to delegate the authority to manage the plan.

Outstanding options as at 31.12.2023:

Allocation date	Expiry date	Exercise price in CHF	Issued	Outstanding at 1 January 2023	Allocated	Exercised	Expired	Outstanding at 31 December 2023
29.06.2018	28.06.2025	12.19	380 000	10 000	0	-10 000	0	0
19.08.2020	18.08.2027	8.13	220 000	220 000	0	-183 000	0	37 000
07.06.2021	06.06.2028	11.31	354 000	294 000	0	0	0	294 000
26.04.2022	25.04.2029	15.56	300 000	300 000	0	0	0	300 000
22.06.2023	21.06.2030	13.45	300 000	0	300 000	0	0	300 000
Total			1 554 000	824 000	300 000	-193 000	0	931 000

Outstanding options as at 31.12.2022:

Allocation date	Expiry date	Exercise price in CHF	Issued	Outstanding at 1 January 2022	Allocated	Exercised	Expired	Outstanding at 31 December 2022
29.06.2018	28.06.2025	12.19	380 000	280 000	0	-270 000	0	10 000
21.08.2019	20.08.2026	10.61	85 000	85 000	0	-85 000	0	0
19.08.2020	18.08.2027	8.13	220 000	220 000	0	0	0	220 000
07.06.2021	06.06.2028	11.31	354 000	294 000	0	0	0	294 000
26.04.2022	25.04.2029	15.56	300 000	0	300 000	0	0	300 000
Total			1 339 000	879 000	300 000	-355 000	0	824 000

As at 31 December 2023, 931,000 (previous year: 824,000) options were outstanding. A total of 300,000 options were issued in 2023 and 193,000 options were exercised. As in the previous year, no options expired in the reporting year.

2.8 New LTI plan

The Board of Directors has approved a new LTI plan for the Group Management and other selected top performers as at 31 December 2023. The new share-based LTI replaces the previous issue of options, with the first allocation taking place in the 2024 financial year. The LTI provides for an annual allocation of performance share units (PSU), which entitle the holder to receive mobilezone shares if certain performance conditions are met over a period of three years. Hence the new LTI further strengthens the commitment of plan participants to the success of the mobilezone Group and also fosters the loyalty of key employees to the company.

3. Board of Directors

3.1 Members of the Board of Directors

As at 31 December 2023, the Board of Directors of mobilezone holding Ltd consisted of four non-executive and independent members, as defined by the independence criteria of the "Swiss Code of Best Practice for Corporate Governance" of economiesuisse, and the CEO as executive member.

With 40 per cent of female representation, the Board of Directors meets the minimum requirements set out in Art. 734f of the Swiss Code of Obligations.

Name	Role	Designation
Olaf Swantee	Chairman, independent member	2021
Gabriela Theus	Independent member	2018
Michael Haubrich	Independent member	2020
Lea Sonderegger	Independent member	2022
Markus Bernhard	Executive member	2023



Olaf Swantee

Olaf Swantee (1966, Swiss/Dutch) has been Chairman of the Board of Directors since April 2021 and heads the Nomination & Compensation Committee (NCC). He has extensive international experience in the management and control of large companies: in particular, he has consolidation and integration experience in the telecommunications and IT sector. As CEO of Sunrise Communications from 2016 to 2020, the company gained momentum in Switzerland. During his tenure as CEO of EE, Olaf Swantee successfully merged Orange and T-Mobile in the UK. Between 2007 and 2011, he held management positions at France Telecom (now Orange Group), including as head of the European mobile and fixed network business. Since August 2020, he has worked for the private equity firm Warburg Pincus as Chairman of the Board of Directors of Odido Netherlands B.V. (formerly T-Mobile Netherlands B.V.) and at Community Fire Ltd in London. He is a member of the Board of Directors of Anapaya Systems Ltd in Zurich. Olaf Swantee studied economics and completed an MBA at the EAP (Ecole des Affaires Paris).



Gabriela Theus

Gabriela Theus (1973, Swiss) has been a member of the Board of Directors of the mobilezone Group since April 2018 and heads the Audit & Risk Committee. After obtaining a degree in Economics at HSG St. Gallen, she worked from 1999 on as a consultant at Knorr Capital Partner and then at Ernst & Young and Sal. Oppenheim in the real estate sector, before moving to Zug Estates Holding Ltd as CFO. She has been Managing Director of Immofonds Asset Management Ltd in Zurich since September 2017.



Michael Haubrich

Michael Haubrich (1978, German) has been a member of the Board of Directors of the mobilezone Group since 2020. After studying economics at WHU in Vallendar/Koblenz and at the London School of Economics, he worked as a management consultant at McKinsey Budapest from 2004 to 2009. From 2010 to 2019, he was CFO of the ElectronicPartner Group before moving to the Board of Directors in 2019. He has also been a member of the Supervisory Board of notebooksbilliger.de Ltd since 2013.



Lea Sonderegger

Dr. Lea Sonderegger (1981, Austrian) has been a member of the Board of Directors of the mobilezone Group since 2022. She has in-depth knowledge of digital, information technology, omnichannel management and new business development. She has held several senior global roles at Swarovski since 2010, including Director New Business Development, Director and Vice Chairwoman of swarovski.com and Senior Vice Chairwoman of the eCommerce Center of Excellence. As Chief Digital Officer / Chief Information Officer and member of the Management Board of Swarovski, she is currently responsible for the global digital business (B2C and B2B), global IT and the Data, Analytics & Artificial Intelligence (AI) division. She has extensive experience in research and teaching in the field of innovation and technology management. She studied International Business Administration and Economics and holds a doctorate in Economics and Social Sciences from the University of Vienna.



Markus Bernhard

Markus Bernhard (1964, Swiss) has been an executive member of the Board of Directors since 2023. He has been CEO of the mobilezone Group since 2014. As of 1 July 2024, he will act as operational delegate of the Board of Directors and step down as CEO of the Group. From 2007 to 2013, he was CFO of the mobilezone Group. After studying economics at the HSG, he qualified as a certified public accountant and worked as an auditor at Revisuisse Price Waterhouse Ltd in Zurich from 1991 to 1997. Until 2000, he was CFO at Cope Inc. in Rotkreuz. This was followed by a CFO position at Mount10 Holding Ltd, also in Rotkreuz. From 2020 until October 2022, he was also a member of the Board of Directors and Chairman of the Audit Committee of Valora Holding Ltd.

3.2 Board of Directors according to experience, skills and knowledge

	Management experience	Finance, audit, ICS, risk management	Compliance, regulation, law	Capital markets, M&A	Experience in core business	Transferable expertise from related industries / fields	International company management	Digitalisation, technology	Strategy	HR, remuneration	Sustainability / ESG
Olaf Swantee	x	x		x	x	x	x	x	x	x	x
Gabriela Theus	x	x	x	x		x			x	x	x
Michael Haubrich	x	x	x	x	x	x	x		x	x	
Lea Sonderegger	x					x	x	x	x	x	x
Markus Bernhard	x	x	x	x	x	x	x		x	x	x

3.3 Activities in other companies and vested interests

Surname	Company name	Role
Olaf Swantee	Odido Netherlands B.V.	Chairman of the Board of Directors
	Community Fibre Ltd	Chairman of the Board of Directors
	Anapaya Systems Ltd	Member of the Board of Directors
Gabriela Theus	Immofonds Asset Management Ltd	Managing Directors
	SIA-Haus Ltd	Vice-Chairwoman of the Board of Directors
	ElectronicPartner Handel SE	Member of the Board of Directors
	notebooksbilliger.de Ltd	Member of the Supervisory Board
Michael Haubrich	Haubrich GmbH	Chairman of the Board of Directors Managing Director
	Haubrich Holding SE	Chairman of the Board of Directors Managing Director
Lea Sonderegger	D. Swarovski KG	Member of the Management Board
Markus Bernhard	Wickart Ltd	Member of the Board of Directors
	NovaStor Ltd	Member of the Board of Directors

Any other activities and vested interests of the Board of Directors can be viewed on the website at www.mobilezoneholding.ch/en/about-us/organization/board-of-directors.html

3.4 Cross-involvements

There are no cross-involvements on the Boards of Directors of listed companies.

3.5 Election and term of office

The Board of Directors is elected individually by the General Meeting for a term of office of one year. Re-election is possible.

3.6 Meetings of the Board of Director

Olaf Swantee is Chairman, Gabriela Theus, Michael Haubrich, Lea Sonderegger and Markus Bernhard are members of the Board of Directors. The Board of Directors meets as often as required to serve mobilezone's business interests. A total of eight meetings of the Board of Directors were held last year. Two of these meetings were held as video conferences. The sessions lasted an average of five hours. All members attended all meetings. The CEO and CFO normally also attend the meetings. If necessary, other members of the Group Management, management team members, employees or third parties are consulted.

The Chairman of the Board of Directors and the Board of Directors are supported in their work by three committees:

- ✓ Audit & Risk Committee
- ✓ Nomination & Compensation Committee
- ✓ Sustainability Committee

The members of the individual committees are listed below.

Surname	Audit & Risk Committee	Nomination & Compensation Committee	Sustainability Committee
Olaf Swantee	Member	Chair	Chair
Gabriela Theus	Chair		Member
Michael Haubrich		Member	Member
Lea Sonderegger		Member	Member
Markus Bernhard			Member

3.7 Audit & Risk Committee

Gabriela Theus is Chairwoman and Olaf Swantee is a member of the Audit & Risk Committee. The Audit & Risk Committee meets as often as business requires. Five meetings were held in the reporting year. One of these meetings was held as a video conference. Both members attended all meetings. Each session lasted two to three hours. These meetings are usually attended by the CEO and CFO. If necessary, other members of the Group Management, management team members, employees, representatives of the auditors or third parties are consulted.

3.8 Nomination & Compensation Committee

Olaf Swantee is the Chairman, Michael Haubrich and Lea Sonderegger are members of the Nomination & Compensation Committee. The Nomination & Compensation Committee meets as often as business requires. Five meetings were held in the reporting year. One of these meetings was held as a video conference. All members attended all meetings. The sessions lasted one to two hours.

3.9 Sustainability Committee

All members of the Board of Directors sit on the Sustainability Committee, which was newly formed in December 2022; Olaf Swantee is the Chairman. The Sustainability Committee meets twice a year before the ordinary meetings of the Board of Directors. The Sustainability Committee has decision-making authority for the Group-wide sustainability strategy and also monitors its implementation. It is also responsible for approving the Group's annual Sustainability Report.

3.10 Competence regulation

The Board of Directors has delegated the management of the company to the Group Management to the extent permitted by law. The distribution of tasks and responsibilities is defined in organisational rules. These can be viewed at any time on the website at: www.mobilezoneholding.ch/en/investors-1/downloads-for-investors.html

3.11 Information and control instruments vis-à-vis the Group Management

Each member of the Board of Directors also has the right to receive information about the business performance and individual transactions outside the meetings of the Board of Directors. The Board of Directors has in particular the following means at its disposal as an information and control instrument vis-à-vis the Group Management:

- ✓ Consolidated budget (annual)
- ✓ Quarterly financial statements with prior-year comparison
- ✓ Earnings forecasts
- ✓ KPI reporting (monthly)
- ✓ Financial plan (semi-annual)
- ✓ Detailed oral reports on business performance from Group Management

As the parent company of the mobilezone Group, mobilezone holding Ltd is fully involved in the Group-wide risk assessment process, which is integrated into the Group's annual strategy process. The aim is not to avoid all risks, but to create room for manoeuvre that will help to consistently exploit existing opportunities and increase business success. Risk management supports the achievement of business objectives by creating transparency about the risk situation (as a basis for strategic and operational decisions), by recognising potential threats to the net asset, income and financial position and by taking measures to limit risks to an acceptable level. As part of this risk assessment process, the Board of Directors of mobilezone holding Ltd is informed of the risks and opportunities identified.

3.12 Mandates outside the mobilezone Group

No member of the Board of Directors may hold more than five additional mandates in listed companies and more than ten mandates in non-listed companies.

3.13 Changes to the Board of Directors

Markus Bernhard was elected to the Board of Directors by the General Meeting on 5 April 2023. Due to his role as CEO of mobilezone holding Ltd since 2014 and as CFO from 2007 to 2013, he is not considered independent within the meaning of the Swiss Code of Best Practice for Corporate Governance of *economiesuisse*.

4. Group Management

4.1 Member of the Group Management

As at 31 December 2023, the Group Management of mobilezone holding Ltd consisted of four members, as in the previous year.

Name	Role	in the Group since	in the role since
Markus Bernhard	CEO	2007	2014
Andreas Fecker	CFO	2007	2014
Roger Wassmer	CEO Switzerland	2014	2020
Wilke Stroman	CEO Germany	2019	2020

Markus Bernhard

A brief biography of Markus Bernhard can be found in section 3.1 Members of the Board of Directors.

Andreas Fecker

Andreas Fecker (1972, Swiss) has been a member of the mobilezone Group Management as CFO since 2014. From 2007 to 2013, he was Head of Finance & Controlling at the mobilezone Group. From 2000 to 2005, he had been Financial Controller at Mount10 Holding Ltd. He then worked for several years as a controller at Zeppelin International Ltd and Franke Management Ltd. After graduating as a specialist in finance and accounting with a federal certificate, he obtained a Master of Advanced Studies in Controlling from Lucerne University of Applied Sciences and Arts in 2013.



The Group Management of mobilezone holding Ltd
(from left to right: Markus Bernhard, CEO; Wilke Stroman, CEO Germany;
Roger Wassmer, CEO Switzerland; Andreas Fecker, CFO).

Roger Wassmer

Roger Wassmer (1973, Swiss) has been CEO Switzerland since the beginning of January 2020 and manages the business of the Swiss companies. Prior to that, he was COO Switzerland and Austria and was Managing Director of mobilezone reload ag (formerly mobiletouch Switzerland) from 2014 and of mobiletouch Austria from 2015. He previously worked at Publimedia and EurotaxGlass's as Sales and Marketing Manager and was also CEO of OmniMedia Ltd and Managing Director of Car4you. From 2012 to 2014, Roger Wassmer was Country Manager for zanox Switzerland Ltd. Following further training to become a federally certified marketing manager, he obtained an Executive MBA FH and completed the Senior Management Program CAS at the University of St. Gallen.

Wilke Stroman

Wilke Stroman (1980, German) has headed the German business of the mobilezone Group as CEO Germany since January 2020. He founded the online portal Sparhandy.de in 2000 as a sideline to his training as a bank clerk in the East Frisian town of Norden. After successfully completing his training, he initially worked in the banking sector in London before relocating his company to Cologne in 2005.

4.2 Activities in other companies and vested interests

No member of the Group Management may hold more than two mandates in listed companies and more than four mandates in unlisted companies.

Except for the CEO, the members of the Group Management have no additional mandates in companies as members of the highest management or administrative body in accordance with Art. 734e of the Swiss Code of Obligations.

Any other activities and vested interests can be viewed on the website at www.mobilezoneholding.ch/en/about-us/organization/group-management.html.

4.3 Management contracts

There are no management contracts for the transfer of management tasks to third parties.

4.4 Changes to the 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 company's strategic development, investor relations, M&A and MVNO business as operational delegate of the Board of Directors. Roger Wassmer, CEO mobilezone Switzerland, and Wilke Stroman, CEO mobilezone Germany, will take over the Group Management as Co-CEOs on 1 July 2024.

5. Shareholders' participation rights

5.1 Limitation of voting rights and representation

Each share entitles the holder to one vote at the General Meeting. Anyone who is entered in the share register as a shareholder with voting rights is entitled to vote. There are no restrictions on voting rights and no statutory rules on participation in the General Meeting that deviate from the law.

