Matterhorn Telecom Holding S.A.

Annual Report 2023

Salt.

Registred Office: 53, boulevard Royal | L-2449 Luxembourg | R.C.S. Luxembourg: B 195 766

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Salt Chairman’s Letter

Dear investors, partners, clients and Salt team members,

As we close the chapter on 2023, it is my privilege to reflect on a year marked by significant achievements. Our strategy to provide high-quality telecommunication services to Swiss consumers and enterprises at affordable rates, coupled with our continuous efforts to improve customer satisfaction has yielded significant positive outcomes.

Sustained Growth and Profitability

In our Mobile business, we achieved the highest number of net ads in a decade. We now serve a record number of more than 1.6 million postpaid mobile subscribers. The continued growth of our fiber-based Salt Home offering, featuring ultra-fast internet, TV and telephony, resulted in a base which now exceeds 223’000 subscribers. In B-to-B we continued to attract increasingly larger accounts, including Spitex, Generali and Pepsico. The Pro Office broadband offering for small businesses experienced substantial growth, underscoring our commitment to broaden the set of customer needs which we want to address. This solid operational momentum was a key driver of revenue growth, and even with ongoing investments to support our growth, we successfully upheld our EBITDA margin and free cash flow conversion rate, which are distinctive characteristics of the company. The consistently solid business performance in recent years led to credit rating upgrades, and, in July, we successfully placed senior secured notes in the amount of CHF 100 million in the Swiss market.

Nationwide Coverage and Top Rankings in Customer Surveys and Industry Assessments

Aligned with our commitment to enhancing the quality of our mobile services and products, we continuously invested into our mobile network, achieving a coverage rate of 99.9% of the Swiss population in 2023. In December, for the first time in the company’s history, Salt achieved an “outstanding” rating in the Connect mobile network test. Salt was also the first European Mobile Network Operator to announce a forthcoming Direct-to-Cell satellite service in partnership with SpaceX’s Starlink which will allow us to offer 100% connectivity throughout Switzerland.

Further evidence of the success of our strategy are the excellent results we have achieved in independent tests and customer surveys in 2023. In the telecom rating by BILANZ magazine Salt was named best universal provider for residential customers and for large companies. Top rankings in industry assessments (Connect, nPerf), reflected the outstanding performance and quality of our Salt Home offering. Salt Home is now accessible to two million Swiss households. By the end of 2025, close to three million Swiss households will be able to benefit from Salt’s affordable, future-proof fiber connection, reaching four million households by the end of 2030.

Continued Commitment to Quality and Affordability under New Leadership

2023 also marked a leadership transition with Max Nunziata assuming the role of CEO in June, succeeding Pascal Grieder. Under his leadership, Salt has continued its investments in growth, notably through the expansion of our physical presence with new Salt Stores and strategic partnerships, including the collaboration with the Swiss Post for the "Post Mobile" offering announced in May 2023 and launched in February 2024 as well as the successful transition of Lyca Mobile customers to the Salt network. The significant increases in input costs over the last two years, led us to review our pricing strategies and make selective adjustments to offset the inflationary pressures. We took the strategic decision to maintain prices for Salt Home unchanged until mid-2026, affirming our commitment to customer affordability and satisfaction. In Mobile, we moderately adjusted the prices for some subscriptions, while maintaining the best value for money positioning in the premium segment. Furthermore, we opened up 5G services for our secondary brand GoMo and adjusted the price for new customers, still remaining the price leader for all-inclusive mobile services in Switzerland.

Enhanced Sustainability Focus and Reporting

Finally, we have seen a significant tightening of both Swiss and European ESG-related regulations in recent years, announcing a new era of corporate transparency with regard to sustainability. As an operator of critical infrastructure with an extensive supply chain, Salt not only has a duty to adhere to these new regulations but is also well positioned to meet the evolving expectations of stakeholders in the ESG landscape. We paid particular attention to ESG-related topics during the year and launched a number of initiatives. You will find more details on our ambitions and achievements in our Sustainability Report.

Looking ahead, we are invigorated by our achievements and the opportunities that lie ahead. Our strategy and commitment to delivering exceptional value to our customers by investing in future-ready technologies and customer satisfaction remains stronger than ever.

All our accomplishments in 2023 can be directly attributed to the exceptional dedication and relentless effort of our team members. They deserve our appreciation, gratitude and respect. On behalf of the Board of Directors and the entire team, I also extend my gratitude to our customers, investors and partners for their continued support.

Best regards,

Marc Furrer
Salt Mobile SA, President of the Board of Directors

Disclaimer

By reading or reviewing the report that follows, you agree to be bound by the following limitations.

This report has been prepared by Matterhorn Telecom Holding S.A. ("the Matterhorn Group") and its subsidiaries ("the Matterhorn Group") solely for informational purposes. The Matterhorn Group has included non-IFRS financial measures in this presentation. These measurements may not be comparable to those of other companies. Reference to these non-IFRS financial measures should be considered in addition to IFRS financial measures, but should not be considered a substitute for results that are presented in accordance with IFRS. This report should be read in conjunction with consolidated financial statements for the Twelve-Month Period Ended December 31, 2023 which have been prepared in accordance with IFRS. Figures excluding IFRS15 and IFRS16 are based on Management accounts prepared at Salt Mobile SA level and are therefore excluding the operating expenses of the holdings in Luxembourg and the consolidation adjustments.

We present certain non-IFRS information in this report. This information includes EBITDA and Adjusted EBITDA, which are not metrics of performance or liquidity under IFRS. We define EBITDA as profit attributable to owners plus income tax expense, net finance costs, depreciation of right-of-use-assets, depreciation and amortization and result on disposal and other gains. We define Adjusted EBITDA as EBITDA adjusted for corporate and monitoring fees and restructuring, transition and transaction costs. We present this supplemental non-IFRS information because we believe that it is a useful indicator of our ability to incur and service our indebtedness. EBITDA, Adjusted EBITDA and similar measurements are used by different companies for different purposes and are often calculated in ways that reflect the circumstances of those companies. Caution should be exercised in comparing EBITDA and Adjusted EBITDA as reported by us to similar measurements reported by other companies.

