

Half-Year Report 2023



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Strengthened market position despite slight decline in sales

Dear Shareholders,

Business in Switzerland was strong in the first half of 2023. The market position and the MVNO (Mobile Virtual Network Operator) business were further expanded in both Switzerland and Germany. In the MVNO business, with a net increase in the first half of 2023 of +50,200 (+24%) to a portfolio of 260,300 mobile postpaid subscriptions, the sustained growth was more than confirmed. The integration of Digital Republic (Switzerland), SIGA (Germany) and ENO's (Germany) telecommunications business went according to plan and within the acquisition targets. In the German online business, a decline in sales figures was recorded due to dampened consumer sentiment. We are optimistic for the second half of the year and see the focus on increasing profitability with a sustainably reduced cost base for 2024.

Sales amounted to CHF 474 million (previous year: CHF 500 million), of which 69 per cent were achieved in Germany and 31 per cent in Switzerland. In organic terms, sales declined by 3.0 per cent to CHF 485 million; this decline is mainly due to the drop in sales and turnover in the German online business. Sales of CHF 173 million (previous year: CHF 204 million) or 36 per cent of sales were generated "online" with the company's own platforms. The EBIT was CHF 28.1 million (previous year: CHF 34.7 million) and the EBIT margin 5.9 per cent (previous year: 6.9 per cent). Adjusted for the negative currency effect of CHF 0.6 million, EBIT for the reporting year was CHF 28.7 million, whereby the decline is due to the business in Germany, while in Switzerland EBIT was marginally higher. One-time charges from cost-cutting measures and additional first-time depreciation from the purchase price allocation of the acquisitions had a negative impact of CHF 0.9 million on the first half of the year. Investments of CHF 8.0 million were made in customer acquisition in the MVNO area and in particular the acquisition of a customer base in Germany.

Key figures at a glance

- ✓ Organic sales decline of CHF –15 million (3.0 per cent) from CHF 500 million to CHF 485 million. Taking into account the negative currency effect of CHF –17 million (3.4 per cent) and the first-time sales contribution of Digital Republic and SIGA of CHF 6 million (1.2 per cent), Group sales amount to CHF 474 million (–5.2 per cent).
- ✓ The pleasingly significant increase in MVNO revenue of 35 per cent to CHF 30 million could not fully compensate for the decline in the German online business.
- ✓ Operating profit (EBIT) of CHF 28.1 million (previous year: CHF 34.7 million) with an EBIT margin of 5.9 per cent (previous year: 6.9 per cent), with Switzerland contributing 53 per cent (previous year: 41 per cent) and Germany 47 per cent (previous year: 59 per cent).
- ✓ Financial expenses increased by CHF 1.2 million to CHF 2.2 million (previous year: CHF 1.0 million). The average financing costs amounted to 2.3 per cent (previous year: 1.2 per cent).
- ✓ Tax expenses were CHF 5.1 million, a decrease of CHF 2.6 million compared to the previous year.
- ✓ Although the net profit of CHF 20.9 million was below the record result of the previous year (CHF 26.0 million), it is the second-best result of the Group.
- ✓ Free cash flow before customer acquisition costs and acquisitions amounted to CHF –1.5 million (previous year: CHF 49.6 million), resulting from changes in net working capital.
- ✓ Net working capital was CHF 105 million as of 30 June 2023 compared to CHF 124 million at the end of December 2022.
- ✓ Financial liabilities totalled CHF 202 million compared to CHF 149 million at the end of December 2022.
- ✓ The net debt amounts to CHF 107 million (30.06.2022: CHF 71 million). In the first half of 2023, there were cash outflows totalling CHF 72 million for the dividend payment (CHF 39 million), acquisitions and the takeover of a customer base in Germany for the indirect B2B business (CHF 32 million).
- ✓ The net debt to EBITDA ratio was 1.46 (0.84).
- ✓ Equity in the individual financial statements of mobilezone holding ag amounted to CHF 126 million (31.12.2022: CHF 147 million).
- ✓ Earnings per share amounted to CHF 0.48 (previous year: CHF 0.59).
- ✓ The share price was CHF 13.72 on June 2023 compared to CHF 15.32 at the end of December 2022.
- ✓ Cost reduction measures and a gross profit optimisation programme were launched in Germany and Switzerland.
- ✓ The number of employees as of 30 June 2023 totalled 1,017 (previous year: 995), with a decrease of 34 employees excluding acquisitions.



Markus Bernhard, CEO



Olaf Swantee, Chairman of the Board of Directors

Market Area Switzerland

Business in Switzerland made favourable progress in all areas.

- ✓ In the first half of 2023, the retail and B2B businesses were able to reinforce the best result in the company's history achieved in the previous year.
- ✓ Sales increased from CHF 141 million to CHF 151 million, or 7.1 per cent.
- ✓ The EBIT amounted to CHF 15.1 million (previous year: CHF 14.8 million), which corresponds to a return on sales of 10.0 per cent (previous year: 10.5 per cent).
- ✓ The number of shops was 126 (31.12.2022: 124).
- ✓ The number of negotiated contracts (postpaid, internet and TV) increased by 6.9 per cent to 217,000 (previous year: 203,000).
- ✓ Service sales (fleet management, data transfer, smartphone set-up and other services) amounted to CHF 3.8 million (previous year: CHF 3.8 million).
- ✓ Sales of accessories increased by 15.2 per cent to CHF 12.1 million (previous year: CHF 10.5 million) and account for 8.0 per cent (previous year: 7.4 per cent) of sales in Switzerland.
- ✓ Sales at the MVNO TalkTalk and Digital Republic amounted to CHF 15.4 million (previous year: CHF 11.9 million). In the mobile postpaid segment, a net increase of +22,600 mobile postpaid subscriptions indicated continued growth (+20%). Mobile postpaid subscriptions: 135,200 (31.12.2022: 112,600).

