

## PRESS RELEASE

Ad-hoc announcement pursuant to art. 53 LR

Rotkreuz, 22 December 2022

# mobilezone acquires Digital Republic and strengthens its MVNO business – and enters the IoT market

**mobilezone acquires MVNO Digital Republic AG. This acquisition opens new business areas for the company and strengthens its future.**

mobilezone acquires Digital Republic, an online provider for mobile internet (Mobile Virtual Network Operator, MVNO) in Switzerland. Markus Bernhard, CEO of mobilezone Group, says: "In just a few years, Digital Republic has become the most digital mobile internet provider in Switzerland. By acquiring Digital Republic, we are expanding our portfolio and consolidate our position as a provider of a comprehensive telecommunication products and services." Marco Arnold and Ali Soy, co-founders and managing directors of Digital Republic, add: "The joint opportunities we see in the Swiss telecoms market are huge. We are very excited to leverage the synergies with mobilezone."

The acquisition of Digital Republic contributes to several strategic priorities of the mobilezone Group. In addition to strengthening its MVNO business, it includes growth and gaining market share, as mobilezone will deliver products related to the "Internet of Things" (IoT) targeting new customer groups. This will also broaden the range of services and boost the recurring revenue from its services business.

### Fully digital business model

Digital Republic specialises in a digital offering around the Internet of Things for private and business customers. The company offers various tariff plans for mobile internet for mobile phones, tablets, LTE routers or trackers. The tariffs are always set according to speed. As a result, Digital Republic offers complete mobile subscriptions with data usage, telephony and roaming, as well as simple mobile 5G internet for routers at home or digital nomads. Ordering and processing are fully digital and automated, always with a focus on a positive customer experience. Private and business customers can easily manage the services themselves through a modern customer portal. Digital Republic was also one of the first providers ever in Switzerland to offer eSIMs.

The company also offers corporate customers flexible and easily scalable offerings as well as customised solutions for their IoT devices. IoT is becoming increasingly important in almost all industries. Digital Republic creates the basis for new, innovative business models with smart mobile connectivity.

Digital Republic was founded in 2016 by Ali Soy and Marco Arnold and will continue to be managed by them within the mobilezone Group. For the 2022 financial year, the profitable company expects revenues of CHF 4.5 million. It employs around 20 people and is headquartered in Zurich.

Both parties have agreed not to disclose the financial details of the transaction. Closing is planned for the beginning of January 2023. The purchase price will be financed from the company's own funds and using existing credit lines.

The Board of Directors still intends to maintain the current dividend policy and to distribute 60 to 75 per cent of net profit to shareholders in the form of dividends and to return excess capital below a net debt/EBITDA of 1 to shareholders through special dividends or share buybacks. The share buyback programme for 2022 to 2025 will be suspended for 2023.

A dividend of CHF 0.90 (previous year: CHF 0.84) per registered share will be proposed to the Annual General Meeting on 5 April 2023.

A video conference for investors, analysts and media representatives will be held tomorrow, Friday, 23 December 2022 at 9:15 a.m. (in German only). You can register to participate in the video conference (via MS Teams) [here](#). You will then receive a link to participate.

#### **Contact for analysts, investors and media representatives**

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#### **About mobilezone**

Founded in 1999, mobilezone holding ag is the leading independent Swiss and German telecoms specialist with sales of CHF 982 million and a net profit of CHF 50.7 million in the reporting year 2021. The registered shares of mobilezone holding ag (MOZN) are traded on the SIX Swiss Exchange AG.

The mobilezone Group employs around 1,000 people at its locations in Rotkreuz, Urnäsch, Cologne, Bochum, Münster and Berlin. The services and products offered by the Group include a full range of mobile phones and tariff plans for mobile and fixed-line telephony, digital TV and internet from all providers. Independent advice and services for private and business clients, repair services, wholesale activities and supply to retailers complete the offering. These services and products are provided online via various web portals and in over 120 mobilezone shops in Switzerland.

[www.mobilezoneholding.ch](http://www.mobilezoneholding.ch)

#### **Agenda**

10 March 2023

Publication of 2022 annual report

5 April 2023

General Meeting 2023

18 August 2023

Publication of 2023 half year report