Certain statements contained in this report that are not statements of historical facts, including, without limitation, any statements preceded by, followed by or including the words "targets", "believes", "expects", "aims", "intends", "may", "anticipates", "would", "could" or similar expressions or the negative thereof, constitute forward-looking statements, notwithstanding that such statements are not specifically identified. Examples of forward-looking statements include, but are not limited to: (i) statements about future financial and operating results; (ii) statements of strategic objectives, business prospects, future financial condition, budgets, projected costs and projected levels of revenues and profits of the Matterhorn Group, its management or its boards of directors; (iii) statements of future economic performance; and (iv) statements of assumptions underlying such statements.

Forward-looking statements are not guarantees of future performance and involve certain risks, uncertainties and assumptions which are difficult to predict and outside of the control of the management of the Matterhorn Group. Therefore, actual outcomes and results may differ materially from what is expressed or forecast in such forward-looking statements. We have based these assumptions on information currently available to us but, if any one or more of these assumptions turn out to be incorrect, actual market results may differ from those predicted. While we do not know what impact any such differences may have on our business, if there are such differences, our future results of operations and financial condition could be materially adversely affected. You should not place undue reliance on these forward-looking statements. Forward-looking statements speak only as of the date on which such statements are made. The Matterhorn Group expressly disclaims any obligation or undertaking to disseminate any updates or revisions of any forward-looking statement to reflect events or circumstances after the date on which such statement is made, or to reflect the occurrence of unanticipated events. In addition, past performance of the Matterhorn Group is not indicative of future performance. The future performance of the Matterhorn Group will depend on numerous factors which are subject to uncertainty.

Proformas and estimates included in this report are based on estimates of the Matterhorn Group management, and there can be no assurance that these estimates or expectations are or will prove to be accurate. Our internal estimates have not been verified by an external expert, and we cannot guarantee that a third party using different methods to assemble, analyze or compute data would obtain or generate the same results.

To the extent available, the industry, market and competitive position data or prediction contained in this report come from official or third-party sources believed to be reliable. We have not verified the accuracy and completeness of such information contained in this report. Our competitors may define our and their markets differently than we do. In addition, past performance of the Matterhorn Group is not indicative of future performance.

The subscriber data included in this presentation, including average revenue per user ("ARPU"), subscriber numbers and churn, are derived from management estimates, are not part of our financial statements or financial accounting records and have not been audited or otherwise reviewed by outside auditors, consultants or experts. Our use or computation of the terms ARPU or churn may not be comparable to the use or computation of similarly titled measures reported by other companies in the telecommunications industry. The ARPU reported in this report is an average of the ARPU of our Postpaid and Prepay mobile customers. ARPU is a non-IFRS measure and should not be considered in isolation or as an alternative measure of our performance under IFRS. Postpaid mobile subscribers are counted in our subscriber base as long as they have an active contract, for both handset and mobile broadband services, but exclude machine-to-machine subscriptions. Prepay subscribers are reported if their SIM card is connected to our network and they have had at least one chargeable or recharge event or have received at least one incoming traffic event (excluding, among other things, traffic initiated by us) within the last 435 days.

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Management Report

The Board of Directors of Matterhorn Telecom Holding S.A. ("the Management") ("the Company" or "we") is pleased to present the management report of the Company and its subsidiaries (hereafter "the Group") for the year ending December 31, 2023. The Management report was approved on March 20, 2024 by the Board of Directors of Matterhorn Telecom Holding S.A..

1. Operational and Financial Overview

1.1. Important Events

Partnership with Swisscom

On April 29, 2021, Salt Mobile SA ("Salt") and Swisscom announced that they entered into a long-term partnership regarding Swisscom's P2MP (Point to Multipoint) roll out to further expand Salt's FTTH (Fiber To The Home) footprint in Switzerland.

COMCO opened an investigation into Swisscom's P2MP topology in December 2020 and issued precautionary measures in this context. The Federal Administrative Court confirmed the precautionary measures imposed on Swisscom's P2MP roll out by COMCO in October 2021. Swisscom appealed against this ruling. The decision of COMCO regarding its investigation is outstanding.

Swisscom has informed the market and Salt that it has decided to shift its FTTH roll out to a P2P (Point to Point) topology. In Q1'23, the parties have reached an agreement and amended the fiber partnership so that Salt also secures access to any Swisscom roll out in a P2P topology. The resulting FTTH footprint accessible to Salt, including current agreements with utilities across Switzerland, is expected to reach 3 million households by 2025. This partnership with Swisscom will allow Salt to accelerate its growth on the Broadband market. Within the targeted footprint, Salt will be able to offer and operate its own services through a physical Layer 1 access, enabling fully independent network operations.

Executive Management

On February 24, 2023 Salt Mobile's Board of Directors announced the appointment of Massimiliano "Max" Nunziata as its new Chief Executive Officer of Salt Mobile, starting September 1, 2023. Max replaced Pascal Grieder, who has decided to step down for personal reasons after almost 5 years in this position.

Agreement with SpaceX

On March 1, 2023 Salt has announced a groundbreaking agreement with SpaceX to provide continuous coverage through satellite technology. This agreement, the first of its kind in Europe, leverages SpaceX's Starlink satellite constellation as much as Salt's mobile network to connect Salt's current and future mobile customers to Starlink satellites, providing them with enhanced connectivity and coverage.

Credit rating update

In July 2023, S&P Global Ratings upgraded the long-term issuer credit and issue ratings on Matterhorn Telecom Holding S.A. (Matterhorn Telecom), the parent company of Salt, to 'BB-' from 'B+', and Fitch Ratings has assigned Matterhorn Telecom a first-time Long-Term Issue Default Rating of 'BB-'. The outlook for both ratings is stable.

Refinancing events

On July 12, 2023, the Group entered into an Indenture Agreement for the issuance of CHF 100 million 5.25% Senior Secured Notes due 2028 with bi-annual coupon. The Notes were priced at 100% of their aggregate principal amount and were issued on July 21, 2023. The Senior Secured Notes have been assigned a rating of 'BB-' by S&P Global Ratings and a rating of 'BB+(EXP)'/'RR2' by Fitch Ratings.

On July 20, 2023, the Group partially unwound EUR 100.0 million of its EUR 148.4 million cross currency interest rate swap to anticipated the contemplated repurchase of the 2024 notes.