5.2 Statutory quorums

Unless a mandatory provision of the law or the Articles of Association provide otherwise, the General Meeting shall pass its resolutions and carry out its elections by an absolute majority of the votes cast, excluding abstentions, empty and invalid votes. Abstentions, blank and invalid votes do not count as votes cast.

If none of the candidates standing for election is able to obtain an absolute majority of the votes in the first ballot, a second ballot shall be held. In the second ballot, the relative majority of votes is decisive.

Article 13 of the Articles of Association requires at least two-thirds of the votes represented and an absolute majority of the par value of shares represented for the following resolutions:

- ✓ the change of the company purpose;
- ✓ the introduction of voting shares;
- ✓ the limitation of the transferability of registered shares;
- ✓ an authorised or conditional capital increase;
- ✓ the capital increase from shareholders' equity, against contribution in kind or for the purpose of acquisition of assets and the granting of special benefits;
- ✓ the restriction or cancellation of subscription rights;
- ✓ the transfer of the company's registered office;
- ✓ the delisting of the Company's shares from the SIX Swiss Exchange or its successor organisation;
- ✓ the dissolution of the company without liquidation.

There are no regulations that deviate from the law.

5.3 Convening of the General Meetings

The ordinary or extraordinary General Meeting is convened at least 20 days before the meeting by publication in the Swiss Official Gazette of Commerce. Registered shareholders entered in the share register may also be invited by letter. The convening notice states that the Annual Report, Auditor's Report and Remuneration Report will be available for inspection at the company's registered office no later than 20 days prior to the ordinary General Meeting and that a copy of these documents will be sent to each shareholder immediately upon request. No resolutions may be passed on matters that have not been announced in this way, except on a motion to convene an extraordinary General Meeting or to conduct a special audit.

5.4 Agenda items

Shareholders representing at least two per cent of the share capital may request that an item be placed on the agenda. The relevant request for items to be placed on the agenda must be received by the Company in writing at least 45 days prior to the meeting, stating the items to be discussed and the motions.

5.5 Entries in the share register

Voting rights may only be exercised by shareholders and beneficiaries who are entered in the share register of mobilezone holding Ltd with voting rights. Registration with voting rights requires a declaration by the shareholder that they have acquired the shares of mobilezone holding Ltd in their own name and for their own account. The Board of Directors may refuse recognition and registration as a shareholder with voting rights if this is the result of false information provided by the acquirer.

5.6 Proxy voting / electronic participation in the General Meeting

Each shareholder may be represented by a third party who is not required to be a shareholder and who is authorised in writing, or by the independent voting proxy. Shareholders may also authorise and instruct the independent voting proxy electronically, whereby the Board of Directors determine the modalities. The members of the Board of Directors in attendance shall decide on the recognition or rejection of the power of attorney. Further information on the regulation of instructions to the independent proxy and on electronic participation in the General Meeting is set out in each invitation to the General Meeting.

6. Change of control and defensive measures

6.1 Mandatory bid obligation

There is no opting-out rule.

6.2 Change of control clauses

There are no change of control clauses.

7. Auditor

7.1 Duration of the mandate and term of office of the lead auditor

BDO Ltd has been the auditor of mobilezone holding Ltd and all Group companies that require auditing since the 2021 financial year. The auditor is elected annually by the General Meeting. Reto Frey has been the lead auditor since 2021.

7.2 Audit fees and additional fees

(CHF 000)	2023	2022
Auditing fees	270	280
Additional fees	60	38
Total	330	318
additional fees in % of audit fees	22 %	14 %

The additional fees mainly comprise services related to tax consulting that extend beyond the statutory mandate.

7.3 Supervisory and control instruments vis-à-vis the auditors

The auditors attend an Audit & Risk Committee meeting at least twice a year. The auditors report on the findings of their audit in a report to the Board of Directors.

8. Trading blackout periods

In the period before the release and/or publication of price-sensitive information or projects, the Board of Directors, the Group Management and the Management Board as well as individuals with direct access to insider information are prohibited from carrying out transactions with participation rights or other financial instruments of mobilezone holding Ltd. The regularly recurring blackout periods in connection with financial reporting are listed below:

- ✓ Annual financial statements: First trading day after 31 December until publication of the Annual Report
- ✓ Half-year financial statements: First trading day after 30 June until publication of the Semi-Annual Report

The CFO reminds those concerned in writing of the start and end of the ordinary blackout period.

9. Information policy

The mobilezone Group publishes an annual and a semi-Annual Report in accordance with the provisions of Swiss GAAP FER in March and August of each year. All publications are made available in electronic form and published on the company's website. Further announcements on important changes and significant business activities are published on an ad hoc basis. All information, including publication dates and contact addresses, can be found on the website at www.mobilezoneholding.ch in the "Investors" section. If you would like to receive all media information automatically, you can register at:

www.mobilezoneholding.ch/en/investors-1/subscription-press-and-financial-releases.html

Dates 2024:

Publication of the 2023 Annual Report	8 March
Video conference for investors, media and analysts	8 March
General Meeting 2024	3 April
First trading day without dividend entitlement (ex-date)	10 April
Dividend payment	12 April
Stifel Swiss Equities Conference, Interlaken	11 June
Publication of half-year report 2024	16 August
Video conference for investors, media and analysts	16 August
Investora Capital Market Conference, Zurich	18 September



jusit – product brand for used and refurbished smartphones

In 2020, mobilezone developed jusit, the first product brand for refurbished smartphones, and started selling them in its pilot shop in Lugano and online. jusit smartphones are now available online at jusit.ch and in 16 selected shops throughout Switzerland. jusit smartphones are available in the conditions "original packaging", "like new", "very good" and "good". The jusit brand benefits from mobilezone's infrastructure of shops, repair workshops and administration and can therefore offer high-quality devices as well as suitable subscriptions and service packages.

MANUFACTURE



RECYCLING/
PROPER DISPOSAL

mobilezone

Omnichannel – uniform customer experience across all channels

With the market-leading portals Sparhandy and Deinhandy, mobilezone has an attractive market position as number 1 in the indirect online business in Germany. In Switzerland, the expanded online presence and the omnichannel approach represent key elements of the online market strategy, which has been reinforced by the acquisition of Digital Republic as a purely online provider at the beginning of 2023. Customers in Switzerland also benefit from a dense network of shops in prime locations and from personal contact and advice from trained sales professionals. With its broad and deep range of subscriptions, devices and bundles of both, the telecommunications market is very complex – therefore, it is positive when consulting services are available in-person as needed and questions can be asked directly. In addition, mobilezone can guarantee not only comprehensive, but also neutral advice on devices and subscriptions. Customer service includes channel- and target group-specific customer service via telephone, chats, FAQs and printed channels.

Remuneration Report

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Foreword by the Chairman

Dear Shareholders,

On behalf of the Nomination & Compensation Committee (NCC), I am pleased to present the Remuneration Report 2023. mobilezone achieved a solid financial result in the reporting year. The market position and the MVNO (mobile virtual network operator) business were further expanded in both Switzerland and Germany. We have also made significant progress in the area of sustainability in order to meet our long-term sustainability targets.

mobilezone's remuneration system also played a key role in the success of the entire Group in 2023. Our remuneration policy is based on the pillars of a drive for success and performance, transparency and a long-term perspective. We maintain an ongoing dialogue with our shareholders regarding our remuneration approach. Following your feedback at the last General Meeting 2023, the Remuneration Report was fundamentally revised to increase transparency and readability. This report explains how the company's 2023 results have affected remuneration and provides an outlook on the new remuneration elements.

The long-term incentive remuneration (LTI) for members of the Group Management is granted in the form of an annual allocation of options. The options programme will end with the last allocation on 26 June 2023. The Board of Directors has approved a new LTI plan for the Group Management and other selected top performers as at 31 December 2023. The new share-based LTI replaces the previous issue of options, with the first allocation taking place in the 2024 financial year. The LTI provides for an annual allocation of performance share units (PSU), which entitle the holder to receive mobilezone shares if certain performance conditions are met over a period of three years. These performance conditions allow us to effectively align long-term remuneration with the interests of our shareholders. The new LTI further strengthens the commitment of plan participants to the success of the mobilezone Group and also fosters the loyalty of key employees to the company. In addition, the LTI has a clawback clause, which allows the shares transferred or an equivalent amount in cash to be reclaimed under certain circumstances.

A shareholding guideline was introduced for the Group Management as at 31 December 2023. The aim of these guidelines is to align the interests of the Group Management and the shareholders even more closely through a minimum holding of mobilezone shares. I look forward to discussing the structure of the new LTI and the shareholding guidelines in more detail in the Remuneration Report (page 94, Sections 4.1 and 4.2).

As already announced, CEO Markus Bernhard will step down from his position on 30 June 2024 and will be responsible for strategic development, investor relations, M&A and the MVNO business as an operational delegate of the Board of Directors. The current CEO Switzerland and CEO Germany will take over the management as Co-CEOs. The remuneration budget for the Board of Directors and Group Management remains constant. The Board of Directors intends to appoint Lea Sonderegger as Chair of the NCC if she is re-elected to the NCC at the 2024 General Meeting.

On behalf of the NCC, I would like to thank you, our valued shareholders, for your support and trust. In a constantly changing corporate environment, we will continue to review our remuneration framework in the future to ensure that it is fit for purpose and aligned with the interests of our shareholders. The NCC welcomes your ongoing feedback.

Rotkreuz, 6 March 2024

Best regards



Olaf Swantee

Chairman of the Nomination & Compensation Committee

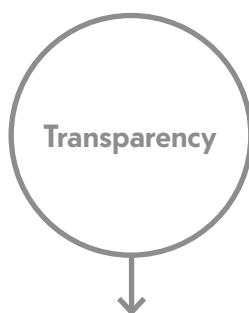
1. Introductory remarks

This Remuneration Report shows the remuneration policy for the Board of Directors and Group Management of the mobilezone Group in accordance with the statutory provisions (Swiss Code of Obligations and Listing Rules of the SIX Swiss Exchange) and the Articles of Association. The remuneration for the reporting year and the number of shares and options held by each member are also disclosed.

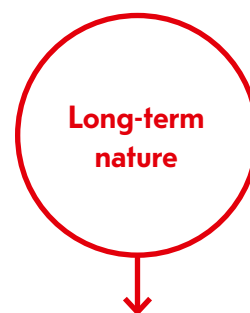
mobilezone pursues a transparent remuneration policy that is dependant on success and performance and is geared towards the long-term prosperity of the company.



The amount of variable remuneration depends on the achievement of ambitious financial and qualitative targets / ESG targets. Minimum targets and upper limits for the maximum target achievement apply.



The disclosure of remuneration takes into account internal and external expectations and is in line with best practice and good Corporate Governance practices.



The remuneration system supports the sustainable achievement of strategic corporate targets and makes it possible to attract talent and motivate staff in the long term.

Remuneration
Incentive
for sustainable
corporate success

Group Management
CHF 3.3 million
Remuneration for 2023
Previous year: CHF 3.5 million

Board of Directors
CHF 531,000
Remuneration for 2023
Previous year: CHF 572,000

2. Responsibility, determination procedure and remuneration structure

2.1 General

The Articles of Association stipulate that the Board of Directors must submit the maximum total amount of remuneration for the Board of Directors for the following term of office to the ordinary General Meeting for approval. Should unforeseeable events lead to extraordinary burdens on the Board of Directors, the Board of Directors may submit deviating and additional proposals relating to the same or other time periods for approval at the General Meeting. The following table shows the responsibilities with regard to remuneration for the members of the Board of Directors and Group Management.

Level of responsibility

	CEO	NCC	Board of Directors	General Meeting
Remuneration policy and principles		Proposal	Approval	
Maximum total amount of remuneration for the Board of Directors and Group Management		Proposal	Review	Approval (binding vote)
Remuneration of the Chairman of the Board of Directors		Proposal	Approval	
Individual remuneration of the members of the Board of Directors		Proposal	Approval	
Remuneration of the CEO		Proposal	Approval	
Individual remuneration of the members of the Group Management	Proposal	Review	Approval	
Remuneration Report		Proposal	Approval	Consultative voting

Any remuneration adjustments for the Group Management for the following year are discussed by the Nomination & Compensation Committee (NCC) at its meeting in December and proposed to the Board of Directors. Markus Bernhard, as CEO and member of the Board of Directors, attends the meeting on behalf of the other members of the Group Management, but without voting rights. The CEO is not present when his own remuneration is discussed. The NCC assesses the target achievement of the Group Management and makes a recommendation to the Board of Directors. Based on the individual target agreements of the other members of the Group Executive Management, the CEO applies to the NCC for target achievement of the performance-related remuneration in cash as part of the short-term incentive (STI). The CEO is not present for the assessment of his own performance-related targets.

2.2 Board of Directors

The non-executive members of the Board of Directors receive fixed, non-performance-related remuneration in cash per year of office. The year of office lasts from April to March of the following year. The remuneration amounted to CHF 183,000 (previous year: CHF 183,000) for the Chairman of the Board of Directors and CHF 75,000 (previous year: CHF 75,000) for the other members of the Board of Directors. The chair of a committee was remunerated with CHF 20,000 (previous year: CHF 20,000) and membership with CHF 10,000 (previous year: CHF 10,000). No additional remuneration was paid to the Board of Directors for its work on the Sustainability Committee.

Remuneration structure of the Board of Directors

Role	Remuneration (CHF)	
Chairman of the Board of Directors	183 000	
Other members of the Board of Directors	75 000	
Compensation by Committee	Chair	Member
Audit & Risk Committee	20 000	10 000
Nomination & Compensation Committee	20 000	10 000
Sustainability Committee	no compensation	no compensation



100% cash

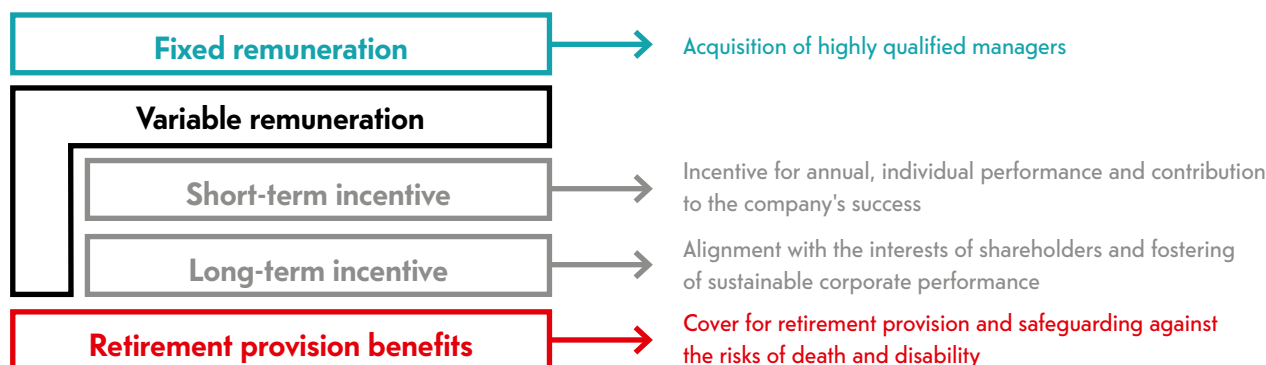
At the Annual General Meeting on 3 April 2024, the Board of Directors will propose the approval of the maximum permissible total remuneration of the Board of Directors for the period until the next General Meeting in 2025. This amounts to CHF 550,000 (previous year: CHF 550,000). The remuneration of the Board of Directors for the 2023 financial year of CHF 531,000 (previous year: CHF 572,000) is within the maximum amount of CHF 550,000 authorised by the General Meeting (2022: CHF 630,000). CEO Markus Bernhard serves on the Board of Directors without receiving any additional remuneration.

in CHF	Proposed	Approved	Used	Utilisation
Financial year 2024	550 000	n.a.	n.a.	n.a.
Financial year 2023	550 000	550 000	531 000	97 %
Financial year 2022	630 000	630 000	572 000	91 %

2.3 Group Management

The remuneration of the members of the Group Management consists of fixed remuneration in cash and variable remuneration in cash, shares and options up to the reporting year (from the 2024 financial year, performance share units instead of options).