Market area Germany

In B2B trading and in the MVNO business, the first half of the year went very well. In the online market, cautious consumer sentiment and reduced investments by business partners led to 15 per cent lower sales figures during the first five months.

- ✓ In the local currency, sales in the German organisation fell by 5.5 per cent. In the reporting currency, sales decreased from CHF 358 million to CHF 326 million, or 8.9 per cent.
- ✓ The EBIT amounted to CHF 13.2 million (previous year: CHF 20.3 million), which corresponds to a return on sales of 4.0 per cent (previous year: 5.7 per cent). Adjusted for currency effects, the EBIT was CHF 13.8 million.
- ✓ The volume of online mobile contracts fell by 14.6 per cent to 269,000 (previous year: 315,000).
- ✓ In "B2B trade", 232,000 (previous year: 222,000) mobile phone contracts were concluded; this corresponds to an increase of 4.5 per cent.
- ✓ In total, 501,000 (previous year: 537,000) mobile phone contracts were concluded "online" and in "B2B trade", which corresponds to a decrease of 6.7 per cent.
- ✓ Sales at MVNO HIGH amounted to CHF 14.6 million (previous year: CHF 10.3 million).
- ✓ With a net increase of +27,600 mobile postpaid subscriptions, continued growth (+28 per cent) was shown. Mobile postpaid subscriptions: 125,200 (31.12.2022: 97,600).

Sustainability – Growth in second life and refurbishing of smartphones

mobilezone has set itself long-term sustainability goals for the entire group in the areas of employees, customers, smartphone cycle and environmental management. These can be found in the Sustainability Report 2022: <https://www.mobilezoneholding.ch/de/ueber-uns/nachhaltigkeit.html>. The next sustainability report will be published in March 2024.

The Second Life segment, or the repair and refurbishing of smartphones, continues to gain in importance. In the first half of 2023, 3.7 per cent (2022: 2.7 per cent, 2021: 1.5 per cent) of the total number of smartphones sold by mobilezone Switzerland were used smartphones. 10.3 per cent (2022: 8.3 per cent, 2021: 6.4 per cent) of the smartphones sold were taken back and returned to the market as second life devices or recycled in the interests of sustainability.

General Meeting 2023

At the Annual General Meeting on 5 April 2023, the shareholders approved, among other things, a dividend of CHF 0.90 (previous year: CHF 0.84) per registered share, which was paid out on 14 April 2023. The cancellation of the 770,865 shares from the share buyback programme by means of a capital reduction, which was approved at the Annual General Meeting, was entered in the commercial register as of 21 June 2023. For the year 2023, the "Share buyback programme 2022 to 2025" was suspended in December 2022 due to the acquisitions of Digital Republic AG and SIGA exchange GmbH.

Confident outlook for the second half of 2023 and especially for 2024

For Germany, we expect a further improvement in the consumer climate and better demand in the second half of the year, especially in the online segment. We are also very confident about the Swiss business. Our MVNOs TalkTalk, Digital Republic and HIGH will continue the impressive growth of the last three years. The acquisitions of Digital Republic and SIGA at the beginning of January, as well as the ENO telecoms business in April, complement our business in Switzerland and Germany perfectly.

We expect investments in property, plant and equipment and intangible assets, excluding customer acquisition costs, to total CHF 11 million in 2023 (previous year: CHF 13 million), as the conversion of the shops in Switzerland to the new shop layout was completed in 2022. In addition, the majority of the new development of the online platforms in Germany was transferred to active operation in the first half of 2023. We expect total investments of CHF 11 million (previous year: CHF 5 million) for the capitalised customer acquisition costs for our MVNO and the acquisition of a customer base in Germany for our indirect B2B business.

The cost-cutting measures, especially in terms of the number of employees and the IT service providers in Germany and Switzerland, will have a positive impact of CHF 4 million per year from 2024 onwards. The 2023 financial year will be burdened with one-off additional costs of CHF 2 million. The acquisitions in the first half of 2023 and the commissioning of the newly developed online platforms in Germany will lead to additional depreciation in 2023 for the first time, resulting from the purchase price allocation of CHF 1.5 million and in the next ten years of an average of CHF 2.6 million per year.

The EBIT guidance for the financial year 2023 will be adjusted by CHF 5 million from CHF 70 – 77 million to CHF 65 – 72 million due to the difficult environment in Germany. This includes CHF 2 million for the cost-cutting measures as well as the additional and the additional depreciation of CHF 1.5 million.

The ratio of net debt to EBITDA is expected to be between 1 and 1.2 by the end of the year.

One downside remains the unfavourable exchange rate development of the euro.

The attractive dividend policy will be continued, which, if the financial targets are achieved in 2023, means a dividend of at least CHF 0.90 per share. In addition, we will continue to strive for a steady increase in the EBIT margin to 8.0 percent by 2025 (old: 2024).

Thanks go to our employees, customers, shareholders and business partners

Above all we owe mobilezone's success to our dedicated employees, who have once again proven that they do their best for our customers every day. Our thanks also go to our very loyal customers, our shareholders and our business partners.

With your support and trust, you enable us to continue to drive the development of mobilezone.

Rotkreuz, 16 August 2023

A stylized handwritten signature in black ink, consisting of several fluid, connected strokes.