On January 26, 2024, the Group announced the syndication of a new EUR 150 million term loan facility availed by Matterhorn Telecom S.A. ("Borrower") as an incremental facility under its existing senior facilities agreement. The new facility was priced at an OID (Original Issue Discount) of 99.5, and has substantially the same terms as, and will be fungible with, the Borrower's existing term loan facility (including with respect to the applicable margin).

The facility was drawn down on February 28, 2024.

The proceeds from the drawing under this new facility together with the proceeds from the CHF 100 million 5.25% Senior Secured Notes due 2028 are intended to be used to redeem in full, at or prior to maturity, the EUR246.5 million aggregate principal amount of 2.625% senior secured notes due 2024 issued by the Company on September 19, 2019, and (ii) to pay certain fees and expenses relating to the Offering.

1.2. Review and Development of the Company Business and Financial Position

Financial Performance

Total revenue for the twelve-month period ended December 31, 2023 increased by CHF 43.5 million, or +4.0% compared to previous year. This increase was primarily driven by:

- An increase in operating revenue, excl. incoming, of CHF 38.2 million, or +4.6%. A variance mainly attributable to:
  - The increase in postpaid service revenues of CHF 32.0 million, mainly driven by the continued development and success of our Salt Home product (Fixed line offering) and the growth in mobile subscriptions combined with the positive impact from the price increase done in September 2023. This was partly offset by the lower Postpaid Mobile Average Revenue Per User, as well as lower additional fees paid by customers,
  - The increase in other services revenue of CHF 7.5 million, mainly driven by the new MVNO contract with Lyca Mobile starting in Q2 2023, higher visitor roaming revenues (more than offset on the cost side) as well as an increase in collection revenue,
  - Partially offset by the slight decline in prepay service revenue of CHF (1.3) million.
- A decrease in incoming revenue of CHF (2.5) million, or -3.9% as a consequence of a decrease in the overall voice traffic volume and the termination of the MMS service, partly offset by a growing subscriber base. The effect is financially offset on the cost side. Despite the revenue decline, the EBITDA contribution of interconnection activities has slightly improved over the last years.
- An increase in equipment and other revenue of CHF 7.7 million, or +4.4% mainly driven by a positive mix effect of contracts sold with a device.

The net result for the financial year ended December 31, 2023 is a gain amounting to CHF 156.6 million. A more detailed financial analysis is presented in the Matterhorn Telecom S.A. High Yield Report.

The management does not foresee any major changes in the coming financial years and expects to continue its Mobile and Home activities in a similar manner.

As at December 31, 2023, the Company does not hold any of its own shares.

Operational performance – Best subscriber growth in 10 years

In 2023, Salt increased its mobile postpaid subscriber base by +119'600 subscribers, compared to an increase of +106'900 in 2022, marking the third consecutive year of the highest net additions in the last 10 years. This outstanding performance was achieved through:

- The strong momentum in B-to-C mobile net adds, including 34 consecutive quarters of positive net adds in core brands combined with good traction in secondary brands, which translated into the best annual net add performance in the last 10 years,
- The accelerated momentum in the B-to-B business with the best annual net add performance in the last 10 years, marking the second consecutive year of the highest net additions in the last 10 years.

This solid performance was also achieved thanks to the strengthening of our growth platform notably through an enhancement of the customer experience confirmed by the improvement of Salt Mobile's network quality for the sixth consecutive year and reaching the "outstanding" rating in the Connect test[1], placing Salt at par with the 2 other MNO in Switzerland. Salt was also awarded "best universal provider" based on customer survey's (BILANZ Magazine) on both residential customers and large companies[2].

Salt Home also benefited from continued growth in its subscriber base, driven by the success of the ultra-fast broadband offer with the best internet performance since the product's launch[3].

1.3. Research and Development

During the year, the labour expenses capitalised as intangible assets amounted to CHF 5.1 million (CHF 4.3 million for the year ended December 31, 2022).

1.4. Impact of Exchange Rate Movements

The Group operates mainly in the currency of its country (CHF). However, the Group is subject to foreign currency risk arising from borrowings and future commercial transactions which can be done in EUR or USD (purchase of handsets or roaming for example). The Group is therefore exposed to fluctuations of the EUR and USD relative to the CHF. These currency fluctuations can have an impact on the results of operations.

To minimize its currency exposure, the Group has in place a policy regarding foreign exchange management, which is monitored and followed-up by Group Treasury, using hedging instruments. The Group also uses foreign currency inflows to pay for its foreign currency outflows.

Please refer to the Note 11 of the consolidated financial statements for the year ended December 31, 2023 for more detailed information.

1 Connect Mobile Network Test 2024
2 Swiss business magazine BILANZ, August 2023
3 nperf 2023 report (January 2024). Salt was only measured in FTTH technology in 2019 and 2020

1.5. Important Events Since the Balance Sheet Date

In January 2024, the Group proceeded to the repayment of share premium for an amount of CHF 150 million to its shareholders.

On January 26, 2024, the Group announced the syndication of a new EUR 150 million term loan facility, please refer to the "important Events" section for more detailed information.

On March 18, 2024, the Group extended the maturity of the EUR 140 million cross-currency interest rate Swap from 2024 to 2027 with a mandatory break-clause in 2026 and a decrease of the hedging rate from 3.939% to 2.977%.

2. Principal Risks and Uncertainties

2.1. Market Risk and Fair Value of Financial Assets and Liabilities

The Note 11 of the consolidated financial statements for the year ended December 31, 2023 provides information on market risk and fair value of financial assets and liabilities.

2.2. Legal Risks

Salt top legal risks are managed by Salt's legal department to ensure compliance with the regulations in force in Switzerland.

2.3. Cyber Security Risks

The Information Security is based on recognized international standards and best practices such as ISO/IEC 27002 "Code of Practice for Information Security Controls" and ISO/IEC 27001 "Information Security Management Systems – Requirements".

The availability of Salt's IT and mobile infrastructure as well as the confidential handling of sensitive data are crucial for Salt and the services provided to its customers. Salt's Corporate Security Department is an in-house department with highly qualified and certified resources (CISM / CRISC / CCiSO / CISSP) reporting to the executive Management to ensure direct, independent and fast interaction.

2.4. Safety and Environmental Risks

The Group strives to comply in all material respects with applicable environmental and health and safety laws, and all related permit requirements.