The remuneration of the Group Management for the 2023 and 2022 financial years is within the maximum amount approved by the General Meeting.



in CHF	Proposed	Approved	Used	Utilisation
Financial year 2025	3 800 000	n.a.	n.a.	n.a.
Financial year 2024	3 900 000	3 900 000	n.a.	n.a.
Financial year 2023	4 300 000	4 300 000	3 300 000	77 %
Financial year 2022	4 300 000	4 300 000	3 536 000	82 %

At the 2024 ordinary General Meeting, the Board of Directors will propose the approval of the maximum permissible total remuneration of the Group Management and the Delegate of the Board of Directors of CHF 3.8 million for the 2025 financial year (2024: CHF 3.9 million).

2.3.1 Fixed remuneration

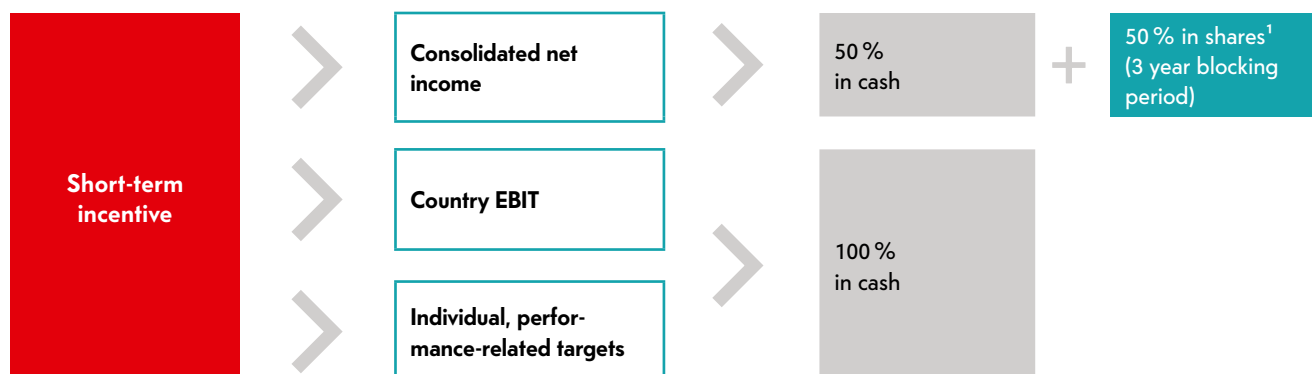
The fixed remuneration and the annual target salary of the members of Group Management are proposed or reviewed by the Nomination & Compensation Committee to the Board of Directors in December of each year, taking into account the approved budget and the experience and skills of the respective member of Group Management. The actual fixed remuneration amounted to CHF 1,473,000 in the reporting year (previous year: CHF 1,484,000).

2.3.2 Variable remuneration

The variable remuneration consists of a short-term incentive (STI) and a long-term incentive (LTI).

2.3.2.1 Short-term incentive

The variable remuneration includes an STI, which is dependent on consolidated net income, for all members of Group Management. The CEO, CFO and CEO Switzerland receive 50 per cent of this remuneration in cash and 50 per cent in shares of mobilezone holding Ltd with a blocking period of three years. The number of shares is calculated on the basis of the average closing price of the mobilezone share over 20 trading days prior to the budget meeting of the Board of Directors in December for the coming financial year. The calculated average share price for the conversion of remuneration into shares for the reporting year is CHF 13.21. The CEO Germany receives the entire remuneration in cash, as he already holds 700,000 (1.62 per cent) mobilezone shares. The CEO Switzerland and the CEO Germany each have an additional country EBIT target to strengthen the focus on the respective country responsibility, 100 per cent of which is paid out in cash. For the two targets of consolidated net income and country EBIT, there is a minimum target as an entry barrier and an upper limit with a maximum remuneration of 200 per cent of the target amount, which cannot be exceeded. All members of the Group Management also receive individual performance-related targets for one year at a time. The performance-related remuneration is paid in cash.



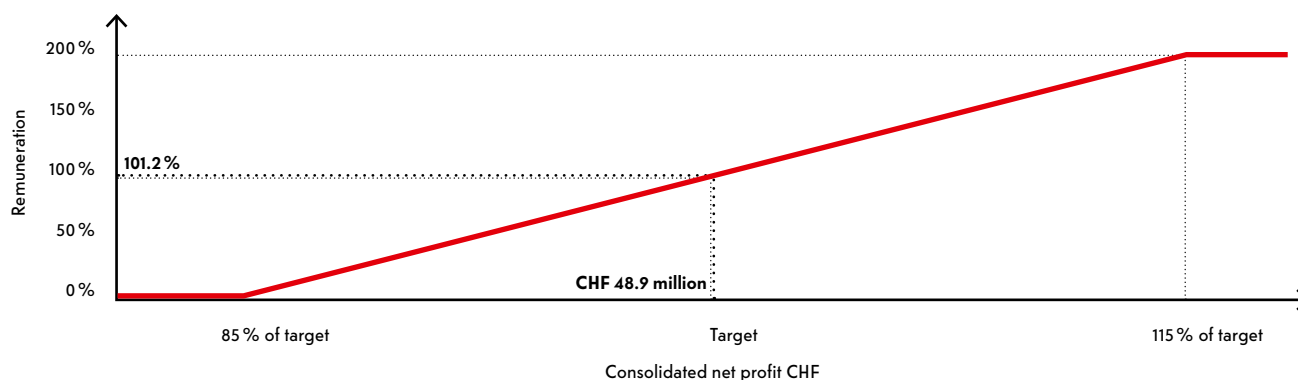
¹ As in the previous year, the CEO Germany will receive 100 per cent of his consolidated net income-related remuneration in cash, as he held 700,000 or 1.62 per cent of shares on 31 December 2023.

STI as a percentage of fixed remuneration

	CEO	Other Group Management (excluding CEO)
Consolidated net income	43%	13% 34%
Country EBIT	n.a.	15%
Individual, performance-related targets	23%	5% 14%
Total short-term incentive	66%	33% 49%

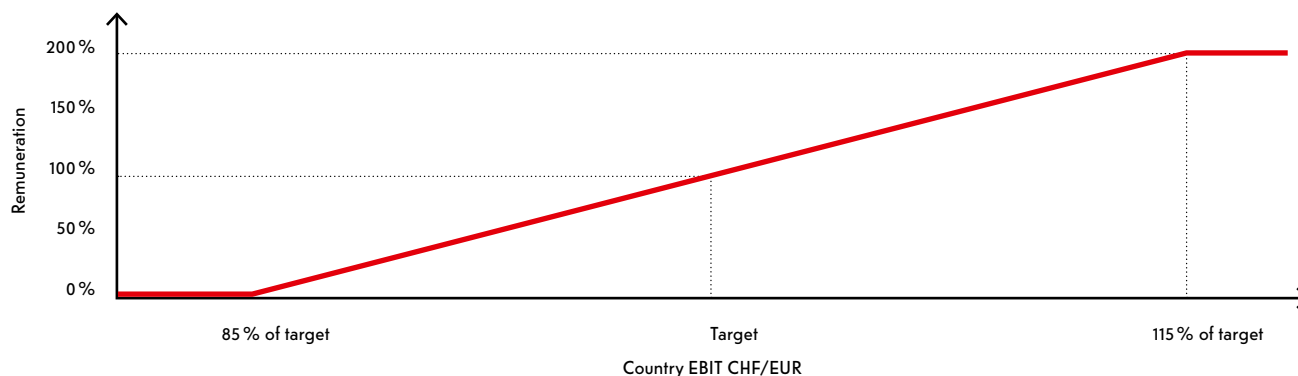
In the reporting year, the STI remuneration for the Group Management (depending on consolidated net profit, country EBIT and the achievement of individual, performance-related targets) amounted to between 33 and 66 per cent (previous year: 43 and 85 per cent) of the fixed remuneration in cash. The STI remuneration for the CEO amounted to 66 per cent (previous year: 85 per cent) of the fixed remuneration.

Target corridor for consolidated income-related remuneration



The 2023 budget approved by the Board of Directors in December 2022 was used as the basis for the remuneration. The entry barrier for consolidated income-related variable remuneration is 85 per cent target achievement. If the upper limit of 115 per cent of the budgeted consolidated net profit is reached or exceeded, a maximum of 200 per cent of the target amount is remunerated. The consolidated net income of CHF 49.5 million corresponds to 101.2 per cent of the target of CHF 48.9 million.

Target corridor for EBIT-dependent remuneration



The CEO Germany and the CEO Switzerland each receive a country-specific EBIT remuneration, which is paid out in cash. The country EBIT-dependent remuneration also has an entry barrier and an upper limit, which applies to a maximum remuneration of 200 per cent of the target amount. The EBIT of EUR 30.8 million generated by the Germany segment represents 98.8 per cent of the target amount, the EBIT generated by the Switzerland segment (including "unallocated / eliminations") of CHF 35.7 million represents 101.4 per cent of the target amount.

Individual, performance-related targets

Weighting	Category	Targets incl. ESG targets
17 to 40 per cent	Customer and employee satisfaction	<ul style="list-style-type: none"> • Customer satisfaction surveys • Employee survey on employer recommendation
20 to 64 per cent	Leadership	<ul style="list-style-type: none"> • Entrepreneurial behaviour • Talent management • Succession planning
18 to 40 per cent	Strategic initiatives	<ul style="list-style-type: none"> • Digitalisation initiatives • Increased efficiency • Sustainability initiatives

The individual, performance-related targets are proposed annually in December by the NCC for the following year and approved by the Board of Directors. The individual, performance-related targets are remunerated at a maximum of 100 per cent of the target amount if 100 per cent of the target is achieved or the upper limit is exceeded. In the reporting year, the individual targets of the members of the Group Management were achieved by between 93 and 99 per cent.

2.3.2.2 Long-term incentive plan (LTI)

The purpose of the plan is to offer selected mobilezone employees the opportunity to participate in the future, long-term and sustainable corporate success of mobilezone. The plan aims to further enhance participants' motivation for collective success and to foster the dedication of key employees to the company.

The LTI remuneration for the members of the Group Management is granted in the form of an annual allocation of options. From 2018, the individual allocation was made annually based on the option plan regulations of mobilezone holding ltd, approved by the Board of Directors on 29 December 2017. All options have a term of seven years with a vesting period of three years.

The options programme will end with the last allocation on 26 June 2023. Information on the new LTI plan can be found on page 94 of this report.

The basis for calculating the exercise price of the options allocated is based on the higher price, calculated on the basis of the average closing share prices on the 60 trading days preceding the allocation date and the closing price on the allocation date.

The following values applied to allocations in the reporting year and the previous year:

	2023	2022
Date of granting	22.06.2023	26.04.2022
Average share price of the 60 preceding trading days	13.45	15.28
Share price at the time of allocation	13.30	15.56
Exercise price	13.45	15.56
Current value at the time of allocation	1.37	1.42

Outstanding options of the Group Management as at 31 December 2023:

Allocation date	Expiry date	Exercise price in CHF	Issued	Outstanding at 1 January 2023	Allocated	Exercised	Expired	Outstanding at 31 December 2023
19.08.2020	18.08.2027	8.13	220 000	220 000	0	- 183 000	0	37 000
07.06.2021	06.06.2028	11.31	254 000	214 000	0	0	0	214 000
26.04.2022	25.04.2029	15.56	250 000	250 000	0	0	0	250 000
22.06.2023	21.06.2030	13.45	225 000	0	225 000	0	0	225 000
Total			949 000	684 000	225 000	- 183 000	0	726 000

Outstanding options of the Group Management as at 31 December 2022:

Allocation date	Expiry date	Exercise price in CHF	Issued	Outstanding at 1 January 2022	Allocated	Exercised	Expired	Outstanding at 31 December 2022
29.06.2018	28.06.2025	12.19	320 000	220 000	0	- 220 000	0	0
21.08.2019	20.08.2026	10.61	85 000	85 000	0	- 85 000	0	0
19.08.2020	18.08.2027	8.13	220 000	220 000	0	0	0	220 000
07.06.2021	06.06.2028	11.31	254 000	214 000	0	0	0	214 000
26.04.2022	25.04.2029	15.56	250 000	0	250 000	0	0	250 000
Total			1 129 000	739 000	250 000	- 305 000	0	684 000

A total of 225,000 options were issued to members of the Group Management in 2023 and 183,000 options were exercised by the members of the Group Management. As in the previous year, no options expired in the reporting year.

The forfeiture provisions for the LTI in the event of termination of employment are in line with market practice and are summarised in the following table.

Termination of the employment relationship	Expiry provisions
Termination by employer	The options in the vesting period are adjusted pro rata on the basis of the completed vesting period; the exercise period for all options is six months
Termination by employee	Options in the vesting period expire without value or compensation. Exercisable options do not expire
Retirement, death or disability	The options in the vesting period are adjusted pro rata on the basis of the completed vesting period; the exercise period for all options is six months
Change of control or liquidation	Decision by the Board of Directors

On 20 January 2021, the Board of Directors approved an LTI for the CEO with an individual target and a cumulative EBIT target for the years 2021 to 2023.

With the support of the Board of Directors, the CEO achieved his individual target (CHF 90,000) by evaluating his own succession plan.

The cumulative three-year EBIT target 2021-2023 is CHF 180 million (100 per cent target achievement). The entry barrier is at a cumulative EBIT of CHF 140 million, and the upper limit is at CHF 220 million, corresponding to a maximum remuneration of CHF 270,000. The cumulative three-year EBIT results in a target achievement of CHF 251,000.

On 15 December 2021, the Board of Directors approved an LTI of EUR 120,000 for the CEO Germany over a term from 2022 to 2024, which will be reached if the CEO Germany is in an non-terminated employment relationship at the end of March 2025.

3. Remuneration, shareholdings, loans to members of governing bodies, activities in other companies and gender representation on the Board of Directors and Group Management

3.1 Members of the Board of Directors¹

The total remuneration of CHF 531,000 granted to the Board of Directors in the reporting year is below the maximum permissible remuneration of CHF 550,000 which was approved by the shareholders at the General Meeting on 5 April 2023.

The total remuneration of the members of the Board of Directors in the reporting year was CHF 41,000 lower than in the previous year.

The details of the remuneration to the members of the Board of Directors are as follows (audited):

(CHF 000)	Year	Basic remuneration	Committee ²	Social security contributions	Total
Olaf Swantee	2023	183	30	14	227
	2022	183	30	14	227
Gabriela Theus	2023	75	20	6	101
	2022	75	20	6	101
Peter K. Neuenschwander ³	2023	18	3	1	22
	2022	75	10	4	89
Michael Haubrich	2023	75	10	16	101
	2022	75	10	10	95
Lea Sonderegger ⁴	2023	75	0	5	80
	2022	56	0	4	60
Markus Bernhard ⁵	2023	-	-	-	-
	2022	-	-	-	-
Total	2023	426	63	42	531
	2022	464	70	38	572

¹ No loans or credits were granted to members of the Board of Directors in the reporting year. There are also no outstanding loans or credits.