Olaf Swantee
Chairman of the Board of Directors

A stylized handwritten signature in black ink, featuring a large, prominent 'M' and 'B'.

Markus Bernhard
Chief Executive Officer

Key figures first half-year 2023

Group

(CHF 000 or as indicated)	H1 2023	%	H1 2022	%	H1 2021	%	H1 2020	%	H1 2019	%
Net sales	474 184		499 629		484 531		597 407		568 604	
Gross profit	96 375	20.3 ¹	99 415	19.9 ¹	92 110	19.0 ¹	77 587	13.0 ¹	77 965	13.7 ¹
Operating profit before depreciation (EBITDA)	33 387	7.0 ¹	39 349	7.9 ¹	31 192	6.4 ¹	13 632	2.3 ¹	27 208	4.8 ¹
Operating profit (EBIT)	28 073	5.9 ¹	34 690	6.9 ¹	26 136	5.4 ¹	9 007	1.5 ¹	23 608	4.2 ¹
Net profit	20 875	4.4 ¹	25 969	5.2 ¹	17 833	3.7 ¹	6 945	1.2 ¹	17 056	3.0 ¹
Earnings per share	0.48		0.59		0.40		0.16		0.42	
Net cash flow from operating activities	4 457		56 492		45 101		35 942		1 241	
Investments in property, plant and equipment and intangible assets without customer acquisition costs ²	-5 922		-6 851		-5 345		-4 213		-4 214	
Free cash flow before acquisitions, divestments and customer acquisition costs ²	-1 465		49 641		39 756		31 729		-2 973	
Customer acquisition costs ²	-8 031		-2 277		-1 431		-737		-215	
Number of mediated mobile, digital TV and internet contracts	718 000		740 000		647 000		632 000		659 000	
(CHF 000 or as indicated)	30.06.2023	%	31.12.2022	%	31.12.2021	%	31.12.2020	%	31.12.2019	%
Total assets	386 297		377 408		326 800		353 789		390 541	
Shareholders' equity	130	0.0 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	38 323	9.0	66 496	16.6	95 484	25.3	102 286	23.6	132 530	26.1
ROCE (%) ⁵	64.3		77.0		52.9		31.7		47.6	
Net debt	107 249		29 949		75 892		119 578		130 876	
Net-debt-to-EBITDA ratio	1.46		0.38		0.99		2.22		1.93	
Mobile-postpaid-subscriptions (Number) ⁶	260 300		164 600		114 900		88 300		71 700	
Number of employees (full-time equivalent)	1 017 ⁷		995		1 018		1 127		1 217	
Number of employees (full-time equivalent) on average during the reporting period	1 054		1 012		1 038		1 249		1 245	
Number of shops in Switzerland	126		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 acquisition of a customer base in Germany in the indirect B2B-business

³ In per cent of total assets

⁴ Shareholders' equity and total assets without offsetting of goodwill/with amortisation (refer to page 24, note 5)

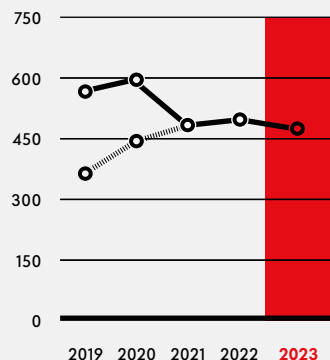
⁵ ROCE (Return on capital employed): EBIT for the last twelve months / (Ø shareholders' equity + Ø financial liabilities – Ø cash and cash equivalents – Ø real estate)

⁶ MVNO TalkTalk, HIGH and Digital Republic (since 1 January 2023)

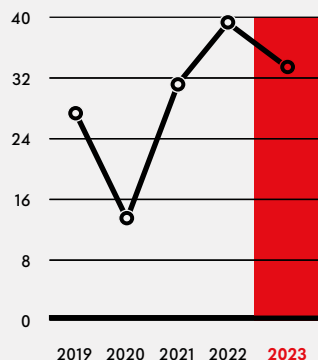
⁷ The number of employees as of 30 June 2023, excluding the companies acquired in the first half of 2023, is 961 (decrease of 34 full-time positions).

Net sales¹

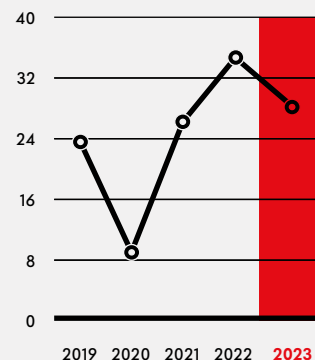
(CHF million)

**EBITDA¹**

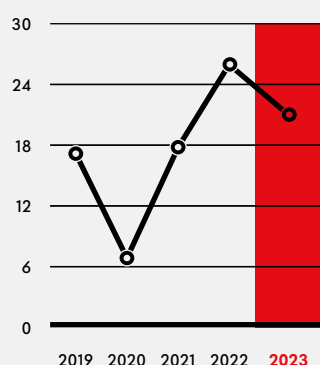
(CHF million)

**EBIT¹**

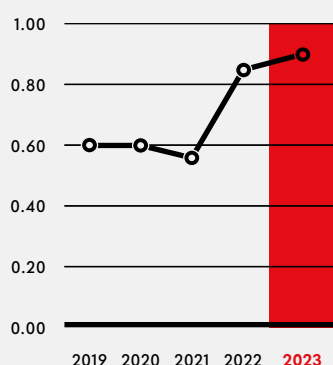
(CHF million)