2.5. Risks Related to Our Market and Our Business

The Company and its subsidiaries, including in particular Salt, are subject to important risks, uncertainties and other factors, including:

- Equipment and network system failures could result in reduced user traffic and revenue, require unanticipated capital expenditures or harm our reputation.
- The Swiss mobile telecommunications market is characterized by competition among existing and potential new mobile network operators. We face strong competition from established competitors and we may also face increased competition as a result of a consolidation of, or cooperation between, our competitors.
- We also face high levels of competition from resellers and MVNOs.
- We face increasing competition from alternative telecommunication services, such as OTT.
- Our business may be adversely affected by health epidemics which may have a material impact on our results of operations. The Covid-19 pandemic, a potential new strain of the virus and measures to mitigate its impact could adversely affect our business, financial condition and results of operations.
- Any failure to comply with license conditions may jeopardize our licenses, which are required to operate our mobile business.
- Failure to renew one of our licenses, which are required to operate our mobile business.
- The success of our mobile operations depends on our ability to attract and retain mobile and Home subscribers.
- Customer satisfaction levels that are lower than our competitors' customer satisfaction levels could adversely affect our ability to acquire new and maintain existing customers.
- We depend on our key partners and other third-parties for the provision of certain services. Our relationships with certain suppliers of services and equipment are critical to conducting our business.
- We do not have direct contracts with all of our key sourcing partners.
- We depend on roaming arrangements with other international telecommunications operators.
- We depend on third-party telecommunications providers over which we have no direct control for the provision of certain of our services.
- We depend on our wholesale resellers, MVNO and third-party partners to access a broader and more diverse base of subscribers and grow our subscriber base and/or revenues.
- Our success depends on the effective execution of our strategy.
- The assumptions made in preparing our financial targets and outlook may prove incorrect, incomplete or inaccurate.
- We may not be able to maintain the benefits from our IT transformation initiatives and to fully complete outstanding initiatives.
- If we are unable to identify, complete and successfully integrate acquisitions, our ability to grow our business may be limited and our business, financial condition and results of operations may be adversely impacted.
- The telecommunications industry has been, and will continue to be, significantly affected by rapid technological change and we may not be able to effectively anticipate or react to these changes.

- Our inability to adequately predict customer demand for data, calls and roaming services could result in increased costs and decreased profitability.
- We are subject to increasing operating costs and inflation risks which may adversely affect our earnings.
- Our business is capital intensive. We cannot assure that we will have sufficient liquidity to fund our capital expenditure programs or our ongoing operations in the future.
- Our business may be adversely affected by actual or perceived health risks and other environmental requirements relating to mobile telecommunications transmission equipment and devices, including the location of antennas.
- Our business may be adversely affected by our ability to maintain and increase our network coverage.
- We could lose the contractual rights-of-way, right of use or other network access on which we rely.
- We are subject to extensive regulation and have recently been, and may in the future be, adversely affected by regulatory measures applicable to us.
- We are exposed to the risk of fraudulent or otherwise improper behaviour by customers, distribution partners, suppliers, employees and others, which our risk management and internal controls may not prevent or detect.
- Political efforts and efforts of interest groups to regulate specific aspects of the telecommunication market, such as full protection of the mobile network against power outages, may adversely affect our business, financial condition and results of operations as well as materially obstruct and hinder our ability to maintain and increase our network coverage and quality.
- Continuing uncertainties, blocking by authorities of (moratoria) and opposition of the public against, in particular, build permits and 5G rollout may adversely impact our business, financial condition and results of operations.
- We depend on an open, independent and non-discriminatory economic and political environment, allowing us to choose our partners freely and based on economic, environmental and social aspects.
- We are exposed to changes in MTRs and other rates such as roaming tariffs, including new regulation imposing limitations on roaming.
- We operate primarily in the Swiss market and as a result our growth prospects depend on economic developments in Switzerland.
- If we fail to maintain or further develop our direct and indirect distribution and customer care channels, our ability to sustain and further grow our subscriber base could be materially and adversely affected.
- Our shareholder and certain of our affiliates are highly engaged in our business, and adverse changes to our relationship could cause our operations to suffer.
- The interests of our principal shareholder may conflict with your interests and we rely on NJJ's expertise for conducting our business.
- We may not be able to attract and retain key personnel and may experience difficulty or incur costs in replacing such personnel and in integrating new personnel.
- Continuing uncertainties and challenging conditions in the global economy may adversely impact our business, financial condition and results of operations.
- Our pension liability may reduce our cash flows, profitability, financial condition, net assets, distributable reserves and our ability to pay dividends.
- Our insurance may not be adequate to cover losses or liabilities that may arise.

- We face legal and regulatory dispute risks, in particular relating to our network, to legal and civil, tax, regulatory and competition proceedings as well as commercial disputes, which if adversely resolved, could have a material adverse effect on our business, financial condition, results of operations and reputation.
- We collect and process subscriber data as part of our daily business, and the leakage of such data may violate laws and regulations which could result in fines, loss of reputation and subscriber churn and adversely affect our business.
- Our business is subject to cybersecurity risks.
- Increasing data security requirements by financial institutions, certain other corporate customers and governmental entities may adversely affect our business and profitability.
- We may be subject to legal liability associated with providing online services or content.
- Our leverage and debt service obligations could adversely affect our business and prevent us from fulfilling our obligations pursuant to the terms of our debt.
- We are subject to restrictive debt covenants that may limit our ability to finance our future operations and capital needs and to pursue business opportunities and activities.
- We will require a significant amount of cash to meet our obligations under our indebtedness and to sustain our operations, which we may not be able to generate or raise.
- We may be able to incur more debt in the future, which may make it difficult for us to service our debt and impair our ability to operate our business.
- Our financings may bear interest at floating rates. Such floating rates could rise significantly, increasing our costs and reducing our cash flow.
- Exchange rate fluctuations could adversely affect our financial results.
- Our interest and cross-currency swap agreements may expose us to credit default risks and potential losses if our counterparties fall into bankruptcy.
- We may be subject to financial risks related to Swiss and foreign tax compliance.
- In order to maintain our high-quality network operations, we require a steady supply of hardware for replacement and upgrade purposes. If the supply of that hardware is restricted due to global supply chain challenges and/or political restrictions, maintaining the quality of our network will become more challenging.
- Network operations require a steady supply of electricity. If Switzerland is faced with electricity restrictions, this could have an impact on our cost base, as well as our revenue generating ability, as our services would be severely impacted.
- Any failure to comply with the documentation of the financial debt and financial markets.