² No additional remuneration was paid to the Board of Directors for its work on the Sustainability Committee.

³ Peter K. Neuenschwander did not stand for re-election at the General Meeting on 5 April 2023.

⁴ Lea Sonderegger was elected to the Board of Directors at the General Meeting on 6 April 2022.

⁵ Markus Bernhard was elected to the Board of Directors at the General Meeting on 5 April 2023. His remuneration is listed under Group Management.

3.2 Former members of the Board of Directors (audited)

In the reporting year, no remuneration or severance payments were paid to former members of the Board of Directors and no loans or credits were granted. There are also no outstanding loans or credits.

3.3 Shares held by members of the Board of Directors (audited)

As at 31 December, members of the Board of Directors held the following number of shares:

Name	Role	Number of shares	
		2023	2022
Olaf Swantee	Chairman, independent member	42 000	34 900
Gabriela Theus	Independent member	2 500	2 500
Peter K. Neuenschwander ¹	Independent member	n.a	2 000
Michael Haubrich ²	Independent member	0	0
Lea Sonderegger	Independent member	0	0
Markus Bernhard ³	Executive member	150 000	n.a

¹ Peter K. Neuenschwander did not stand for re-election at the General Meeting on 5 April 2023.

² Michael Haubrich holds a 30 per cent stake (previous year: 30 per cent) in Haubrich GmbH, which indirectly holds 2,239,154 shares (previous year: 2,239,154 shares) in mobilezone holding Ltd.

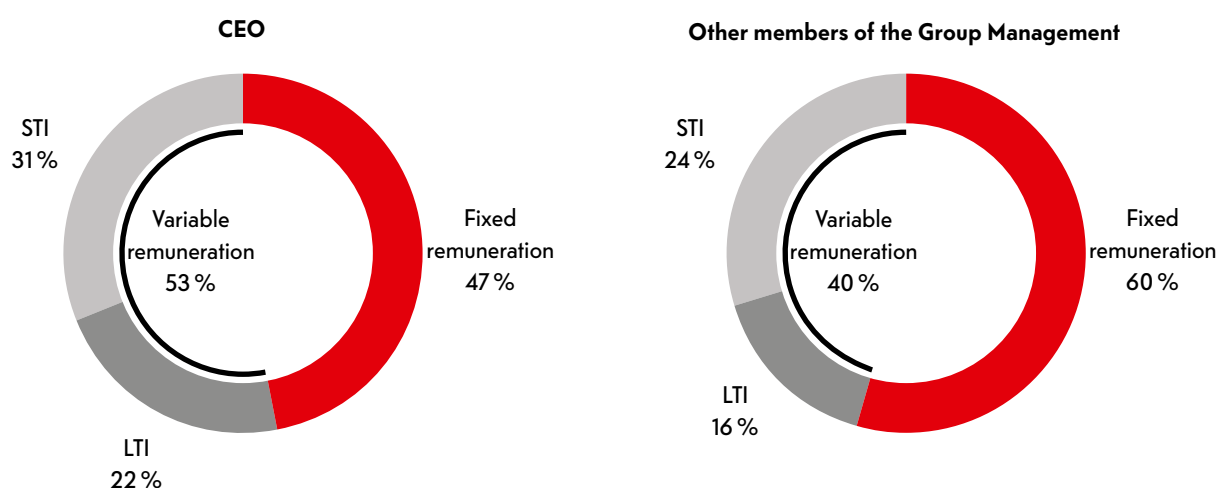
³ Markus Bernhard was elected to the Board of Directors at the General Meeting on 5 April 2023.

3.4 Members of the Group Management

As at 31 December 2023, the Group Management of mobilezone holding Ltd consisted of four members, as in the previous year.

The remuneration of the Group Management in the reporting year totalled CHF 3,300,000 and is below the maximum permissible remuneration of CHF 4,300,000 approved by shareholders at the General Meeting on 6 April 2022.

Remuneration structure for members of the Group Management 2023



The details of the remuneration paid to the members of the Group Management are as follows (audited):

(CHF 000)	Group Management ¹		of which Markus Bernhard	
	2023	2022	2023	2022
Fixed remuneration in cash	1 473	1 484	600	600
STI in shares ²	200	285	130	185
STI in cash	547	701	268	324
LTI in options ³	309	356	124	142
LTI in cash	200	130	161	90
Services and non-cash benefits	33	40	0	3
Employer contributions to social security ⁴	214	235	99	125
Retirement provision benefits	324	305	178	164
Total remuneration to the members of the Group Management	3 300	3 536	1 560	1 633

¹ No loans or credits were granted to members of the Group Management in the reporting year. There are also no outstanding loans or credits.

² The shares are subject to a blocking period of three years.

³ The options are valued using the Black-Scholes method.

⁴ Contributions to OASI, DI, EO, daily sickness benefits and accident insurance. Includes social security contributions of CHF 60,000 from the redemption of options (previous year: CHF 100,000).

The remuneration of the Group Management decreased by CHF 236,000 or 6.7 per cent to CHF 3,300,000 due to the lower target achievement in the reporting year.

The lump-sum expenses approved by the tax authority are not included in the reported remuneration, as these replace expenses. In the reporting year, they totalled between CHF 12,000 and CHF 18,000 (previous year: between CHF 12,000 and CHF 18,000) per member of the Group Management employed in Switzerland.

The employment contracts of the members of the Group Management are permanent and can be terminated for a maximum of twelve months. No severance payments have been agreed and accordingly no severance payments were made in the reporting year.

3.5 Former members of Group Management (audited)

In the reporting year, no remuneration was paid to former members of the Group Management and no loans or credits were granted. There are also no outstanding loans or credits.

3.6 Related parties (audited)

In the reporting year, parties related to current or former members of the Board of Directors and Group Management were neither paid remuneration that was not in line with the market nor granted loans or credits. There are also no outstanding loans or credits.

3.7 Share and option holdings Group Management

As at 31 December 2023 the members of the Group Management held the following number of shares and options (audited):

Name	Role	Number of shares		Number of options	
		2023	2022	2023	2022
Markus Bernhard	CEO	150 000	130 000	310 000	300 000
Andreas Fecker	CFO	83 800	79 540	145 000	160 000
Roger Wassmer	CEO Switzerland	26 037	24 143	152 000	150 000
Wilke Stroman	CEO Germany	700 000	700 000	119 000	74 000

Shareholding guidelines were introduced on 31 December 2023. They stipulate that members of Group Management must hold at least 200 per cent of their fixed remuneration (CEO) and 125 per cent of their fixed remuneration (other members of Group Management) in mobilezone shares within five years of the guideline coming into effect or after their appointment. Except for the CEO Switzerland, all members of the Group Management already comply with this guideline.

3.8 Activities in other companies

Any positions or roles held by members of the Board of Directors and the Group Management in other companies in accordance with Art. 734e of the Swiss Code of Obligations are listed in the Corporate Governance Report on pages 71 to 76.

3.9 Gender representation

The gender distribution in the Board of Directors and the Group Management is as follows:

Body	Number of members	Share of women	Minimum share
Board of Directors	5 members	40 %	30 %
Group Management	4 members	0 %	20 %

With 40 per cent of female representation, the Board of Directors meets the minimum requirements set out in Art. 734f of the Swiss Code of Obligations. The Group Management consists of four men.

4. New long-term incentive plan outlook

4.1 New long-term incentive plan (LTI)

The Board of Directors has approved a new LTI for the Group Management and other selected top performers as at 31 December 2023. The new LTI will be granted for the first time in 2024, replacing the old LTI (issue of options). As a share-based plan, the new LTI follows best practice among listed Swiss companies and aligns the interests of managers even more closely with those of shareholders.

The new LTI provides for an annual allocation of performance share units (PSU), which represent a conditional right to receive mobilezone shares if certain performance conditions are met during a three-year performance period. The performance conditions are derived from the strategic objectives of mobilezone and include:

- ✓ Relative total shareholder return vs. SPI ESG Index (weighting: 50 per cent) to assess the sustainability performance
- ✓ EBIT (weighting: 50 per cent) to further strengthen earning power

The targets for each performance condition are set annually by the Board of Directors for the respective three-year performance period. Depending on target achievement, each granted PSU is converted into zero to two mobilezone shares at the end of the performance period. The receipt of shares is also subject to the condition of uninterrupted employment during the performance period. In addition, the LTI has a clawback clause that allows transferred shares or an equivalent amount in cash to be reclaimed under certain circumstances. Further details on the new LTI will be announced in the 2024 Remuneration Report.

4.2 Introduction of shareholding guidelines

Shareholding guidelines were also introduced at the end of 2023. These stipulate that members of Group Management must hold at least 200 per cent of their fixed remuneration (CEO) and 125 per cent of their fixed remuneration (other members of Group Management) in mobilezone shares within five years of the guidelines coming into force or of their appointment. In the event of a significant increase or decrease in the share price, the Board of Directors may adjust the deadline accordingly. Shareholdings include all shares owned by the member of the Group Management and related parties, excluding options and PSU. The purpose of the guidelines is to further align the interests of the Group Management with the interests of the company and shareholders by maintaining a minimum shareholding.



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STATUTORY AUDITOR'S REPORT

To the general meeting of mobilezone holding ag, Rotkreuz

Report on the Audit of the Remuneration Report according to Art. 734a-734f CO

Opinion

We have audited the remuneration report of mobilezone holding ag (the Company) for the year ended 31 December 2023. The audit was limited to the information pursuant to Art. 734a-734f of the Swiss Code of Obligations (CO) in the tables marked "audited" on pages 90 to 93 of the remuneration report.

In our opinion, the information pursuant to Art. 734a-734f CO in the accompanying remuneration report pages 90 to 93 complies with Swiss law and the Company's articles of incorporation.

Basis for Opinion

We conducted our audit in accordance with Swiss law and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and standards are further described in the "Auditor's Responsibility for the Audit of the Remuneration Report" section of our report. We are independent of the Company in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

Other Information

The board of directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the tables marked "audited" in the remuneration report, the consolidated financial statements, the stand-alone financial statements and our auditor's reports thereon.

Our opinion on the remuneration report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the remuneration report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the audited financial information in the remuneration report or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors for the Remuneration Report

The board of directors is responsible for the preparation of a remuneration report in accordance with the provisions of Swiss law and the Company's articles of incorporation, and for such internal control as the board of directors determines is necessary to enable the preparation of a remuneration report that is free from material misstatement, whether due to fraud or error. It is also responsible for designing the remuneration system and defining individual remuneration packages.

Auditor's Responsibilities for the Audit of the Remuneration Report

Our objectives are to obtain reasonable assurance about whether the information pursuant to Art. 734a-734f CO is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law and SA-CH will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are

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considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this remuneration report.

As part of an audit in accordance with Swiss law and SA-CH, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement in the remuneration report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made.

We communicate with the board of directors and its relevant committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the board of directors and its relevant committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

Zurich, 6 March 2024

BDO Ltd

Reto Frey
Auditor in charge
Licensed Audit Expert

Jan Bellinger
Licensed Audit Expert

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Consolidated financial statements mobilezone Group

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Consolidated income statement

1 January to 31 December (CHF 000)	Notes	2023	2022
Net sales	1	1 013 354	1 002 701
Cost of goods and materials		-807 943	-801 739
Gross profit		205 411	200 962
Other operating income	2	2 609	2 010
Personnel expenses	3	-79 250	-77 362
Other operating expenses	4	-51 585	-46 094
Operating income before depreciation and amortisation (EBITDA)		77 185	79 516
Depreciation property, plant and equipment	12	-4 089	-3 821
Amortisation of intangible assets	13	-7 389	-5 079
Operating income (EBIT)		65 707	70 616
Financial income	5	369	65
Financial expenses	6	-5 259	-1 938
Income before taxes (EBT)		60 817	68 743
Income tax expenses	7	-11 353	-14 206
Net income		49 464	54 537
		CHF	CHF
Earnings per share	23	1.15	1.25
Earnings per share – diluted	23	1.14	1.24

The attached explanatory Notes are an integral part of mobilezone's consolidated financial statements.

Consolidated balance sheet

As of 31 December (CHF 000)	Notes	2023	2022
Assets			
Cash and cash equivalents		80 179	119 352
Trade receivables	8	122 036	110 699
Inventories	9	51 460	57 941
Other receivables	10	2 522	2 648
Accruals	11	36 773	32 817
Current assets		292 970	323 457
Property, plant and equipment	12	16 741	21 325
Intangible assets	13	43 605	27 883
Other assets	15	2 839	3 237
Deferred income tax assets	7	1 381	1 506
Non-current assets		64 566	53 951
Total assets		357 536	377 408
Liabilities and shareholders' equity			
Financial liabilities	16	43 000	20 340
Trade payables	17	83 431	107 574
Tax liabilities		14 294	15 231
Other liabilities	18	12 558	17 210
Accruals	19	43 212	39 010
Provisions	20	185	0
Current liabilities		196 680	199 365
Financial liabilities	16	128 464	128 961
Deferred income tax liabilities	7	9 010	5 767
Non-current liabilities		137 474	134 728
Share capital	21	432	440
Treasury shares	21	-1 216	-13 405
Capital reserves		24 621	50 829
Goodwill offset	24	-269 798	-245 021
Retained earnings		269 343	250 472
Shareholders' equity		23 382	43 315
Total liabilities and shareholders' equity		357 536	377 408

The attached explanatory Notes are an integral part of mobilezone's consolidated financial statements.

Consolidated statement of cash flows

1 January to 31 December (CHF 000)	Notes	2023	2022
Income before taxes (EBT)		60 817	68 743
Financial result		4 890	1 873
Depreciation and amortisation	12, 13	11 478	8 900
Changes of allowances (net)		847	387
Gains on disposal of non-current assets		-7	93
Share-based payments		-515	-256
Other non-cash items		-633	0
Gross cash flow from operating activities		76 877	79 740
Changes in net working capital			
Trade receivables		-18 509	7 825
Other receivables and accruals		-3 757	8 657
Inventories		4 897	-6 192
Trade payables		-21 770	36 678
Other liabilities, accruals and provisions		-795	-475
Income taxes paid		-8 590	-7 952
Net cash flow from operating activities		28 353	118 281
Additions			
Property, plant and equipment	12	-2 489	-6 561
Intangible assets	13	-18 468	-10 945
Securities in fixed assets		-2	-13
Acquisition of subsidiaries less cash and cash equivalents		-26 067	0
Disposals			
Property, plant and equipment		2 826	71
Securities in fixed assets		242	116
Interest received		368	38
Net cash flow from investing activities		-43 590	-17 294
Proceeds of financial liabilities		128 782	130 435
Repayment of financial liabilities		-107 507	-112 032
Interest paid		-4 626	-1 938
Purchase of treasury shares		0	-17 632
Transaction costs capital reduction		-94	-86
Dividends paid		-38 825	-36 918
Net cash flow from financing activities		-22 270	-38 171
Foreign currency translation adjustments		-1 666	-1 124
Net increase (net decrease) in cash and cash equivalents		-39 173	61 692
Cash and cash equivalents at 1 January		119 352	57 660
Cash and cash equivalents at 31 December		80 179	119 352

The attached explanatory Notes are an integral part of mobilezone's consolidated financial statements.