**Net profit¹**

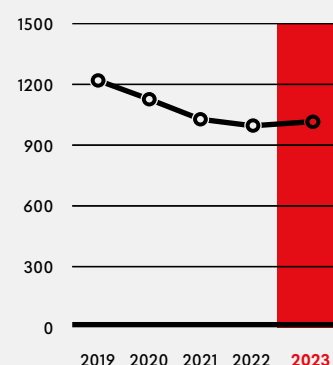
(CHF million)

**Dividend per share**

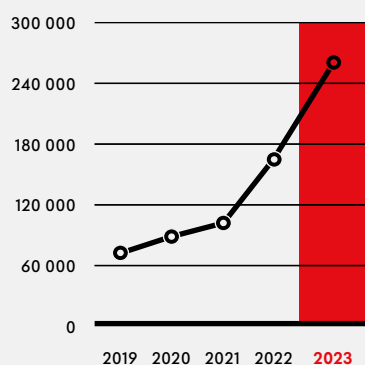
(CHF)

**Employees²**

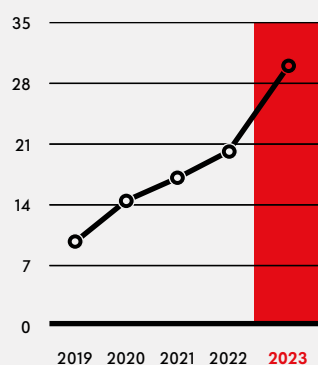
(Full-time equivalents)

**MVNO mobile-postpaid-subscriptions^{2,3}**

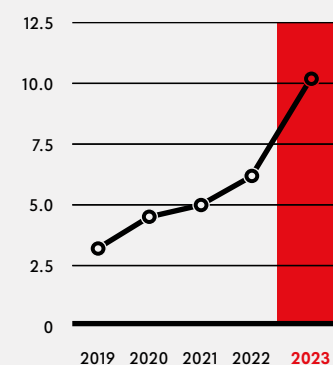
(Number of subscriptions)

**MVNO Net sales^{1,3}**

(CHF million)

**MVNO EBITDA^{1,3}**

(CHF million)



—○— Swiss GAAP FER

—●— Pro forma figures excluding divested wholesale business in GER

¹ In each case 1 January to 30 June² As of 30 June 2023 and previous years as of 31 December³ MVNO TalkTalk, HIGH and Digital Republic (since 1 January 2023)

mobilezone share

Share

(CHF or as indicated)	H1 2023	2022	2021	2020	2019
Shares issued at period end (units)	43 229 135	44 000 000	44 781 213	44 781 213	44 781 213
Treasury shares at period end (units)	90 023	878 403	583 442	70 000	63 624
<i>thereof own shares from share buyback programme (units)</i>	0	770 865	444 570	0	0
Weighted average number of shares outstanding (units) for the period	43 131 595	43 693 650	44 639 429	44 709 172	42 792 890
Period-end price	13.72	15.32	13.62	10.08	10.86

Stock market capitalisation and shareholders' equity

(CHF million or as indicated)	H1 2023	2022	2021	2020	2019
Stock market capitalisation	593.1	674.1	609.9	451.4	486.3
Shareholders' equity	0.1	43.3	44.3	23.2	15.1
Shareholders' equity without offsetting of goodwill	38.3	66.5	95.5	102.3	132.5

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
Dividend distribution ratio (in %)	71.1	72.9	72.7	60.6	61.7
Share buybacks	0.0	17.0	5.8	0.0	0.0
Total distribution	38.8	53.9	30.9	26.9	24.4

Share price performance

2003 – 2023 (in CHF)



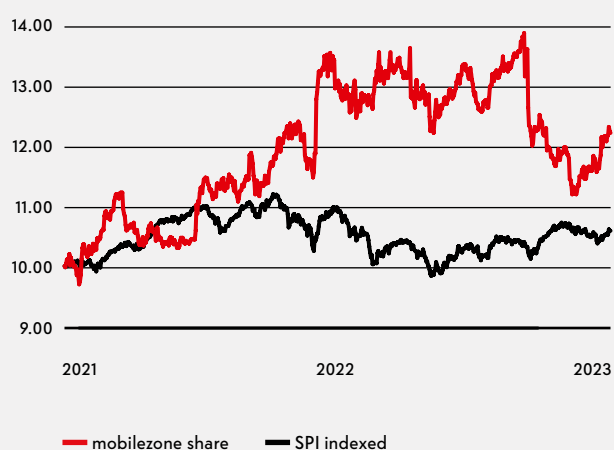
Share price performance

in CHF or as indicated

	H1 2023	2022	2021	2020	2019
High	17.80	17.50	13.90	11.64	11.94
Low	12.44	12.56	9.14	7.21	8.78
Period-end price	13.72	15.32	13.62	10.08	10.86
Average price (end-of-day rate)	14.85	15.63	11.57	9.14	10.09
Average daily trading volume (units)	120 122	121 795	88 885	132 955	126 382

Share price performance

2021 – 2023 (in CHF)



Shareholder structure

Number of shares

	H1 2023	2022	2021	2020	2019
Top 20 shareholders	12 105 242	13 097 066	14 576 364	15 110 408	15 583 535
in %	28	30	33	34	35
Other registered shareholders	18 926 007	15 498 095	16 280 941	17 804 485	16 635 574
in %	44	35	36	40	37
Total number of non-registered shares	12 197 886	15 404 839	13 923 208	11 866 320	12 562 104
in %	28	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

	H1 2023	2022	2021	2020	2019
Switzerland	7 372	5 480	5 243	5 781	5 388
Europe	166	133	103	112	111
Overseas	36	44	33	34	31
Total shareholders	7 574	5 657	5 379	5 927	5 530

mobilezone at a glance

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

mobilezone Switzerland operates a network of 126 shops across all language regions. The shops are equipped with a complete smartphone range 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 Sparhandy.de and Deinhandy.de brands specialise primarily in bundle deals — attractive offers consisting of a subscription and a mobile device as well as accessories and insurance products. The tele-shopping channel Handystar offers deals on smartphones and mobile subscriptions making it a useful addition to the online offer. HIGH is the German MVNO of the mobilezone Group. Indirect B2B trade is bundled under the umbrella brand mobilezone handel.