3. Material Affiliate and Associate Transactions

We engage in transactions with our principal shareholder and other entities owned by or affiliated with our shareholders in the ordinary course of business. The following discussion is a brief summary of certain material arrangements, agreements and transactions we have with related parties.

NJJ

We have entered into a service agreement with our major shareholder, NJJ, for the provision of certain consulting services. NJJ provides us with operational support on strategic matters, such as business and technical development, capital expenditures, relationships with key business partners or negotiations with banks and other financial institutions. NJJ also advises us on accounting, legal and tax matters, marketing and communications, human resources and various other matters. In 2023, expenses related to NJJ amounted to CHF 4.0 million and are reported as Corporate and Monitoring fees.

Althaia Consulting

Althaia Consulting Sàrl provides us with consulting services and operational support for Network and IT operations, such as strategic analyses for the development and evolution of IT, Network and Infrastructure, as well as relationships with key IT and Network business partners.

Exedra Consulting

Exedra Consulting provides us with B2B strategic and operational consulting services.

Eircom

Salt provides Eircom Limited, a fixed, mobile and broadband telecommunications company in Ireland in which our ultimate controlling owner has a majority interest, with some software development activities as well as managed services.

IT Solutions Factory

We have entered into a master agreement for IT services with IT Solutions Factory, an IT systems and logistics company owned by our principal shareholder. IT Solutions Factory provides us with software development services.

Riviera Solutions Factory

We have entered into a master agreement for IT services with Riviera Solutions Factory, an IT systems and logistics company owned by our principal shareholder. Riviera Solutions Factory provides us with software development services.

Monaco Telecom

We have entered into a master services agreement with Monaco Telecom, a Telecom and IT company in which our principal shareholder has a majority interest. Monaco Telecom provides us with software development services, international carrier services and cloud computing services. Salt also provides carrier services and managed services to Monaco Telecom.

Network Solutions Factory

We have entered into a master services agreement with Network Solutions Factory, a Telecom and Network company in which our principal shareholder has a majority interest. Network Solutions Factory provides us with technical support services including radio planning, transmission planning, network configuration management, software upgrades, network supervision services, a service management centre and optimization of our network under a services agreement. Network Solutions Factory also provides network operations services to other NJJ telecommunications companies.

Roaming operations

As part of our international roaming operations, we have entered into roaming agreements with foreign telecommunications operators over which our ultimate shareholder has control or significant influence (notably Free Mobile). We also provide roaming management services for some of our affiliates.

Matterhorn Telecom Holding S.A.

2023 Sustainability Report

Registred Office: 53, boulevard Royal | L-2449 Luxembourg | R.C.S. Luxembourg: B 195 766

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Letter to Stakeholders

Dear Valued Stakeholders,

As we reflect on our journey, our dedication to Environmental, Social, and Governance (ESG) practices has translated into further progress in these areas. In 2023, we have completed our first double materiality analysis and appointed a Sustainability Manager.

Our environmental initiatives have generated reductions in emissions and enhancements in energy efficiency, a testament to our commitment to sustainable growth. Notably, we've continued to modernize our buildings in Crissier and initiated the installation of solar panels. The transition to PHEVs for the fleet available to project managers and sales representatives is nearing completion.

The success of our handset buy-back program and, among other initiatives, the launch of refurbished tablets highlight our dedication to promoting resource sustainability within a circular economy. On the social front, we've strengthened our employer brand, our benefits package, our health and safety policies and introduced an external person of trust to support our team's wellbeing where necessary.

Our ongoing improvements in product offerings and customer service highlight our commitment to customer satisfaction. The adoption of social responsibility and sustainability policies, alongside enhanced data protection measures, underscore our pledge to ethical practices and transparency.

Looking ahead, we are enthusiastic about further integrating ESG principles into our business strategy, enhancing stakeholder engagement and exploring innovative solutions to environmental challenges

We are grateful for your ongoing commitment and eagerly anticipate achieving further meaningful progress together.

Sincerely,

Marc Furrer
President of the Salt Board of Directors

Franck Bernard
Chief Financial Officer

ESG Update and Context

In the past two years, there has seen a significant tightening of both Swiss and European ESG-related regulations, announcing a new era of corporate transparency with regards to sustainability and concretising in the laws global society's expectations towards a fairer and more sustainable world. The Swiss Code of Obligations (CO), and its Articles 964ss, have extended corporate reporting requirements and have introduced corporate due-diligence obligations aiming towards more transparency in specific supply chains. Moreover, the adoption of the Climate and Innovation Act on 18 June 2023, following a popular vote, lays the path towards a Net Zero target by 2050 for Switzerland.

In addition, the 30 June 2023 deadline for Swiss companies to disclose gender pay gap analyses to their employees is a significant step towards gender equality in the workplace.

In the European context, the Corporate Sustainability Reporting Directive (CSRD) and other ad hoc regulations need to be integrated into corporate strategies. For the telecommunications sector, these changes bring specific challenges. The sector faces intensified scrutiny over its supply chain, cybersecurity, network safety, and resilience. This scrutiny is echoed by stakeholders, especially investors and civil society, who are increasingly vocal about issues such as child labor in electronics, responsible digital use, data security, governmental surveillance, and environmental impacts.

Switzerland's political landscape reflects this shift, with popular initiatives focusing on corporate responsibility, childcare, climate change and biodiversity. The Federal Council's confirmation of alignment with the EU CSRD on 22 September 2023, and the acknowledgement on 22 December 2023 that the EU's Corporate Sustainability Due Diligence Directive (CSDDD) may affect Swiss companies, indicate an inclination to harmonising Swiss law with broader European standards. These developments, which present both challenges and opportunities, place companies like us at the forefront of a transformative journey towards sustainable and responsible business practices.

Salt Mobile SA, is not bound by specific reporting requirements under Art. 964a-i CO but falls under the due diligence obligations of Art. 964j ss CO. Its parent company, Matterhorn Telecom S.A., however, falls under the EU's CSRD. As a critical infrastructure operator with an extensive supply chain, Salt has a duty to comply with these regulations. However, its dedication to addressing these issues extends beyond legal obligations and Salt is well positioned to meeting the evolving expectations of stakeholders in the ESG landscape.