Consolidated statement of changes in shareholders' equity

1 January to 31 December (CHF 000)	Notes	Share capital	Treasury shares	Capital reserves	Goodwill offset	Retained earnings	Total
Balance at 1 January 2022		448	-7 377	75 877	-245 021	220 415	44 342
Net income						54 537	54 537
Capital reduction		-8	10 706	-5 435		-5 349	-86
Purchase of treasury shares			-17 632				-17 632
Dividends paid				-18 459		-18 459	-36 918
Profit of treasury shares			-438	438			0
Share-based payments	22		1 336	-1 592			-256
Currency translation adjustments						-672	-672
Balance at 31 December 2022		440	-13 405	50 829	-245 021	250 472	43 315
Net income						49 464	49 464
Capital reduction		-8	12 000	-6 090		-5 996	-94
Dividends paid				-19 413		-19 413	-38 826
Profit of treasury shares			-95	95			0
Share-based payments	22		284	-800			-516
Acquisitions	14				-24 777		-24 777
Currency translation adjustments						-5 184	-5 184
Balance at 31 December 2023		432	-1 216	24 621	-269 798	269 343	23 382

The attached explanatory Notes are an integral part of mobilezone's consolidated financial statements (refer to Note 21).

Notes to the consolidated financial statements

Segment information

Income statement (CHF 000)

Net sales

Cost of goods and materials

Gross profit

Gross profit margin

Other operating income

Personnel expenses

Other operating expenses

Operating income before depreciation and amortisation (EBITDA)

Depreciation property, plant and equipment

Amortisation of intangible assets

Operating income (EBIT)

EBIT margin

Balance sheet (CHF 000)

Current assets

Non-current assets

Total assets

Liabilities

Investments in property, plant and equipment and intangible assets

The segment "Switzerland" comprises mobilezone ag, IT Business Services GmbH, TalkTalk Ltd, mobilezone reload Ltd and Digital Republic Ltd.

The segment "Germany" comprises mobilezone Deutschland GmbH, mobilezone handel GmbH, mobilezone GmbH, powwow Berlin GmbH and mobilezone exchange GmbH.

The Group Management of the mobilezone group is the chief operating decision maker. The mobilezone Group monitors performance based on segment income before interest and taxes (EBIT). Segment assets include all assets of the segment. The internal reporting of the mobilezone Group is based on Swiss GAAP FER.

mobilezone group		Switzerland		Germany		Unallocated / eliminations	
2023	2022	2023	2022	2023	2022	2023	2022
1 013 354	1 002 701	308 232	305 426	707 770	696 298	-2 648	977
-807 943	-801 739	-191 723	-193 025	-620 036	-608 837	3 816	123
205 411	200 962	116 509	112 401	87 734	87 461	1 168	1 100
20.3%	20.0%	37.8%	36.8%	12.4%	12.6%		
2 609	2 010	656	380	2 289	1 892	-336	-262
-79 250	-77 362	-49 655	-49 692	-26 268	-24 223	-3 327	-3 447
-51 585	-46 094	-24 322	-22 209	-29 335	-26 087	2 072	2 202
77 185	79 516	43 188	40 880	34 420	39 043	-423	-407
-4 089	-3 821	-3 323	-2 960	-685	-806	-81	-55
-7 389	-5 079	-3 680	-2 430	-3 708	-2 649	-2	0
65 707	70 616	36 185	35 490	30 027	35 588	-505	-462
6.5%	7.0%	11.7%	11.6%	4.2%	5.1%		
292 970	323 457	96 664	111 591	183 446	204 098	12 860	7 768
64 566	53 951	30 198	28 876	33 467	24 296	901	779
357 536	377 408	126 862	140 467	216 913	228 394	13 761	8 547
334 154	334 093	129 152	123 676	281 018	307 241	-76 016	-96 824
21 929	17 506	6 029	9 679	15 688	7 759	212	68

The allocation of net sales to the countries is based on the location of the company that generated the net sales. The category "Unallocated / eliminations" includes transactions between countries/segments and the holding company. Intercompany assets and liabilities are eliminated.

Principles of Group accounting

Corporate information

mobilezone's business activities include marketing telecommunications service contracts (mobile and fixed-line telephony, Internet and digital TV) of all major network operators in Switzerland (Swisscom, Sunrise, Salt) and in Germany (Vodafone, Deutsche Telekom, Telefónica Deutschland) as well as selling mobile communications devices (smartphones and watches, tablets, wearables) and related accessories.

In Switzerland, the company markets telecommunications service contracts and sells mobile telecommunication devices and the related accessories via its own network of shops and through its B2B organisation. In addition, mobilezone offers consultation and outsourcing services for business customers in the area of mobile telecommunications and also offers repair services for mobile phones from many manufacturers. In Germany, marketing and sales are handled via the company's own online portals, by partner-managed shops as well as via online portals managed by third parties. With the brands TalkTalk und Digital Republic in Switzerland and HIGH in Germany, mobilezone competes in the market with its own mobile, fixed-line and Internet offers as a Mobile Virtual Network Operator (MVNO). In Switzerland, the offers are based on the network capacities of Sunrise and in Germany on those of Deutsche Telekom.

The parent company of the mobilezone Group is mobilezone holding Ltd, Suurstoffi 22, 6343 Rotkreuz, Switzerland. The company is listed on the SIX Swiss Exchange: stock ticker symbol MOZN / Swiss Security Number 276 837 69.

1. Significant accounting policies

1.1 Principles of preparation of the financial statements

The consolidated financial statements of mobilezone Group have been prepared in accordance with all existing guidelines of Swiss GAAP FER (financial reporting and accounting standards). The consolidated financial statements of mobilezone provide a true and fair view of its asset, financial, and earnings situation (true and fair view) in accordance with the principles of Swiss GAAP FER and comply with Swiss law. The consolidated accounts have been prepared on the basis of the historical cost principle, except for derivative financial instruments and securities, which are listed at their fair market value. The Group's consolidated accounts are based on the Group companies' separate financial statements that have been prepared in accordance with uniform guidelines. The uniform balance sheet date is 31 December. The reporting currency is the Swiss franc (CHF). The consolidated financial statements are drawn up on the going concern principle.

1.2 Definitions of performance measures not defined by Swiss GAAP FER

The Group uses particular key figures to measure performance that are not defined by Swiss GAAP FER. Since these performance measures are not defined by Swiss GAAP FER, their comparability with similar figure of other companies may be restricted. To better explain these performance measures, they are presented below.

- ✓ "EBITDA" corresponds to the operating income (EBIT) before depreciation of property, plant & equipment and amortisation of intangible assets.
- ✓ Gross profit corresponds to net sales after deduction of the cost of goods and materials.
- ✓ Gross profit margin is calculated by dividing gross profit by net sales.
- ✓ The EBIT margin is calculated by dividing the operating income (EBIT) by net sales.
- ✓ The sub-total "Gross cash flow from operating activities" in the cash flow statement is calculated from the income before taxes adjusted for the financial result and non-cash transactions.

1.3 Principles of consolidation

Scope of consolidation

The consolidated financial statements of mobilezone include the financial statements of mobilezone holding ag and all its subsidiaries directly or indirectly controlled through majority voting rights or otherwise. mobilezone holding ag holds the following investments:

Company, place of incorporation	Country	Currency	Share capital (000)	Group share		Segment	Consolidation
				2023	2022		
mobilezone ltd, Rotkreuz	CH	CHF	2 850	100 %	100 %	CH	F ¹
IT Business Services GmbH, Rotkreuz	CH	CHF	40	100 %	100 %	CH	F ¹
mobilezone reload ltd, Rotkreuz	CH	CHF	100	100 %	100 %	CH	F ¹
TalkTalk Ltd, Rotkreuz	CH	CHF	100	100 %	100 %	CH	F ¹
Digital Republic Ltd, Rotkreuz ³	CH	CHF	102	100 %	n.a.	CH	F ¹
mobilezone Deutschland GmbH, Cologne	GER	EUR	25	100 %	100 %	GER	F ¹
mobilezone handel GmbH, Bochum	GER	EUR	25	100 %	100 %	GER	F ¹
mobilezone GmbH, Cologne	GER	EUR	778	100 %	100 %	GER	F ¹
powwow Berlin GmbH, Bochum	GER	EUR	25	100 %	100 %	GER	F ¹
mobilezone exchange GmbH, Bochum ⁴	GER	EUR	25	100 %	n.a.	GER	F ¹
Bonamic GmbH, Bochum	GER	EUR	250	32 %	32 %	GER	E ²
einsAmobile GmbH, Obertshausen	GER	EUR	50	25 %	25 %	GER	E ²

¹ F: Full consolidation

² E: Equity accounting

³ The Digital Republic Ltd was acquired on January 6, 2023.

⁴ The mobilezone exchange GmbH (formerly SIGA exchange GmbH) was acquired on January 6, 2023.

Assets and liabilities, as well as expenses and income of the fully consolidated companies are included at 100 per cent. All intercompany transactions and relations between the consolidated companies are offset against each other and eliminated. Intercompany profits from such transactions are eliminated. The acquisition cost of subsidiaries is compared at the time of acquisition against the fair market value of the net assets acquired, liabilities and contingent liabilities based on their new valuation and the resulting goodwill is offset at the time of acquisition against shareholders' equity.

Upon consolidation, all intercompany receivables and payables, transactions and resulting unrealised gains between Group companies are eliminated. Companies in which the Group holds at least 20 per cent but not more than 50 per cent of the voting rights are recognised based on the equity method. The investment is valued on a proportionate equity basis.

Estimates and discretionary decisions

The preparation of financial statements in accordance with Swiss GAAP FER requires evaluations, assumptions and estimates that influence the items in the financial statements as of the balance sheet date. These evaluations, assumptions and estimates are based on empirical values and other factors that are considered adequate under the given conditions. The actual results may deviate from these estimates. The estimates and the assumptions based on them are subject to continuous revision. Changes to estimates that affect the annual financial statements are included in the reporting period in which the estimate was revised as well as in future reporting periods if they are affected by the revised estimates.

1.4 Principles of recognition and valuation

Conversion of foreign currencies

The consolidated financial statements are prepared in Swiss francs. The functional currency of all Group companies is the Swiss franc or the euro. Every company within the Group determines its own functional currency. The items included in the financial statements of the respective companies are valued using this functional currency. Gains or losses arising from transactions and foreign currency translations of balance sheet items are included in the income statement. In the case of Group companies with another functional currency, the positions of the balance sheet are translated using the exchange rate in effect on the date of the balance sheet and the items of income statement and statement of cash flows at the average rates in Swiss francs. The resulting currency translation differences are recognised directly in

shareholders' equity. Foreign currency differences on non-current Group loans with an equity nature are recognised directly in shareholders' equity. In the event of loss of control over a company, the corresponding accumulated translation differences are reclassified to the income statement. As of 31 December 2023, a euro exchange rate was used for converting the balance sheet of 0.9281 (previous year: 0.9839) and for the income statement and statement of cash flows an average rate of 0.9717 (previous year: 1.0048).

Cash and cash equivalents

Cash and cash equivalents include cash on hand, current credit bank balances and current deposits with original maturity of less than three months. Cash and cash equivalents are treated as affecting net income and are stated at nominal value.

Securities

Securities are initially valued at historical cost plus transaction costs. Subsequently, securities are adjusted to market value and are recognised in the income statement under current assets.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not listed on any stock exchange. They arise when mobilezone directly makes money, goods, or services available to a debtor and does not intend to trade with the receivable. Receivables from sales of services and products are valued at their nominal value, less the necessary value adjustments for receivables at risk. In addition to individual value adjustments for specific receivables known to be at risk, lump sum value adjustments are made for items that are overdue. The adjustment corresponds to the difference between the book value of the receivables and the current proceeds of the resulting cash flows expected. The changes in the value adjustment are recognised in the income statement. The nominal value corresponds roughly to the market value. With the exception of values maturing more than twelve months after the balance sheet date, they are included in the current assets. The latter are classified under "Other assets" in non-current assets.

Inventories

Inventories are stated at cost or net realisable value, whichever is lower. The cost of inventories is calculated using the weighted average cost method. Goods with longer storage periods are subject to appropriate value adjustments. Net realisable value is the estimated selling price in the ordinary course of business, less selling expenses. The price of a mobile phone is determined based on whether the product is sold on a stand-alone basis or in conjunction with a provider subscription. Net realisable value therefore takes into account both components. In addition, sales promotion contributions from suppliers are taken into account when determining value adjustments on inventories.

Accruals

Significant amounts in the accruals are sales accruals for soliciting new customers and contract renewals. Sales accruals are calculated on the basis of sales and contracts not yet allocated. The effective allocation takes place in subsequent periods and can differ from the sales accruals. Differences in the allocations to sales accruals and revised assessments are recognised in the subsequent period in which the effective allocation or the revised assessment occurs.

Property, plant and equipment

Property, plant and equipment are stated at historical cost or manufacturing cost less accumulated depreciation. Depreciation is recognised in the income statement on a straight-line basis using the following estimated useful lives of items of property, plant and equipment:

- ✓ Office equipment and furnishings incl. EDP and vehicles 2 to 10 years
- ✓ Shop equipment 5 to 8 years

Intangible assets

Intangible assets are measured at cost less any necessary amortisation and impairment. Amortisation is recognised in the income statement on a straight-line basis over the useful economic life.

The software item includes system and operating software. The useful life is 2 to 15 years. Customer acquisition costs for mobile, fixed-line and internet customers are capitalised and amortised on a straight-line basis over a maximum term of 36 months. Other intangible assets include contract-based intangible assets and acquired rights such as contracts with customers, landlords and suppliers as well as similar rights. These are amortised over the contractual or estimated useful life. The useful life is 5 to 10 years.

Goodwill

Goodwill refers to the difference between purchase price and the actual value of the acquired net asset. It arises in the acquisition of subsidiaries. Goodwill is offset against shareholders' equity at the time of acquisition. If parts of the purchase price depend on future events, these contingent considerations are estimated and recognised at the time of purchase. If divergences arise during the subsequent definitive purchase price settlement, the goodwill offset against shareholders' equity is adjusted accordingly. When a subsidiary is sold, acquired goodwill that had at an earlier time been offset against shareholders' equity is taken into account at historical cost to determine the profit or loss affecting net income. The effect of a theoretical capitalisation of goodwill with scheduled amortisation, as well as possible value adjustments to the statement of financial position and the income statement over a useful life of five years is shown in Note 24.

Impairment of assets

Assets are tested annually for impairment on the balance sheet date. The test is made on the basis events and indications that indicate an over-valuation of the book values. Losses due to an impairment are recognized in the income statement when an asset's book value is higher than its recoverable amount. The recoverable amount is defined as the higher of the net market value and value in use. If the factors on which the determination of the recoverable value was based have improved considerably, a value impairment stated in a previous reporting period will be reversed in the income statement, either in part or in full.

Current financial liabilities

Current financial liabilities including trade and other current accounts payables and are stated at nominal value.

Provisions

Provisions are built for current or future legal or de-facto obligations when, on the balance sheet date, as a result of past events, reasonable estimates regarding the future outflow of funds are possible and when such a transfer is likely. The provisions are determined based on the best possible estimate of the expected expenditures.

Possible liabilities whose occurrence as at the balance sheet date can not be assessed, or liabilities for which the level can not be reliably estimated, are disclosed in the Notes as contingent liabilities.

Treasury shares

Treasury shares are recognised at historical cost in the shareholders' equity as a separate minus position. Gains or losses from the sale of treasury shares are recognised within capital reserves.

Earnings per share

The number of ordinary shares used to calculate earnings per share is determined on the basis of the weighted average number of ordinary shares issued less the weighted average number of treasury shares held. For the diluted earnings per share, an adjusted number of shares is determined as the total of the common shares used to calculate the earnings per share and the potentially dilutive shares from the stock option programmes. To account for dilution from stock option programmes, the number of ordinary shares that could have been purchased at the market price based on the cumulative difference between the market price and the exercise price of the outstanding options is determined. The market price used for this purpose corresponds to the average price of the mobilezone share.