Board of Directors

Olaf Swantee

Chairman, independent member

Gabriela Theus

Independent member

Michael Haubrich

Independent member

Lea Sonderegger

Independent member

Markus Bernhard

Executive member

Group Management

Markus Bernhard

CEO

Andreas Fecker

CFO

Roger Wassmer

CEO Switzerland

Wilke Stroman

CEO Germany

mobilezone Switzerland



mobilezone

RETAIL &
E-COMMERCE

B2B
DIRECT

REPAIRS &
SECOND LIFE

Product and service brands



jusit



**digital™
republic**

mobilezone Germany



mobilezone

mobilezone
handel

E-COMMERCE

B2B
INDIRECT

Product and service brands

sparhandy

DEINHANDY.
★★★★★
HANDYSTAR



Market area Switzerland

Management Board Switzerland

Roger Wassmer
CEO Switzerland

Andreas Fecker
CFO

Gregor Bruhin
Director HR

Christoph Gisler
Director Product Management

Renato Gubser
Director IT

Thomas Gülünay
Managing Director B2B

Maud Hoffmann
Director E-Commerce & TalkTalk

Nicola Lippolis
Director Sales B2C

Gregor Vogt
Director Marketing & Customer Experience

mobilezone

RETAIL &
E-COMMERCE

B2B
DIRECT

REPAIRS &
SECOND LIFE



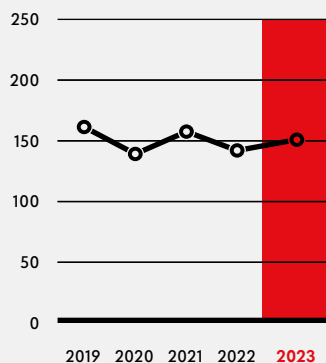
just

TALK
TALK

it
style

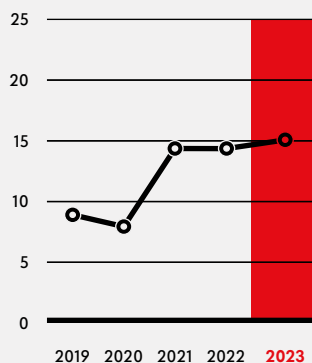
digital
republic

Net sales¹ (CHF million)



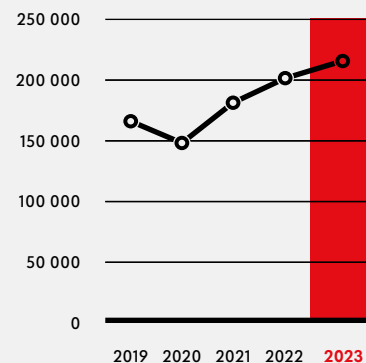
Sales in Switzerland increased from CHF 141 million to CHF 151 million or by 7.1 per cent.

EBIT¹ (CHF million)



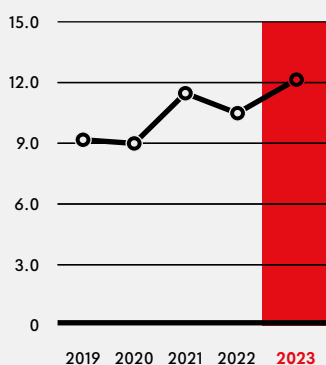
EBIT in Switzerland increased by CHF 0.3 million year-on-year to CHF 15.1 million, resulting in a return of sales of 10.0 per cent (previous year: 10.5 per cent).

Mobile, digital TV and internet contracts¹ (Number of contracts)



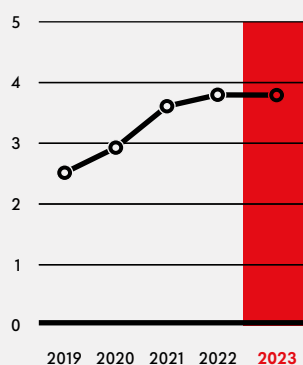
mobilezone offers customers contracts from all leading telecommunications providers. In the reporting period, the number of concluded mobile communications, digital TV and Internet contracts was 217,000 (previous year: 203,000). Compared to the previous year, this was an increase of 6.9 per cent.

Mobile communications accessories¹ (Sales in CHF million)



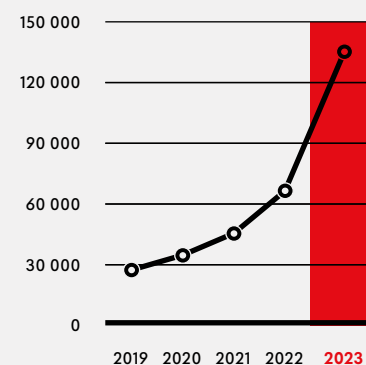
In our 126 mobilezone shops, in the B2B segment as well as online, we offer the biggest range in accessories for mobile devices in Switzerland. In the reporting period, sales amounted to CHF 12.1 million (previous year: CHF 10.5 million). Compared to the previous year, this was an increase of 15.2 per cent.