Salt ESG Governance and Structure

Salt's Sustainability report documents the company's commitment to transparency and responsible corporate practices. The report is crafted and updated by a team of employees from different business units, each contributing to unique insights and expertise.

Oversight of this team is provided by a member of the Salt Management Board, Mr. Franck Bernard, Chief Financial Officer at Salt, acting as sponsor, he ensures the development and follow-up of the ESG Strategy across the company.

Further, Marc Furrer, Chairman, and Olivier Rosenfeld, member of the Salt Board of Directors, play crucial roles in overseeing the process, offering a broader perspective and integrating ESG efforts into the overall corporate governance framework.

This structure underscores the company's commitment to ESG principles at every organizational level.

Facts and Achievements, 2023

- In 2023, a focus was placed on training for Salt's ESG team, with the aim of improving their knowledge and understanding of ESG regulations and principles. This included attending industry-specific events, engaging with relevant literature, participating in workshops and fostering industry exchange. Online resources and platforms were used to ensure continuous learning and to keep well-informed of the latest trends and best practices in ESG.
- The company's Social Responsibility and Sustainability Policy has been adopted. This included reaffirming Salt's values and formalising the organisation's ESG structures, clearly defining roles and responsibilities. This led to the establishment of ESG sponsors and a dedicated ESG team.
- The Social Responsibility and Sustainability Policy includes the company's ESG commitments and outlines the main focus areas.

Outlook, 2024 and Beyond

- Salt will enhance the visibility of its ESG activities by increasing both internal and external awareness of its ESG initiatives.
- Internally, Salt will perform a series of awareness programs and targeted trainings aimed at embedding ESG values across the organization.
- Externally, Salt will improve the visibility of its efforts through a dedicated ESG web page, which will feature information on its ESG activities, thereby providing transparency and insight to stakeholders and the public.
- Moving forward, Salt is dedicated to the continuous integration of ESG commitments into its procedures and processes, with a particular emphasis on Human Resources and Procurement.
- Salt will complete and publish its first due diligence report in accordance with Article 964j and subsequent sections of the Swiss Code of Obligations (CO).
- Salt will adopt a set of “SMART” priority ESG objectives, that will shape its ESG roadmap.

Materiality Analysis

After conducting the company's first materiality assessment in 2022, the methodology was improved for the 2023 assessment by adopting the double materiality principle, which is in line with the requirements of the Corporate Sustainability Reporting Directive (CSRD) and the European Sustainability Reporting Standards (ESRS). The materiality analysis began with the formation of a dedicated cross-functional working group of employees who worked together to develop an extensive list of potential topics. This preliminary list was drawn from a variety of sources, including suggested topics from the CSRD-ESRS, peer reviews within the telecommunications sector, issues of importance to investors and other relevant documentation.

In order to better understand the priorities of its internal and external stakeholders, the company developed a stakeholder survey and additionally conducted in-depth internal interviews. The survey aimed to measure the importance of the identified issues for a wide range of stakeholders, including customers, investors, shareholders, employees, suppliers, authorities and the media. The financial materiality aspect was prepared in collaboration with Salt's Chief Financial Officer (CFO) and was further enhanced by insights from the company's corporate risk assessment.

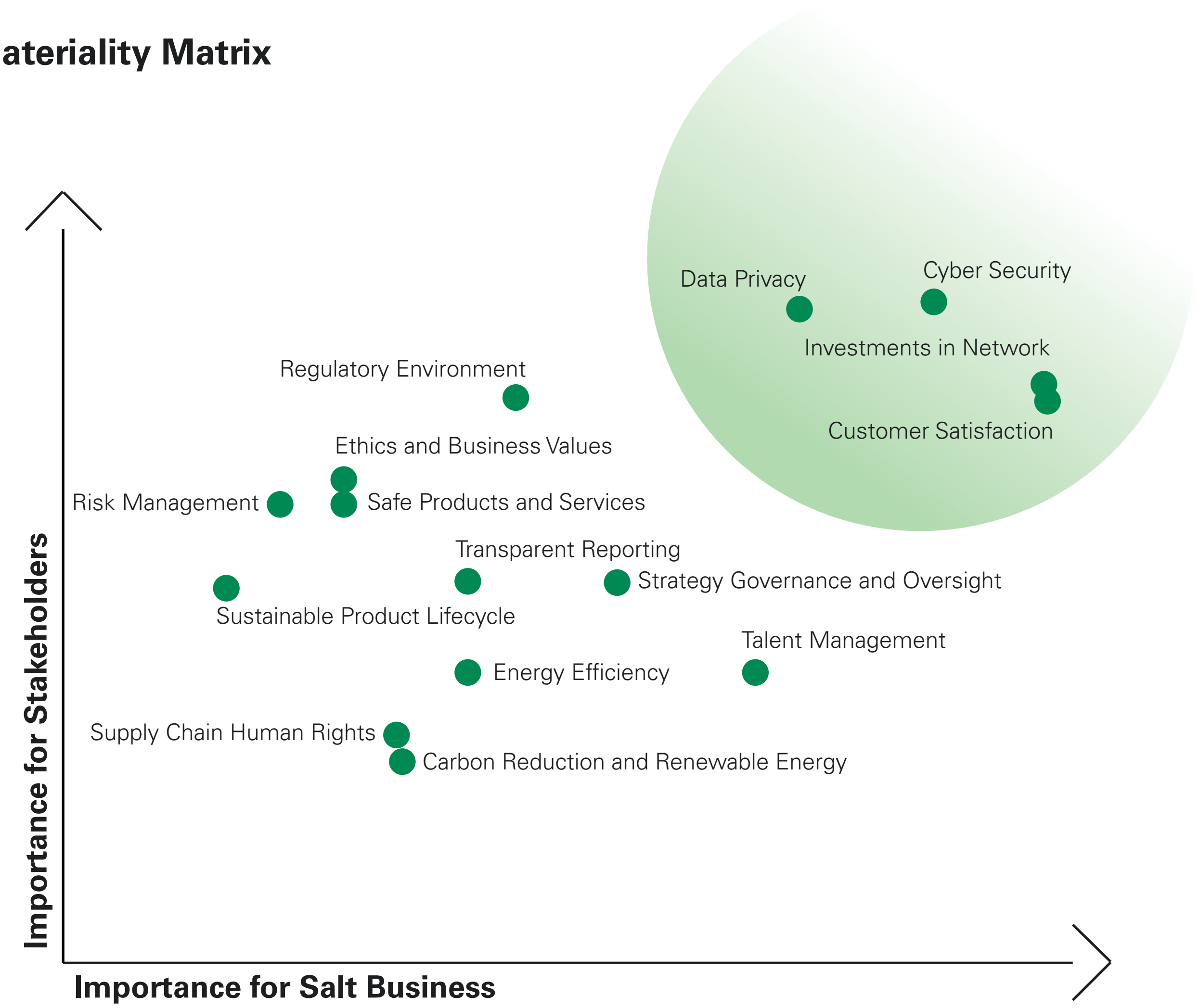
The results of the stakeholder survey and internal interviews enabled Salt to narrow down the list to 15 material topics. These results underwent an additional review process involving Salt's Management Board, Board of Directors and shareholder representatives to ensure a comprehensive materiality analysis.