Option plans

The options allocated as part of the long-term management participation programmes are measured at fair value at the time of allocation. The value of the options is measured using the Black-Scholes model and recognised as personnel expense on a straight-line basis over the vesting period.

Operating leasing and financial leasing

Payments made under operating leases are recognised in the income statement on a straight-line basis over the term of the lease. As of 31 December 2023 and as of 31 December 2022, there were no financial leasing contracts.

Pension benefits

The mobilezone Group has defined-contribution pension plans. Each of the Swiss subsidiaries is affiliated with a collective foundation, a multi-employer plan. The mobilezone Group is not obliged to cover a possible plan deficit. These pension benefit plans are financed with contributions from employees and employer. There are no pension plans at the foreign subsidiaries.

Net sales and revenue recognition

Net sales include all revenues from the sale of goods and services, less sale deductions in earnings, rebates, discounts and VAT. Revenues from the sale of goods are included in the income statement when the significant risks and rights of ownership have been transferred to the buyer. One-time commissions from providers are recognised upon conclusion of the contract. Recurring "airtime" profit-sharing commissions from providers are based on the subscribers' monthly payments of mobile phone bills to the providers. These amounts are recognised in the income statement based on the providers' settlement process on an accrual basis. Service revenues are recognised in the period in which the services were rendered.

Income tax

Current income taxes are calculated based on the taxable income of the year and are recorded in the income statement. Deferred income taxes are calculated using the balance sheet liability method. Temporary differences arise from divergences between the book value of assets and liabilities for financial reporting purposes and the value used for tax purposes. Deferred tax is calculated using tax rates enacted or substantially enacted on the balance sheet date and will be offset in future tax periods. Deferred tax loss carryforwards and deferred income tax credits are activated only to the extent that it is probable that they will be realised in the future.

2. Type and scope of financial risks

2.1 Financial risk management

The financial instruments of mobilezone Group predominantly include cash and cash equivalents to provide sufficient funds for the business activities of the Group companies. The Group has various other financial instruments, such as trade accounts payable and receivable resulting directly from business activities, at its disposal. The main risks arising from these financial instruments include liquidity risk and risk of loss of receivables. In terms of other financial assets, such as securities and other receivables, the maximum financial risk in the event of a failure of the counterparty corresponds to the book value of these instruments.

2.2 Foreign currency risk

For the most part, sales and purchases are denominated in the companies' local currencies (Swiss franc and euro). Given the short-term nature of payments in euro (5–30 days) and the high inventory turnover, as well as mobilezone's currency congruent purchasing and selling of goods, the company generally does not hedge against currency risks on purchases. Any contracts open at the balance sheet date are valued at fair market value with any changes in fair market value fully recognised in the income statement. No forward foreign exchange contracts were open as of 31 December 2023 and 31 December 2022.

2.3 Credit risk / risk of loss of receivables

The Group is exposed to credit risks arising from its ordinary business activity. mobilezone's credit risk arises primarily from trade accounts receivable and bank deposits. A considerable portion of net sales consists of cash transactions or is covered by insurance. Therefore, this business activity results in relatively few losses of accounts receivable compared to net sales. The company meets the risk of outstanding accounts receivable by negotiating short payment terms. To counteract the risk of loss of receivables, mobilezone Group employs pre-determined hedging strategies, such as credit reports. Further minimisation of risk is achieved by limiting and controlling the volume of outstanding receivables. Current bank credit balances and deposits are held at financial institutions. The risk of default is minimised by maintaining business relationships with several financial institutions and by continuously monitoring the credit risk.

2.4 Interest rate risk

Changes in interest rates can have negative effects on the Group's asset and income situation and can lead to changes in interest income and interest expenses.

2.5 Liquidity risk

Currently, mobilezone Group bears no foreseeable liquidity risk as its financial position features a sufficient amount of cash and its credit lines of CHF 196 million (previous year: CHF 182 million) are sufficient to cover peak demands on net working capital. As of 31 December 2023, CHF 25 million (previous year: CHF 33 million) of the credit line amount remained unused.

2.6 Capital management

The primary objective of mobilezone Group's investment control is to ensure that the Group maintains a high credit rating and an advantageous proportion of shareholders' equity in order to support its business activities. Shareholders' equity includes the shareholder's equity items share stock, treasury shares with the goodwill offset against equity and retained earnings. The Group may adjust dividend distributions to shareholders, issue new shares, buyback shares, or borrow capital for adjusting or maintaining its capital structure. No such changes were made to the objectives and guidelines as of 31 December 2023 or 31 December 2022.

Notes to the consolidated income statement

1. Net sales

(CHF 000)	2023	2022
Sale of mobile communications products, services	429 600	389 704
One-off commissions and recurring "airtime" from mobile communications providers	583 754	612 997
Total net sales	1 013 354	1 002 701

2. Other operating income

(CHF 000)	2023	2022
Gain on sale of non-current assets	116	114
Own work capitalised	2 338	1 358
Other	155	538
Total other operating income	2 609	2 010

3. Personnel expenses

(CHF 000)	2023	2022
Wages and salaries	67 945	66 127
Social security expenses	8 049	7 668
Pension benefit expenses	1 973	1 715
Other personnel expenses	1 283	1 852
Total personnel expenses	79 250	77 362
Number of employees as of 31 December in full-time equivalents	970	995

Economic benefits / economic obligations and pension benefit expenses

The Swiss companies of the mobilezone Group have joined various collective foundations for the purpose of occupational pension provision. All regulatory benefits for the risks of death and disability are reinsured within the framework of collective insurance contracts. The longevity risk and the investment risk are borne by the respective foundation. The mobilezone Group is under no obligation to cover any shortfall in the collective foundation. There are no pension plans with underfunding. As in the previous year, there were no employer contribution reserves as at 31 December 2023.

	Funding surplus	Economic share of the organisation		Contributions for the period	Pension benefit expenses	
in CHF 000	31.12.2023	31.12.2023	31.12.2022	2023	2023	2022
Pension schemes with funding surplus	866	0	0	1 912	1 912	1 679

4. Other operating expenses

(CHF 000)	2023	2022
Rental expenses	11 799	12 383
Advertising expenses	15 594	13 481
Repair and maintenance, general and administrative expenses	24 192	20 230
Total other operating expenses	51 585	46 094

Advertising expenses in the reporting year include cost contributions from third parties of CHF 5.5 million (previous year: CHF 7.4 million).

5. Financial income

(CHF 000)	2023	2022
Interest income	367	14
Other financial income	1	49
Dividends	1	2
Total financial income	369	65

6. Financial expenses

(CHF 000)	2023	2022
Interest expenses	4 626	1 938
Foreign exchange loss	633	0
Total financial expenses	5 259	1 938

7. Income tax

(CHF 000)	2023	2022
Current income taxes	8 451	9 413
Deferred income taxes	2 902	4 793
Total income tax expenses	11 353	14 206

Current income taxes are based solely on the profit in the reporting year. Deferred income taxes are based on changes in temporary differences. In the reporting year, deferred taxes on losses carried forward in the amount of CHF 0.4 million (previous year: CHF 0.8 million) were reversed.

Income tax reconciliation (CHF 000)	2023	2022
Income before taxes	60 817	68 743
Weighted average tax rate	20.32%	20.48%
Expected income tax expenses	12 358	14 079
Reassessment of capitalised losses carried forward	0	310
Effect of non-capitalisation of tax losses carried forward	-202	0
Expenses not recognised for tax purposes/tax-exempted income	275	218
Income tax expenses/income from prior periods	-1 003	-401
Other differences	-75	0
Effective income tax expenses	11 353	14 206
Effective tax rate	18.67%	20.67%

The average tax rate is the weighted average of the tax rates of the individual Group companies and may therefore vary annually.

Deferred tax assets and liabilities (CHF 000)	2023	2022
Intangible assets	305	178
Capitalised losses carried forward	379	747
Other	697	581
Total deferred income tax assets	1 381	1 506
Trade receivables	446	483
Inventories	1 293	1 180
Intangible assets	6 511	4 104
Financial liabilities	748	0
Provisions	12	0
Total deferred income tax liabilities	9 010	5 767

Deferred income tax positions are calculated at the tax rates that are applicable to the respective companies. As in the previous year, no income tax expenses were recognised directly in the shareholders' equity.

Global minimum tax

mobilezone falls under the scope of the OECD minimum tax. The corresponding Swiss law came into force on 1 January 2024. As the regulations were not yet in force for the reporting period, mobilezone Group does not yet have any associated direct tax burden.

The global minimum taxation provides for an additional tax to be paid from the 2024 financial year for the difference between the effective GloBE (Global Anti Base Erosion) tax rate per country and the minimum rate of 15 per cent. The exact impact of these new regulations cannot yet be fully assessed. For this reason, the determination of deferred taxes in the reporting year did not yet take into account the possible future effects of the OECD minimum taxation.

Notes to the consolidated balance sheet

8. Trade receivables

(CHF 000)	2023	2022
Trade receivables, gross	125 201	113 424
Value adjustments	-3 165	-2 725
Total trade receivables	122 036	110 699

Trade receivables do not bear interest and are usually payable within 30 days.

9. Inventories

(CHF 000)	2023	2022
Inventories, gross	52 934	59 098
Value adjustments	-1 474	-1 157
Total inventories	51 460	57 941

10. Other receivables

(CHF 000)	2023	2022
Other receivables	2 031	1 879
Value-added tax	65	64
Income taxes	129	273
Receivables due from associated companies	297	432
Total other receivables	2 522	2 648

11. Accruals

(CHF 000)	2023	2022
Accrued income from unbilled revenue	29 117	25 897
Other accruals	7 656	6 920
Total accruals	36 773	32 817

Other accruals primarily include reductions in the cost of goods and materials (advertising subsidies).

12. Property, plant and equipment

(CHF 000)	Buildings, land	Shop equipment	Other property, plant and equipment	Total
Cost of acquisition				
Balance at 1 January 2022	5 716	27 261	10 746	43 723
Additions	0	3 393	3 168	6 561
Change in the scope of consolidation	0	0	0	0
Reclassifications	0	0	90	90
Disposals	0	-134	-369	-503
Foreign currency translation adjustments	-276	0	-130	-406
Balance at 31 December 2022	5 440	30 520	13 505	49 465
Additions	0	1 757	732	2 489
Change in the scope of consolidation	0	0	64	64
Reclassifications	0	0	0	0
Disposals	-3 372	-107	-326	-3 805
Foreign currency translation adjustments	-158	0	-143	-301
Balance at 31 December 2023	1 910	32 170	13 832	47 912
Accumulated depreciation				
Balance at 1 January 2022	467	18 245	6 014	24 726
Additions	168	2 416	1 237	3 821
Change in the scope of consolidation	0	0	0	0
Reclassifications	0	0	-3	-3
Disposals	0	-35	-305	-340
Foreign currency translation adjustments	-26	0	-39	-64
Balance at 31 December 2022	609	20 626	6 904	28 140
Additions	130	2 322	1 637	4 089
Change in the scope of consolidation	0	0	0	0
Reclassifications	0	0	0	0
Disposals	-607	-27	-326	-960
Foreign currency translation adjustments	-13	0	-85	-98
Balance at 31 December 2023	119	22 921	8 130	31 171
Net carrying amount				
at 31 December 2022	4 831	9 894	6 601	21 325
at 31 December 2023	1 791	9 249	5 702	16 741

13. Intangible assets

(CHF 000)	Software / Software in development	Customer acquisition costs	Acquired shop location	Other intangible assets	Total
Cost of acquisition					
Balance at 1 January 2022	29 890	9 211	2 640	0	41 741
Additions	6 373	4 572	0	0	10 945
Change in the scope of consolidation	0	0	0	0	0
Reclassifications	-90	0	0	0	-90
Disposals	0	-9	0	0	-9
Foreign currency translation adjustments	-623	-855	0	0	-1 478
Balance at 31 December 2022	35 550	12 919	2 640	0	51 109
Additions	9 067	4 529	0	5 843	19 439
Change in the scope of consolidation	2 210	0	0	2 431	4 641
Reclassifications	0	406	0	98	504
Disposals	0	-4 132	0	0	-4 132
Foreign currency translation adjustments	-1 151	-407	0	-377	-1 935
Balance at 31 December 2023	45 676	13 315	2 640	7 995	69 626
Accumulated amortisation					
Balance at 1 January 2022	9 595	6 510	2 401	0	18 506
Additions	2 526	2 468	85	0	5 079
Change in the scope of consolidation	0	0	0	0	0
Reclassifications	3	0	0	0	3
Disposals	0	-9	0	0	-9
Foreign currency translation adjustments	-140	-213	0	0	-353
Balance at 31 December 2022	11 984	8 756	2 486	0	23 226
Additions	3 527	3 097	84	681	7 389
Change in the scope of consolidation	0	0	0	0	0
Reclassifications	0	-98	0	98	0
Disposals	0	-4 132	0	0	-4 132
Foreign currency translation adjustments	-233	-193	0	-36	-462
Balance at 31 December 2023	15 278	7 430	2 570	743	26 021
Net carrying amount					
at 31 December 2022	23 566	4 163	154	0	27 883
at 31 December 2023	30 398	5 885	70	7 252	43 605

Other intangible assets mainly include contract-based intangible assets in connection with the acquisition of mobilezone exchange (formerly SIGA exchange GmbH) and the takeover of the dealer and network operator contracts of ENO telecom GmbH in Germany as of 1 April 2023.

14. Acquisitions

On 6 January 2023, 100 per cent of the shares in Digital Republic Ltd, Zurich, an online provider of mobile internet (MVNO), and mobilezone exchange GmbH (formerly SIGA exchange GmbH), an operator of telecommunications business at US Army bases in Germany, were acquired. Both companies have been fully consolidated since January 2023. In the reporting year, Digital Republic Ltd generated net sales of CHF 7.1 million and mobilezone exchange GmbH EUR 6.4 million. The following assets and liabilities were acquired:

(CHF 000)	Digital Republic	mobilezone exchange
Cash and cash equivalents	392	338
Trade receivables	127	20
Inventories	0	216
Other receivables and accruals	329	13
Property, plant and equipment	11	56
Intangible assets	2 204	2 502
Total assets	3 063	3 145
Trade payables	545	1 053
Other liabilities and accruals	1 293	272
Deferred income tax liabilities	162	656
Total liabilities	2 000	1 981
Net assets	1 063	1 164

15. Other assets

(CHF 000)	2023	2022
Deposits, other receivables and assets	217	458
Equity investments	2 622	2 779
Total other assets	2 839	3 237

16. Financial liabilities

Current financial liabilities (CHF 000)	Currency	2023	Interest	2022	Interest
Real estate loans	EUR	0	2.08–2.40	340	2.08–2.40
Bank loans	EUR	0	2.65–4.83	0	
Promissory note loans	EUR	0		0	
Bank loans	CHF	20 000	1.40–2.66	20 000	1.40–1.47
Promissory note loans	CHF	23 000	1.05	0	
Total current financial liabilities		43 000		20 340	

Non-current financial liabilities (CHF 000)	Currency	2023	Interest	2022	Interest
Real estate loans	EUR	0	2.08–2.40	612	2.08–2.40
Bank loans	EUR	0		69 857	2.35
Promissory note loans	EUR	464	1.15	492	1.15
Bank loans	CHF	110 000	1.40–2.66	17 000	1.40–1.47
Promissory note loans	CHF	18 000	1.05–1.20	41 000	1.05–1.20
Total non-current financial liabilities		128 464		128 961	

Financial liabilities (CHF 000)	Currency	2023	Interest	2022	Interest
Real estate loans	EUR	0	2.08–2.40	952	2.08–2.40
Bank loans	EUR	0	2.65–4.83	69 857	2.35
Promissory note loans	EUR	464	1.15	492	1.15
Bank loans	CHF	130 000	1.40–2.60	37 000	1.40–1.47
Promissory note loans	CHF	41 000	1.05–1.20	41 000	1.05–1.20
Total financial liabilities		171 464		149 301	

Remaining time to maturity (CHF 000)	2023	2022
Up to 1 year	43 000	20 340
1 to 5 years	128 464	128 961
more than 5 years	0	0
Total financial liabilities	171 464	149 301

The CHF/EUR bank loans are part of a syndicated loan with a credit line of CHF 140 million (previous year: CHF 140 million). The syndicated loan has a term until 31 December 2027 and was extended early by two years in the previous year. The interest rate on the syndicated loan is based on the Saron or Euribor plus a margin that depends on the ratio of net debt to EBITDA. In addition, there is a credit line of CHF 15 million with a bank, which was unutilised as at 31 December 2023. In the reporting year, the interest rate ranged between 1.40 and 4.83 per cent (previous year: 1.1 and 2.35 per cent). All bank loans and promissory note loans have standard market conditions and covenants, which are complied with.