Services¹ (Sales in CHF million)



mobilezone offers numerous services for mobile devices and contract management. This includes fleet management in the B2B area, guarantee extensions, technical support, setting up smartphones, data transfer and more. In the reporting period, sales with services amounted to CHF 3.8 million (previous year: CHF 3.8 million).

MVNO mobile-postpaid-subscriptions² (Number of subscriptions)



TalkTalk and Digital Republic (since 1 January 2023) increased its mobile postpaid subscription base to 135,200 (31 December 2022: 66,600).

¹ In each case 1 January to 30 June

² As of 30 June 2023 and previous years as of 31 December

Market area Germany

Management Board Germany

Wilke Stroman

CEO Germany

Daniel Blum

Director People & Legal

Feyzi Demirel

Director Customer Experience & Operations

Sascha Hancke

Managing Director Commerce & Purchasing

Dieter Kossmeier

Managing Director B2B

Mathias Sieg

Managing Director Digital & Finance

mobilezone

E-COMMERCE

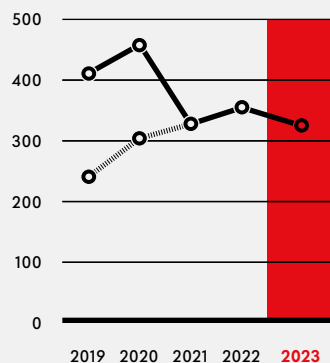
B2B
INDIRECT

sparhandy

DEINHANDY.
★★★★★
HANDYSTAR

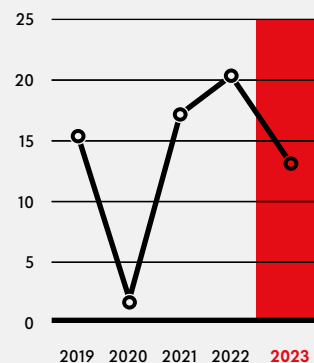


Net sales¹ (CHF million)



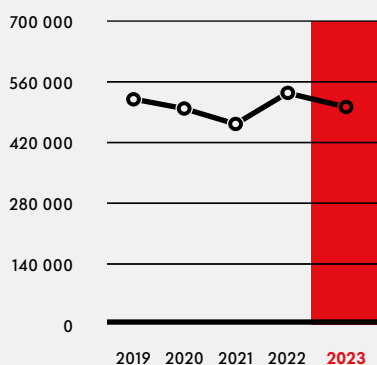
—●— Swiss GAAP FER
- - -●- - - Pro forma figures excluding divested wholesale business in GER

EBIT¹ (CHF million)



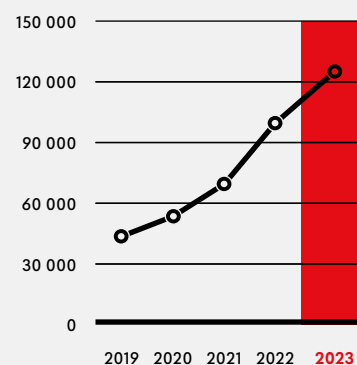
EBIT in Germany decreased from CHF 20.3 million to CHF 13.1 million, corresponding to sales profitability of 4.0 per cent (previous year: 5.7 per cent).

Mobile, digital TV and internet contracts¹ (Number of contracts)



Via its own platforms Sparhandy, Deinhandy, its own TV channel Handystar and sales partners, mobilezone mediated over 501,000 mobile communications and DSL/Internet contracts in the first half-year 2023 (previous year: 534,000).

MVNO mobile-postpaid-subscriptions² (Number of subscriptions)



HIGH increased its mobile-post-paid-subscription base by 28.3 per cent to 125,200 (31.12.2022: 97,800).

¹ In each case 1 January to 30 June

² As of 30 June 2023 and previous years as of 31 December

Consolidated financial statements mobilezone Group

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Consolidated income statement

1 January to 30 June (CHF 000)	2023	2022
Net sales	474 184	499 629
Cost of goods and materials	-377 809	-400 214
Gross profit	96 375	99 415
Other operating income	1 437	819
Personnel expenses	-40 330	-38 268
Other operating expenses	-24 095	-22 617
Operating profit before depreciation (EBITDA)	33 387	39 349
Depreciation of property, plant and equipment	-2 083	-1 857
Amortisation of intangible assets	-3 231	-2 802
Operating profit (EBIT)	28 073	34 690
Financial income	158	19
Financial expenses	-2 215	-1 014
Profit before taxes (EBT)	26 016	33 695
Income tax expenses	-5 141	-7 726
Net profit	20 875	25 969
	CHF	CHF
Earnings per share	0.48	0.59
Earnings per share – diluted	0.48	0.59

The attached explanatory Notes are an integral part of mobilezones half-year consolidated financial statements.

Consolidated balance sheet

(CHF 000)	30.06.2023	31.12.2022
Assets		
Cash and cash equivalents	94 877	119 352
Trade accounts receivables	119 872	110 699
Inventories	68 226	57 941
Other receivables	6 172	2 648
Accrued income and deferred expenses	32 537	32 817
Current assets	321 684	323 457
Property, plant and equipment	17 809	21 325
Intangible assets	42 213	27 883
Other assets	3 275	3 237
Deferred income tax assets	1 316	1 506
Non-current assets	64 613	53 951
Total assets	386 297	377 408
Liabilities and shareholders' equity		
Financial liabilities	40 243	20 340
Trade accounts payables	116 589	107 574
Tax liabilities	11 484	15 231
Other liabilities	10 052	17 210
Deferred income and accrued expenses	38 184	39 010
Current liabilities	216 552	199 365
Financial liabilities	161 883	128 961
Deferred income tax liabilities	7 732	5 767
Non-current liabilities	169 615	134 728
Share capital	432	440
Treasury shares	-1 216	-13 405
Capital reserves	25 552	50 829
Goodwill offset	-269 798	-245 021
Retained earnings	245 160	250 472
Shareholders' equity	130	43 315
Total liabilities and shareholders' equity	386 297	377 408

The attached explanatory Notes are an integral part of mobilezones half-year consolidated financial statements.