Material Topics

Investments in Network	Continuous investments in the development and maintenance of a high performance, reliable network in order to deliver a high-quality service to Salt's customers.
Customer Satisfaction	Proactive monitoring of customer satisfaction and addressing sources of complaints, leveraging feedback to enhance Salt's products and services.
Cybersecurity	Ensuring the security and resilience of Salt's network and IT infrastructure through robust equipment, skilled personnel, training, and policies, to safeguard customer data and maintain service availability.
Data Privacy	Commitment to high standards of protection of personal data (including customers, employees, suppliers and partners) with the utmost confidentiality and privacy. Ensuring transparency in data management and prudent assessment and use of new data related technologies.
Regulatory Environment	Ensuring compliance with all relevant regulations, coupled with proactive monitoring and adaptation to regulatory changes.
Talent Management	Fostering talent through competitive benefits and wages, reducing turnover and absenteeism, and maintaining positive management-employee relations. Commitment to diversity and inclusion, preventing discrimination, and pay gaps. Emphasizing skill development, training, and youth education programs. Prioritizing health and safety to minimize workplace accidents.
Strategic Governance and Oversight	Ensuring a diverse, expert, independent, and integrity-driven board and top management to oversee Salt's activities. Defining and communicating to all stakeholders a robust corporate strategy that considers market uncertainty and complexity and anticipates technological changes.
Transparent Reporting	Ensuring high-quality, transparent financial and non-financial reporting for informed investment decisions. Facilitating open dialogue with Salt management on business conduct.

Ethics and Business Values	Adhering to the highest ethical standards in all business dealings and decision-making, internally and externally. Promoting strong business values, preventing corruption and unethical behavior, and facilitating the reporting of concerns.
Safe Products and Services	Ensuring the safety of Salt's products and services, adhering to radiation regulations, protecting youth, and promoting safe internet and social media use.
Energy Efficiency	Reducing electricity consumption of network components, data centers, office spaces, Salt Stores and consumer devices, and improving efficiency in other energy forms (fuel, heating, etc.).
Risk Management	Proactively managing and mitigating risks to minimize adverse impacts on Salt's business and stakeholders.
Sustainable Product Lifecycle	Reducing waste (electronic, packaging, paper, plastic, construction, etc.) through eco-design, repair, refurbishment, and digitalization, while ensuring proper treatment of residual waste via recycling.
Supply Chain Human Rights	Preventing and addressing human rights risks in the Salt supply chain, including child labour, forced labour, and worker rights.
Carbon Reduction and Renewable Energy	Reducing greenhouse gas emissions from Salt activities, both direct and indirect. Implementing strategies to adapt to and mitigate the impacts of climate change and increase the use of renewable over fossil energies.

Materiality Matrix



Environment

Environment

Salt's "Environment" chapter describes the steps the company is taking to reduce its environmental impact and how it promotes sustainability. The focus is on its energy use and the actions Salt has undertaken to improve energy efficiency across its operations. Additionally, the chapter covers Salt's efforts to manage CO2 emissions, illustrating its commitment towards a sustainable future. Finally, information on how Salt is improving its products, services and daily business practices to help protect the environment is addressed. This chapter aims to provide an overview of Salt's environmental initiatives, highlighting its efforts to make a positive contribution to the health of the planet.

"At Salt our aim is to save energy and reduce our environmental impact wherever possible and relevant. In our offices, data center and new stores facilities, we're implementing solutions that reduce consumption and support sustainability, always striving for greater efficiency in our operations."

Olivier, Facility Manager at Salt

Energy

Salt is employing a multifaceted approach to reduce its energy consumption. The company conducts energy analysis to identify areas of high consumption or inefficiencies, enabling targeted interventions. Since 2021, Salt has made a significant transition towards sustainability in its energy consumption. The company's main offices and its main internal data center are today powered entirely by renewable electricity sources. Specifically, the locations in Renens, Crissier, and Biel utilize electricity generated from Swiss hydroelectric sources, while the Zurich office is supplied by Swiss and European energy from hydro, wind and solar sources. Salt has extended this commitment to renewable energy to its external data center located in the Zurich area.

Refurbishments to improve energy consumption and efficiency are carried out wherever possible on Salt's premises and in the network. Over the past years, Salt has advanced its network modernization efforts by upgrading its Radio Access Network (RAN) to newer, more energy-efficient platforms. Salt has pursued to reallocate radio equipment from ground-based shelters to elevated positions atop the masts, leveraging natural air cooling. This shift significantly reduces power consumption. Additionally, by performing optical-electronic conversion directly on the mast-top elements, Salt effectively minimizes energy losses. Besides, Salt has further enhanced its network infrastructure by increasing the use of fiber optics at its radio sites. This reduces the reliance on microwave technology, leading to a notable decrease in electricity consumption.

Additionally, energy-efficient lighting is in place, reducing both energy consumption and costs. On top, occupancy sensors are installed in various office, server and storage spaces to regulate lighting, ensuring resources are utilized only when needed.

Employees have been informed on energy-saving best practices in order to foster an energy-conscious culture. Awareness raising about energy efficiency goes beyond the company's perimeter: Salt also reaches out to customers, for instance via social media channels. Remote work policies and green transportation initiatives such as a hybrid car fleet and prioritizing public transportation, whenever possible, further contribute to the company's energy-saving objectives.