17. Trade payables

(CHF 000)	2023	2022
Trade payables	83 210	106 722
Trade payables due to associated companies	221	852
Total trade payables	83 431	107 574

18. Other current liabilities

(CHF 000)	2023	2022
Value-added tax	5 556	11 553
Social security expenses	1 476	1 891
Other	5 526	3 766
Total other current liabilities	12 558	17 210

19. Accruals

(CHF 000)	2023	2022
Net sales	4 327	3 164
Cost of goods and materials	25 375	23 734
Personnel expenses	3 798	4 147
Other	9 712	7 965
Total accruals	43 212	39 010

20. Provisions

In the reporting year, current provisions of EUR 200,000 were recognised for potential legal disputes in Germany. The assessment of the matter is subject to considerable uncertainty. For this reason, the probability and amount of a possible outflow of funds are difficult to estimate at the present time. Management considers the amount of the provision to be appropriate based on the information currently available

21. Share capital and treasury shares

The share capital consists of 43,229,135 registered shares (previous year: 44,000,000) with a par value of CHF 0.01 each.

As of 31 December 2023, retained earnings include legally required reserves in the amount of CHF 1,633,000 (previous year: CHF 1,685,000), which may not be distributed. These reserves were established based on the legal requirements of the Swiss Code of Obligations.

In the reporting year, a dividend of CHF 0.90 per share (2022: CHF 0.84) was paid to shareholders.

At the General Meeting held on 6 April 2022, the shareholders approved the creation of authorised capital at a maximum amount of CHF 40,000 through the issuance of a maximum of 4,000,000 fully paid up registered shares with a par value of CHF 0.01 each by 5 April 2024 at the latest.

On 21 June 2022, the mobilezone Group announced a share buyback programme for the period from 2022 to 2025. mobilezone intends to buy back shares worth a maximum of CHF 45 million over a maximum period of three years via a separate trading line on the SIX Swiss Exchange. The buyback is for the purpose of a capital reduction, which is subject to the approval of future General Meetings. The first tranche of the programme was completed on 20 October 2022. A total of 770,865 registered shares were repurchased at an average price of CHF 15.57 per share for a total of CHF 12.0 million, corresponding to 1.75 per cent of the share capital entered in the commercial register at that time. The registered shares were repurchased via a separate trading line on the SIX Swiss Exchange for the purpose of capital reduction.

At the General Meeting of mobilezone holding Ltd on 5 April 2023, the shareholders approved a capital reduction by cancelling 770,865 registered shares at the request of the Board of Directors. The capital reduction was entered in the commercial register on 21 June 2023. Following the capital reduction, the share capital consists of 43,229,135 registered shares (31.12.2022: 44,000,000) with a par value of CHF 0.01 each. Due to the acquisitions of Digital Republic Ltd and mobilezone exchange GmbH at the beginning of 2023, the share buyback programme 2022 to 2025 was suspended in December 2022 for the year 2023. Further information on the share buy-back programmes can be found in the Corporate Governance Report on page 69.

Transactions with treasury shares resulted in a profit of CHF 95,000 (previous year: CHF 438,000).

Change in number of treasury shares	Number of shares	Highest price CHF	Average price CHF	Lowest price CHF	Total (CHF 000)
Balance at 1 January 2022	583 442				7 377
Purchases of treasury shares	50 000	15.24	15.24	15.24	762
Share buyback programme 2021/2022	336 643	14.88	14.47	13.92	4 870
Share buyback programme 2022 to 2025	770 865	16.22	15.57	14.61	12 000
Capital reduction through cancellation of shares	-781 213	14.88	13.70	12.48	-10 706
Sales/disposals for share-based payments	-81 334	17.14	16.43	16.16	-1 336
Gains/losses					438
Balance at 31 December 2022	878 403				13 405
thereof from share buyback programmes	770 865				12 000
thereof own portfolio	107 538				1 405
Capital reduction through cancellation of shares	-770 865	16.22	15.57	14.61	-12 000
Sales/disposals for share-based payments	-17 515	16.25	16.25	16.25	-284
Gains/losses					95
Balance at 31 December 2023	90 023				1 216
thereof from share buyback programmes	0				0
thereof own portfolio	90 023				1 216

22. Option plans

On 29 December 2017, the Board of Directors adopted a long-term incentive plan (LTI) for the Management. The individual allocation by the Board of Directors was based on the option plan regulations of mobilezone holding Ltd. All options have a term of seven years and a vesting period of three years. The right to exercise the options depends on whether the employee is in active employment until the end of the vesting period. The options are non-transferable and can only be exercised by the employee. This is an equity-settled plan. The value of the options is calculated using the Black-Scholes model at the time of allocation and it is recognised in the income statement on a straight-line basis over the vesting period. The exercise price for the options is set at the higher of the average closing share prices over a period of 60 trading days prior to the allocation period to be determined by the Board of Directors (2023 and 2022), or the closing share price on the allocation date.

In the reporting year, the Board of Directors allocated 300,000 options (previous year: 300,000 options). No options expired in the reporting year or the previous year.

Outstanding options at 31 December 2023:

Allocation date	Expiry date	Exercise price in CHF	Issued	Outstanding at 1 January 2023	Allocated	Exercised	Expired	Outstanding at 31 December 2023
29.06.2018	28.06.2025	12.19	380 000	10 000	0	-10 000	0	0
19.08.2020	18.08.2027	8.13	220 000	220 000	0	-183 000	0	37 000
07.06.2021	06.06.2028	11.31	354 000	294 000	0	0	0	294 000
26.04.2022	25.04.2029	15.56	300 000	300 000	0	0	0	300 000
22.06.2023	21.06.2030	13.45	300 000	0	300 000	0	0	300 000
Total			1 554 000	824 000	300 000	-193 000	0	931 000

Outstanding options at 31 December 2022:

Allocation date	Expiry date	Exercise price in CHF	Issued	Outstanding at 1 January 2022	Allocated	Exercised	Expired	Outstanding at 31 December 2022
29.06.2018	28.06.2025	12.19	380 000	280 000	0	-270 000	0	10 000
21.08.2019	20.08.2026	10.61	85 000	85 000	0	-85 000	0	0
19.08.2020	18.08.2027	8.13	220 000	220 000	0	0	0	220 000
07.06.2021	06.06.2028	11.31	354 000	294 000	0	0	0	294 000
26.04.2022	25.04.2029	15.56	300 000	0	300 000	0	0	300 000
Total			1 339 000	879 000	300 000	-355 000	0	824 000

23. Earnings per share

Earnings per share are calculated by dividing the consolidated net income by the weighted number of shares issued during the year, less the average number of treasury shares. For the calculation of diluted earnings per share, the weighted average number of shares outstanding is adjusted to take into account the options granted to Management.

Calculation of earnings per share		2023	2022
Net income	CHF	49 464 000	54 537 000
Number of shares outstanding	Number	43 229 135	44 000 000
Weighted average number of shares outstanding	Number	43 135 573	43 693 650
Earnings per share undiluted	CHF	1.15	1.25
Adjustments for options	Number	153 495	222 208
Weighted average number of shares outstanding	Number	43 289 068	43 915 857
Earnings per share diluted	CHF	1.14	1.24

24. Goodwill

Goodwill has been offset against retained earnings at the time of acquisition. The resulting effects on shareholders' equity and on the income statement are documented below based on the assumption of a useful life of goodwill of five years.

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

Balance sheet (CHF 000)	2023	2022
Stated shareholders' equity	23 382	43 315
Equity ratio	6.5 %	11.5 %
Cost of acquisition goodwill		
Balance at the beginning of the fiscal year	245 021	245 021
Additions	24 777	0
Disposals	0	0
Balance at the end of the fiscal year	269 798	245 021
Accumulated amortisation		
Balance at the beginning of the fiscal year	221 840	193 879
Amortisation	19 530	27 961
Disposals	0	0
Balance at the end of the fiscal year	241 370	221 840
Theoretical net carrying amount goodwill	28 428	23 181
Theoretical shareholders' equity without offsetting of goodwill	51 810	66 496
Theoretical equity ratio	13.4 %	16.6 %

Effect of a theoretical amortisation of goodwill on results:

Income statement (CHF 000)	2023	2022
Stated net income	49 464	54 537
Theoretical amortisation of goodwill	-19 530	-27 961
Net income after amorisation of goodwill	29 934	26 576

25. Operating leasing

On 31 December 2023, the mobilezone Group operated in 127 shops (previous year: 124) throughout Switzerland, which were all rented. Most of the leases have a fixed term of three to five years and an option to renew for several years.

As of the balance sheet date, future payments for shops, storage and office rooms and other non-current contracts with fixed term are coming due as follows:

2023 (CHF 000)	Premises	Other	Total
Less than 1 year	11 238	781	12 019
1 to 5 years	21 561	138	21 699
More than 5 years	2 717	0	2 717
Total	35 516	919	36 435

2022 (CHF 000)	Premises	Other	Total
Less than 1 year	10 126	807	10 933
1 to 5 years	23 335	666	24 001
More than 5 years	3 596	0	3 596
Total	37 057	1 473	38 530

26. Contingent liabilities and future commitments, capital commitments and restrictions of ownership

As at 31 December 2023, no land and buildings (previous year: CHF 4.8 million) and no cash and cash equivalents (previous year: CHF 2.5 million) were pledged. There are no other items requiring disclosure.

27. Related party disclosures

Related parties and companies are organisations in which mobilezone participates significantly as well as members of the Group Management, the Board of Directors and their close relatives, and key shareholders and companies controlled by them. All transaction are conducted at market values.

Transactions and balances with related parties and companies (CHF 000)	2023	2022
Net sales	6 988	3 064
Cost of goods and materials	-6 403	-1 680
Cost of services	-156	-30
Receivables	298	433
Liabilities	221	598

28. Significant shareholders

The shares of mobilezone holding ag are broadly distributed. Significant shareholders are listed in the annual financial statements on page 134.

29. Remuneration of members of the Board of Directors and Group Management

Further details of the remuneration paid to members of the Board of Directors and Group Management are provided in the Remuneration Report on pages 81 to 94.

30. Events occurring after the balance sheet date

No significant events have occurred after the balance sheet date.

On 6 March 2024, the Board of Directors of mobilezone holding ltd authorised these financial statements for issuance. The Board of Directors proposes the General Meeting on 3 April 2024 that these consolidated financial statements be approved.



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STATUTORY AUDITOR'S REPORT

To the general meeting of mobilezone holding ag, Rotkreuz

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of mobilezone holding ag and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 December 2023, and the consolidated statement of income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion the accompanying consolidated financial statements (pages 98 to 122) give a true and fair view of the consolidated financial position of the Group as at 31 December 2023 and its consolidated results of operations and consolidated cash flows for the year then ended in accordance with Swiss GAAP FER and comply with Swiss law.

Basis for Opinion

We conducted our audit in accordance with Swiss law and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and standards are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements" section of our report. We are independent of the Group in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

Key Audit Matters

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



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Key Audit Matter

How the Key Audit Matter was addressed in the audit

Accruals from unbilled receivables

mobilezone generates some of its sales income from agreements with mobile network providers and other partners, which compensate mobilezone for the costs of acquiring new customers and extending contracts. The commissions are determined on the basis of sales and agreed contracts and are settled and paid with a time lag to the actual conclusion of the transaction. mobilezone's management accrues estimated unbilled commission income as of the balance sheet date on its own sales records and its own experience. Final agreement with the mobile network providers and the other partners is in some cases still pending. The calculation of the commissions has a direct impact on the sales income and the profit reported in the consolidated financial statements and involves significant estimation uncertainties and scope for judgment. We therefore consider this item to be a significant audit matter in relation to the consolidated financial statements.

The assessment of accruals from unbilled sales income in the amount of CHF 29.1 million (or 8.1% of the Group's total assets) was a key audit matter in our audit of the 2023 consolidated financial statements for the reasons stated above.

Please refer to note 1.4 Principles of recognition and valuation in combination with note 11 Accruals.

We checked the reconciliation process as defined in the internal control system and the compliance with the related internal controls that relate to the commission income from the largest mobile network providers and other partners.

In addition, we performed in particular the following audit procedures:

We tested management's calculation and the accuracy of its estimates by examining, on a sample basis, the actual final billings received in fiscal year 2023 in relation to prior year's estimate as at 31 December 2022.

For those accruals for which the provisional billings were already available and the payments received, we performed a reconciliation on a sample basis to the estimate made as of the balance sheet date 31 December 2023.

We compared material accruals for special commissions in respect of target achievements with correspondence between mobilezone and the mobile network providers and had these balances confirmed.

For accruals as of 31 December 2023, that had not been definitively confirmed by invoices or other evidence prior to the completion of our audit, we tested internal calculations. In addition, we critically assessed management's statements and assumptions by considering the past recoverability of accruals. We obtained corresponding audit evidence on a sample basis.

We also verified the mathematical accuracy of the internal calculations and audited the disclosures in the notes to the consolidated financial statements.



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Other Information

The board of directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements, the financial statements, the compensation report and our auditor's reports thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors for the Consolidated Financial Statements

The board of directors is responsible for the preparation of the consolidated financial statements, which give a true and fair view in accordance with Swiss GAAP FER and the provisions of Swiss law, and for such internal control as the board of directors determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the board of directors is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the board of directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law and SA-CH will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

A further description of the auditor's responsibilities for the audit of the consolidated financial statements is located at EXPERTsuisse's website at: <https://www.expertsuisse.ch/en/audit-report-for-ordinary-audits>. This description forms part of our auditor's report.



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Report on Other Legal and Regulatory Requirements

In accordance with Art. 728a para. 1 item 3 CO and PS-CH 890, we confirm that an internal control system exists, which has been designed for the preparation of consolidated financial statements according to the instructions of the board of directors.

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

Zurich, 6 March 2024

BDO Ltd

Reto Frey
Auditor in charge
Licensed Audit Expert

Jan Bellinger
Licensed Audit Expert

BDO Ltd, a limited company under Swiss law, incorporated in Zurich, forms part of the international BDO Network of independent member firms.