Consolidated statement of cash flows

1 January to 30 June (CHF 000)	2023	2022
Profit before taxes (EBT)	26 016	33 695
Financial result	2 063	995
Depreciation and amortisation	5 314	4 659
Changes in allowances of bad debts (net)	245	123
Gains on disposal of non-current assets	-71	-57
Share-based payments	415	77
Gross cash flow from operating activities	33 982	39 492
Net working capital adjustments		
Trade accounts receivables	-11 015	7 155
Other receivables, accrued income and deferred expenses	-565	6 202
Inventories	-10 216	-1 674
Trade accounts payables	8 409	16 544
Other liabilities, deferred income and accrued expenses	-8 917	-5 280
Income taxes paid	-7 221	-5 947
Net cash flow from operating activities	4 457	56 492
Additions		
Property, plant and equipment	-1 357	-3 981
Intangible assets	-11 609	-5 147
Securities in fixed assets	0	-20
Acquisition of subsidiaries less cash and cash equivalents	-26 123	0
Disposals		
Property, plant and equipment	91	64
Interest received	153	111
Net cash flow from investing activities	-38 846	-8 973
Proceeds of financial liabilities	142 865	68 048
Repayments of financial liabilities	-91 018	-48 771
Interest paid	-2 215	-1 014
Share buyback programme	0	-4 956
Capital reduction	-94	0
Purchase of treasury shares	0	-762
Dividends paid	-38 825	-36 918
Net cash flow from financing activities	10 713	-24 373
Effect of currency translation	-799	-1 504
Net decrease/increase in cash and cash equivalents	-24 475	21 642
Cash and cash equivalents as of 1 January	119 352	57 660
Cash and cash equivalents as of 30 June	94 877	79 302

The attached explanatory Notes are an integral part of mobilezones half-year consolidated financial statements.

Consolidated statement of changes in shareholders' equity

Movement of shareholders' equity (CHF 000)	Share capital	Treasury shares	Capital reserves	Goodwill offset	Retained earnings	Total
Balance as of 1 January 2022	448	-7 377	75 877	-245 021	220 415	44 342
Net profit					25 969	25 969
Capital reduction	-8	10 706	-5 349		-5 349	0
Purchase of treasury shares		-5 718				-5 718
Dividends paid			-18 459		-18 459	-36 918
Profit of treasury shares		-352	352			0
Share-based payments		1 336	-1 156			180
Currency translation adjustments					-583	-583
Balance as of 30 June 2022	440	-1 405	51 265	-245 021	221 993	27 272
Net profit					28 568	28 568
Capital reduction			-86			-86
Purchase of treasury shares		-11 914				-11 914
Profit of treasury shares		-86	86			0
Share-based payments			-436			-436
Currency translation adjustments					-89	-89
Balance as of 31 December 2022	440	-13 405	50 829	-245 021	250 472	43 315
Net profit					20 875	20 875
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		284	131			415
Acquisitions				-24 777		-24 777
Currency translation adjustments					-778	-778
Balance as of 30 June 2023	432	-1 216	25 552	-269 798	245 160	130

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

Segment information

Income statement 1 January to 30 June (CHF 000)	Total mobilezone Group		Switzerland		Germany		Unallocated / Elimination	
	2023	2022	2023	2022	2023	2022	2023	2022
Net sales	474 184	499 629	151 324	141 391	325 762	357 648	-2 902	590
Cost of goods and materials	-377 809	-400 214	-96 174	-88 884	-285 196	-311 099	3 561	-231
Gross profit	96 375	99 415	55 150	52 507	40 566	46 549	659	359
Gross profit margin	20.3%	19.9%	36.4%	37.1%	12.5%	13.0%		
Other operating income	1 437	819	287	189	1 254	762	-104	-132
Personnel expenses	-40 330	-38 268	-25 340	-24 364	-13 380	-12 210	-1 610	-1 694
Other operating expenses	-24 095	-22 617	-11 684	-10 797	-13 349	-12 904	938	1 084
Operating profit (EBITDA)	33 387	39 349	18 413	17 535	15 091	22 197	-117	-383
Depreciation of property, plant and equipment	-2 083	-1 857	-1 675	-1 464	-371	-364	-37	-29
Amortisation of intangible assets	-3 231	-2 802	-1 665	-1 282	-1 566	-1 520	0	0
Operating profit (EBIT)	28 073	34 690	15 073	14 789	13 154	20 313	-154	-412
EBIT margin	5.9%	6.9%	10.0%	10.5%	4.0%	5.7%		
Investments in property, plant and equipment and intangible assets	13 952	9 128	2 777	5 655	10 962	3 406	213	67
thereof customer acquisition costs	8 031	2 277	927	813	7 104	1 464	0	0
Balance sheet (CHF 000)	30.06.2023	30.06.2022	30.06.2023	30.06.2022	30.06.2023	30.06.2022	30.06.2023	30.06.2022
Current assets	321 684	283 947	108 282	88 109	209 033	185 301	4 369	10 537
Non-current assets	64 613	51 543	30 611	27 438	33 124	23 065	878	1 040
Assets	386 297	335 490	138 893	115 547	242 157	208 366	5 247	11 577
Liabilities	386 167	308 218	164 302	118 972	319 190	297 095	-97 325	-107 849

The segment "Switzerland" comprises mobilezone ag, IT Business Services GmbH, TalkTalk AG, mobilezone reload ag and Digital Republic AG (since January 2023, refer to note 2).