Financial statements mobilezone holding Ltd

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Income statement

1 January to 31 Dezember (CHF 000)	2023	2022
Dividend income	30 000	26 600
Other financial income	10 218	6 539
Other operating income	6 729	6 970
Total income	46 947	40 109
Financial expenses	-19 273	-7 618
Personnel expenses	-4 126	-4 904
Other operating expenses	-988	-846
Depreciation property, plant and equipment	-81	-54
Income tax expenses	319	-286
Total expenses	-24 149	-13 708
Net income	22 798	26 401

Balance sheet

As of 31 Dezember (CHF 000)	Notes	2023	2022
Assets			
Current assets			
Cash and cash equivalents		20 507	8 375
Other current receivables	6	12 374	74 570
Accruals		586	869
Total current assets		33 467	83 814
Non-current assets			
Financial assets	7	240 306	175 402
Investments	8	39 817	39 817
Property, plant and equipment		204	73
Total non-current assets		280 327	215 292
Total assets		313 794	299 106
Liabilities and shareholders' equity			
Current liabilities			
Current interest-bearing liabilities	9	51 446	21 667
Other current liabilities	10	204	489
Accruals	11	2 108	1 192
Total current liabilities		53 758	23 348
Non-current liabilities			
Non-current interest-bearing liabilities	12	128 464	128 349
Total non-current liabilities		128 464	128 349
Shareholders' equity			
Share capital	13	432	440
Capital reserve			
– Reserve from capital contributions		17 434	42 842
– Other capital reserve		131	131
Voluntary profit reserve		6 098	6 098
Treasury shares	14	–1 216	–13 405
Available earnings		108 692	111 303
Total shareholders' equity		131 572	147 409
Total liabilities and shareholder's equity		313 794	299 106



Disposal and recycling – Sustainability up to the end of product life

The mobilezone buyback programme includes devices that are still intact as well as old or no longer repairable devices. Once a smartphone has reached the end of its product life, all data is deleted from the device. The battery is also removed to prevent the risk of fire. The appliance is then fed into the shredder. The remains are disposed of professionally by a recycling partner.

Notes to the financial statements

Principles

1. General

These financial statements have been prepared in accordance with the provisions of Swiss accounting legislation (Title 32 of the Swiss Code of Obligations). A description of the essential valuation principles that were applied but are not prescribed by law follows below.

2. Financial assets

The financial assets include long-term loans. Loans granted in foreign currencies are valued at the current closing rate, taking into account the imparity principle.

3. Investments

Investments are capitalised at cost minus any necessary value adjustments. Investments that are significant are valued individually, but those that are similar in nature are usually valued together as a group.

4. Treasury shares

Treasury shares are recognised at acquisition costs as a debit item in shareholders' equity at the time of acquisition. Upon resale, the gain or loss will be recognised in the income statement as financial income or expense.

5. Dispensing with cash flow statement, management report and additional information in the Notes

Since mobilezone holding Ltd prepares consolidated financial statements according to a recognized accounting standard (Swiss GAAP FER), it has, in accordance with legal requirements, refrained from disclosing information in the annual financial statements regarding interest-bearing liabilities and audit fees, the management report, and the presentation of a statement of cash flows

Details regarding the financial statements

6. Other current assets

(CHF 000)	2023	2022
Group companies	12 103	74 379
Third parties	271	191
Total other current assets	12 374	74 570

7. Financial assets

(CHF 000)	2023	2022
Group companies	240 306	175 279
Third parties	0	123
Total financial assets	240 306	175 402

8. Direct and indirect investments

Company	Registered office	Currency	Share capital (000)	Capital/ voting share 31.12.23	Capital/ voting share 31.12.22
mobilezone Ltd	CH-Rotkreuz	CHF	2 850	100 %	100 %
IT Business Services GmbH	CH-Rotkreuz	CHF	40	100 %	100 %
mobilezone reload Ltd	CH-Rotkreuz	CHF	100	100 %	100 %
TalkTalk Ltd	CH-Rotkreuz	CHF	100	100 %	100 %
Digital Republic Ltd ¹	CH-Rotkreuz	CHF	102	100 %	n.a.
mobilezone Deutschland GmbH	GER-Cologne	EUR	25	100 %	100 %
mobilezone handel GmbH	GER-Bochum	EUR	25	100 %	100 %
mobilezone exchange GmbH ²	GER-Bochum	EUR	25	100 %	n.a.
mobilezone GmbH	GER-Cologne	EUR	778	100 %	100 %
powwow Berlin GmbH	GER-Bochum	EUR	25	100 %	100 %
Bonamic GmbH	GER-Bochum	EUR	250	32 %	32 %
einsAmobile GmbH	GER-Obertshausen	EUR	50	25 %	25 %

¹ Digital Republic Ltd was acquired on 6 January 2023.

² mobilezone exchange GmbH (formerly SIGA exchange GmbH) was acquired on 6 January 2023.

9. Current interest-bearing liabilities

(CHF 000)	2023	2022
Group companies	8 446	1 667
Banks	20 000	20 000
Promissory note loan	23 000	0
Total current interest-bearing liabilities	51 446	21 667

Current interest-bearing liabilities to Group companies include current accounts.

10. Other current liabilities

(CHF 000)	2023	2022
Group companies	119	64
Pension funds	7	144
Third parties	78	281
Total other current liabilities	204	489

11. Accruals

(CHF 000)	2023	2022
Executive bodies	242	28
Third parties	1 866	1 164
Total accruals	2 108	1 192

12. Non-current interest-bearing liabilities

The non-current interest-bearing liabilities are bank loans and promissory notes.

13. Share capital and authorised capital

The general meeting on April 5, 2023, approved the proposal to cancel 770,865 shares through a reduction of capital. The capital reduction was entered in the commercial register on June 21, 2023. The share capital consists of 43,229,135 registered shares (previous year: 44,000,000 registered shares) with a par value of CHF 0.01 each. Further details regarding share buyback programmes can be found in the Corporate Governance Report on page 69.

At the annual General Meeting held on 6 April 2022, the shareholders approved the creation of authorised capital at a maximum amount of CHF 40,000 through the issuance of a maximum of 4,000,000 fully paid up registered shares with a nominal value of CHF 0.01 each by 5 April 2024 at the latest. As of the balance sheet date, there was no conditional share capital.

14. Treasury shares

Change in number of treasury shares	Number of shares	Highest price CHF	Average price CHF	Lowest price CHF	Total (CHF 000)
Balance at 1 January 2022	583 442				7 377
Purchases of treasury shares	50 000	15.24	15.24	15.24	762
Share buyback programme 2021/2022	336 643	14.88	14.47	13.92	4 870
Share buyback programme 2022 to 2025 (1st tranche)	770 865	16.22	15.57	14.61	12 000
Capital reduction through cancellation of shares	-781 213	14.88	13.70	12.48	-10 706
Sales/disposals for share-based payments	-81 334	17.14	16.43	16.16	-1 336
Gains/losses					438
Balance at 31 December 2022	878 403				13 405
thereof from share buyback programmes	770 865				12 000
thereof own portfolio	107 538				1 405
Capital reduction through cancellation of shares	-770 865	16.22	15.57	14.61	-12 000
Sales/disposals for share-based payments	-17 515	16.25	16.25	16.25	-284
Gains/losses					95
Balance at 31 December 2023	90 023				1 216
thereof from share buyback programmes	0				0
thereof own portfolio	90 023				1 216

15. Significant shareholders

The following significant shareholders and shareholder groups were listed with a share of more than three per cent of the capital or voting rights in the share register:

Company ¹	2023	2022
UBS Fund Management (Switzerland) Ltd, Basel	6.68%	6.57%
Haubrich GmbH, Düsseldorf	5.18%	5.09%
Credit Suisse Funds Ltd, Zurich	5.11%	5.02%
Swiss Small Cap Invest Ltd, Zug	3.35%	n.a.
Swisscanto Fondsleitung Ltd, Zurich	n.a.	3.73%
BlackRock, Inc., New York, U.S.A.	n.a.	3.02%

¹ The number of participation shares noted in the last disclosure notice have been converted based on the number of shares outstanding as of the balance sheet date of 31 December.

The disclosures regarding shareholdings in mobilezone holding ag are published on the electronic platform of the SIX Swiss Exchange and can be retrieved via the Disclosure Office's search screen at the following web link:

www.ser-ag.com/en/resources/notifications-market-participants/significant-shareholders.html

To our knowledge there is no shareholder's agreement between the significant shareholders.

Other disclosures

16. Number of full-time employees

In the reporting year, the average number of full-time employees was 3 (previous year: 3).

17. Contingent liabilities

(CHF 000)	2023	2022
Joint and several liability from VAT – Group taxation	p.m.	p.m.
Guarantee for a group company	3 300	3 300

18. Participations of members of the Board of Directors and the Group Management

Name	Function	Number of shares		Number of options	
		2023	2022	2023	2022
Olaf Swantee	Chairman, independent	42 000	34 900	0	0
Gabriela Theus	Member, independent	2 500	2 500	0	0
Peter K. Neuenschwander	Member, independent	n.a.	2 000	0	0
Michael Haubrich	Member, independent	0 ¹	0 ¹	0	0
Lea Sonderegger	Member, independent	0	0	0	0
Markus Bernhard	CEO, executive member	150 000	130 000	310 000	300 000
Andreas Fecker	CFO	83 800	79 540	145 000	160 000
Roger Wassmer	CEO Switzerland	26 037	24 143	152 000	150 000
Wilke Stroman	CEO Germany	700 000	700 000	119 000	74 000

¹ Michael Haubrich holds 30 per cent (previous year 30 per cent) in Haubrich GmbH (formerly: Haubrich Central & Co. KG, Düsseldorf), which indirectly holds 2,239,154 shares (previous year: 2,239,154 shares) in mobilezone holding Ltd.

Additional information is provided in the Remuneration Report on page 81 to 94.

19. Significant events after the balance sheet date

No significant events have occurred after the balance sheet date.

Proposal of the Board of Directors

The proposal of the Board of Directors of mobilezone holding ag to the General Meeting on 3 April 2024 is to dispose of the 2023 available earnings and reserves from capital contributions as follows:

Appropriation of available earnings (CHF 000)	2023	2022
Balance carried forward from previous year	91 891	90 251
Capital reduction	-5 996	-5 349
Net income	22 798	26 401
Available earnings at the disposal of the General Meeting	108 692	111 303
Distribution of a dividend of CHF 0.496 per dividend registered share (previous year: CHF 0.45)	-21 442	-19 800
Not to be distributed dividends on treasury shares held by the company	38	387
Retained earnings carried forward to new account	87 288	91 891
Appropriation of reserves from capital contributions		
Reserves from capital contributions – carried forward from previous year	23 430	48 192
Capital reduction	-5 996	-5 349
Distribution of a dividend free of withholding tax in the amount of CHF 0.404 per dividend registered share (previous year: CHF 0.45)	-17 465	-19 800
Not to be distributed dividends on treasury shares held by the company	31	387
Reserves from capital contributions carried forward to new account	0	23 430

If the proposal is accepted, the dividend of CHF 0.404 per share free of withholding tax out of the reserves from capital contributions and the dividend, that is subject to withholding tax, of CHF 0.496 per share will be paid on 12 April 2024. The last trading day with entitlement to receive the dividend is 9 April 2024. From 10 April 2024, the shares will be traded ex-dividend.

Treasury shares held by mobilezone holding Ltd are not entitled to dividends. The reported dividend or distribution amount may change accordingly.

After this year's withholding tax-free distribution, the reserves from capital contributions have been utilised.



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STATUTORY AUDITOR'S REPORT

To the general meeting of mobilezone holding ag, Rotkreuz

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of mobilezone holding ag (the Company), which comprise the balance sheet as at 31 December 2023, and the income statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion the financial statements (pages 128 to 136) comply with Swiss law and the Company's articles of incorporation.

Basis for Opinion

We conducted our audit in accordance with Swiss law and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are independent of the Company in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

Key Audit Matters

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

Key Audit Matter

How the Key Audit Matter was addressed in the audit

Valuation of investments in Group companies and loans to and current receivables from Group companies

The assessment of the recoverability of investments in Group companies and loans to and current receivables from subsidiaries is a key audit matter for the following reasons:

The balance sheet items investments in Group companies (CHF 39.8 million), loans to Group companies (CHF 240.3 million) and current receivables from Group companies (CHF 12.1 million) represent a total of CHF 292.2 million, or approximately 93.1% of total assets of CHF 313.8 million, and thus, represent a material portion of the assets.

As mobilezone holding ag secures financing in the group by means of loans, their recoverability is linked to the valuation and the medium-term target achievement of the business results of the group companies.

Evaluating these investments, loans and current receivables for impairment involves scope for judgment (future cash flows, discount rate and growth rate) in assessing whether indicators of impairment exist and in deriving the relevant values in use for the impairment tests.

As part of the annual impairment testing, mobilezone's management compares the carrying amount of the investments recorded in the balance sheet of the company's statutory financial statements prepared in accordance with the Swiss Code of Obligations with the net assets of the corresponding companies as recorded in their financial statements and performs a value-in-use analysis.

In the year under review, no impairment losses were recognized by mobilezone holding ag.

In addition to the comparison of the carrying amounts of the investments in, loans and current receivables due from group companies with the respective net assets of the corresponding group company at their carrying amounts, we performed the following audit procedures in case of a material shortfall in the net assets:

we examined the value-in-use analysis and checked the nature of the calculation method for its appropriateness,

we analyzed and assessed the basic paper prepared by management,

we tested the mathematical accuracy of the calculation in the valuation models that were used,

we critically questioned the assumptions regarding the future cash flows and growth rates and compared them with the outcomes in the current year and the budget,

we checked the derivation of the discount rate and compared the significant parameters used with appropriate market data,

we assessed the sensitivity of the estimated values with regard to the remaining headroom,

we also compared the growth rates used with past developments and tested their plausibility,

we compared the total of the carrying amount of the investments with the stock market capitalisation of mobilezone holding ag.



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Other Information

The board of directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements, the consolidated financial statements, the compensation report and our auditor's reports thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors for the Financial Statements

The board of directors is responsible for the preparation of the financial statements in accordance with the provisions of Swiss law and the Company's articles of incorporation, and for such internal control as the board of directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the board of directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the board of directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law and SA-CH will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of the auditor's responsibilities for the audit of the financial statements is located at EXPERTSuisse's website at: <https://www.expertsuisse.ch/en/audit-report-for-ordinary-audits>. This description forms part of our auditor's report.



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Report on Other Legal and Regulatory Requirements

In accordance with Art. 728a para. 1 item 3 CO and PS-CH 890, we confirm that an internal control system exists, which has been designed for the preparation of financial statements according to the instructions of the board of directors.

We further confirm that the proposed appropriation of available earnings and the proposed repayment from the legal capital reserve comply with Swiss law and the company's articles of incorporation, and recommend that the financial statements submitted to you be approved.

Zurich, 6 March 2024

BDO Ltd

Reto Frey
Auditor in charge
Licensed Audit Expert

Jan Bellinger
Licensed Audit Expert

BDO Ltd, a limited company under Swiss law, incorporated in Zurich, forms part of the international BDO Network of independent member firms.

Company and legal information

Publisher

mobilezone holding Ltd, Rotkreuz

Design

Michael Senn, Graphic Designer

Doron Posnanski, Graphic Designer

mobilezone holding Ltd, Rotkreuz

Editor

Martina Högger, Senior Manager Corporate Communications

Melisa Bavrk, Project Manager Marketing

mobilezone holding Ltd, Rotkreuz

Images

Stefan Baumgartner, RGB PHOTO GmbH

The Annual Report of mobilezone holding Ltd is published in German and English. The original German version is binding.

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