The segment "Germany" comprises mobilezone Deutschland GmbH, mobilezone handel GmbH, mobilezone GmbH (formerly powwow GmbH), powwow Berlin GmbH and SIGA exchange GmbH (since January 2023, refer to note 2).

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

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

Notes to the consolidated Half-Year Report

1 Important principles of Group accounting

These consolidated financial statements comprise the unaudited condensed interim financial statements for the six months ended 30 June 2023. They have been prepared in accordance with Swiss GAAP FER (Accounting and Reporting Recommendations). The consolidated half-year financial statements 2023 were prepared in accordance with FER 31 "Complementary recommendation for listed companies". The consolidated interim financial statements are based on the unaudited individual financial statements of the Group companies, which were prepared in accordance with the same accounting principles. The balance sheet date for the half-year financial statements is 30 June.

The reporting currency is Swiss Franc (CHF). The following exchange rates were used for the translation of the consolidated balance sheet, income statement and statement of cash flows:

Currency	Average rate			Spot rate		
	H1 2023	2022	H1 2022	30.06.2023	31.12.2022	30.06.2022
EUR	0.9856	1.0048	1.0322	0.9767	0.9839	0.9978

As the interim consolidated financial statements do not include all the disclosures contained in the annual consolidated financial statements, this interim report should be read in conjunction with the consolidated financial statements for the year ended 31 December 2022.

2 Changes in the scope of consolidation

Digital Republic AG und SIGA exchange GmbH

On 6 January 2023, 100 per cent of the shares in Digital Republic AG, Zurich, an online provider for mobile internet (Mobile Virtual Network Operator, MVNO) and SIGA exchange GmbH, Heilbronn, an operator of telecommunications businesses at US Army bases in Germany, were acquired. Both companies have been fully consolidated since January 2023. In the first half of 2023, Digital Republic AG generated revenues of CHF 3.1 million and SIGA exchange GmbH EUR 2.9 million. The following assets and liabilities were acquired:

(CHF 000)	Digital Republic	SIGA exchange
Cash and cash equivalents	392	338
Trade accounts 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 accounts payable	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

3 Intangible assets

mobilezone acquired the dealer and network operator contracts of ENO telecom GmbH in Germany as of 1 April 2023 and thus gained over 400 sales partners in the B2B business. The acquired customers are recognised as additions to intangible assets and amortised over a period of 10 years. No other assets or liabilities were affected by the transaction.

4 Shareholders' equity

On 21 June 2022, mobilezone announced a share buyback programme for the period from 2022 to 2025. mobilezone intends to repurchase shares with a maximum value of CHF 45 million over a maximum period of three years via a separate trading line on the SIX Swiss Exchange. The repurchase is for the purpose of a capital reduction, which is subject to the approval of future shareholders' meetings.

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 Annual General Meeting of mobilezone holding ag 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 nominal value of CHF 0.01 each.

Due to the acquisitions of Digital Republic AG and SIGA exchange GmbH, the share buyback programme 2022 to 2025 was suspended in December 2022 for the year 2023.

Change in number of treasury shares	Number of shares	Highest price CHF	Average price CHF	Lowest price CHF	Total (CHF 000)
As of 01.01.2022	583 442				7 377
Purchase 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
As of 31.12.2022	878 403				13 405
thereof share buyback programme	770 865				12 000
thereof treasury shares	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
As of 30.06.2023	90 023				1 216
thereof share buyback programme	0				0
thereof treasury shares	90 023				1 216

5 Goodwill

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

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

Balance sheet (CHF 000)	2023	2022
Stated shareholders' equity as of 30 June	130	27 272
Equity ratio	0,0%	8,1%
Acquisition value goodwill		
At the beginning of the financial year	245 021	245 021
Additions	24 777	0
Disposals	0	0
As of 30 June	269 798	245 021
Accumulated amortisation		
At the beginning of the financial year	221 840	193 879
Amortisation	9 765	13 980
Disposals	0	0
As of 30 June	231 605	207 859
Theoretical net book value goodwill as af 30 June	38 193	37 162
Theoretical shareholders' equity without offsetting of goodwill as of 30 June	38 323	64 434
Theoretical equity ratio	9,0%	17,3%

Effect of a theoretical amortisation of goodwill on results:

Income statement (CHF 000)	2023	2022
Stated net profit	20 875	25 969
Theoretical amortisation of goodwill	-9 765	-13 980
Net profit after amortisation of goodwill	11 110	11 989

6 Seasonality

The course of business shows seasonal fluctuations. The consolidated net sales and result of the first half year are usually lower than those of the second half of the year.

7 Events after the balance sheet date

No significant events occurred after the balance sheet date.

On 16 August 2023, the Board of Directors authorised these financial statements for issuance.

Calendar

Investora, Dübendorf

13 September 2023

**Publication of the Annual Report
and the Sustainability Report 2023**

8 March 2024

Video conference on the Annual Report 2023

8 March 2024

Annual General Meeting 2024

3 April 2024

Contact

mobilezone holding ag

Investor Relations

Suurstoffi 22

CH-6343 Rotkreuz

mobilezoneholding@mobilezone.ch

Company and legal information

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Michael Senn, Graphic Designer, mobilezone holding ag

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mobilezone holding ag

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