Beyond its direct operations, Salt actively engages with its supply chain to promote sustainable practices. Among other examples, the company has chosen a printing partner for paper invoices and collection letters that not only claims carbon neutrality but also operates on 100% renewable electricity. Furthermore, the company's paperless initiatives underscore its commitment to reducing paper-related energy consumption.
Salt remains committed to continuous improvement, regularly updating and expanding its energy-saving initiatives to embrace emerging technologies and industry best practices.

Facts and Achievements, 2023

- In 2023, Salt consumed 65’900 MWh of energy (vs 71’848 MWh in 2022), of which 94.0% was electricity, 3.3% vehicle fuels (diesel, petrol, gas), 2.5% heating fuels (oil, gas) and 0.2% district heating.
- Salt again achieved electricity savings in 2023 in its Radio Access Network (RAN), while consumer data traffic increased by about 26% - the energy consumption per bit transported was 0.09 kWh in 2023 (vs 0.13 kWh in 2022).
- Salt has made further progress in phasing out outdated technologies, mostly completing the decommissioning of its 2G/GSM platforms.
- Salt has completed the renovation of its Crissier offices. This extensive project involved the upgrade of the building structure and window systems, enhancing insulation and cooling efficiencies.
- The lighting system of the Crissier office was modernized across approximately 1'000 square meters, transitioning to energy-efficient LED technology.
- Salt has begun installing solar panels on the roofs of its Crissier office. This installation is intended for self-consumption and will be operational in 2024.
- Salt has joined a collaborative energy optimization program in partnership with NJJ Telecom companies such as EIR, and Monaco Telecom. This joint initiative aims to facilitate the exchange of best practices and efficient energy solutions by leveraging collective expertise.
- Salt continued its energy saving awareness campaign on its social media channels.

Outlook, 2024 and Beyond

- Salt will continue to enhance its telecommunications infrastructure by advancing the upgrade of its Radio Access Network (RAN).
- Salt will consistently advance its strategy to transition towards more sustainable electricity sourcing.
- Salt will continue the installation of solar panels on the roof of its Crissier office and put them into operation.
- Salt will start preparing the relocation of its headquarters to a building in the Malley district in Prilly. The new location will encourage the use of public transport, as it is better connected. Besides, the project is renowned for its low energy consumption and certified with the Swiss Minergie quality label. The move will also bring a major improvement in heating, with the switch from natural gas to ground/water heat pumps coupled with geothermal probes. Initially planned for an earlier date, it has been rescheduled to 2025 due to construction delays.

Carbon Footprint

Salt is preparing a net zero roadmap that aligns with the principles of the Science Based Targets initiative and the objectives of the 2015 Paris Agreement. In light of evolving conditions and current circumstances, Salt is currently conducting a review of its 2025 targets to set revised objectives, ensuring that its commitments remain both ambitious and achievable.

Salt's greenhouse gas (GHG) emissions are measured in accordance with the GHG Protocol standard with methodological support and external verification by myclimate, an independent non-profit organisation with extensive expertise in corporate carbon footprints. The calculations are carried out by myclimate using data from the ecoinvent database, various external studies and Salt's own data.

Scope 1 relates to direct emissions from the combustion of fossil fuels for Salt's car fleet and owned or rented buildings (offices, data centres) and refrigerants.

Scope 2 relates to direct emissions from electricity and district heating for Salt's network (mobile base stations, access and core networks), offices and data centres.

Scope 3, which represents the majority of Salt's carbon footprint, covers the indirect emissions related to Salt's operations and supply chain, in particular the purchased/capitalised goods and services. Scope 3 also includes electricity and heating emissions from rented Salt Stores.

Salt Carbon Footprint

In Tons of CO2 Eq.	2021		2022		2023	
Scope 1 (direct emissions due to the combustion of fossil fuels for heating and mobility and to refrigerants)	690	1.5%	717	1.3%	747	1.6%
Scope 2 (emissions due to electricity "market-based" and district heating)	101	0.2%	93	0.2%	111	0.2%
Scope 3 (indirect emissions related to Salt operations and supply chain)	45'106	98.3%	52'681	98.5%	45'739	98.2%
Total Emissions	45'897	100%	53'429	100%	46'597	100%

Location- and market-based emissions related to electricity in Scope 2

In Tons of CO2 Eq.	2021	2022	2023
"Location-based" emissions (using Switzerland average mix of energy sources)	5'508	4'510	4'689
"Market-based" emissions (based on Salt energy contracts and certified electricity, as reported in above table)	94	90	107

Salt's vehicle fleet is comprised of 120 vehicles at the end of 2023. This includes 47 diesel vehicles with emissions of 156g of CO2 per kilometre, according to the WLTP standard, 2 gas hybrid vehicles emitting 96g (introduced in 2018), and 71 plug-in hybrid electric vehicles (PHEV) emitting only 35 CO2 g/km, as per the WLTP standard, which have been incrementally incorporated into the fleet since 2020. Salt's main offices are mostly equipped with vehicle charging stations and the company is actively promoting a culture of energy-efficient and environmentally conscious driving among its employees. In support of sustainable energy practices, Salt is also contributing to the installation costs for home charging stations for employees driving corporate cars.

To further reduce its carbon footprint, Salt has implemented measures to limit unnecessary travel, notably allowing employees to work from home for up to 60% of their working hours where possible. In addition, the company favours video conferencing over physical travel and enforces a travel policy that encourages the use of public transport, especially trains to minimise the environmental impact.

Additionally, Salt actively pursues various strategies to minimise the use of resources in its daily activities. These efforts include the regular review and digitalisation of processes to reduce paper consumption where appropriate. Salt uses FSC-certified paper for all customer invoices and collection letters.

Facts and Achievements, 2023

- Salt's carbon footprint decreases by -6'896 tons of CO_2 eq. from 2022 to 2023, mainly driven by a lower purchase volume in devices and accessories.
- While various initiatives are underway to reduce emissions, the increase in scope 1 is mainly due to an increase in the surface area of Salt's offices and its external data centre supporting Salt's expansion.
- Salt has increased the amount of PHEVs in its car fleet, gradually replacing the gas hybrid and diesel vehicles used by project managers and sales representatives.
- The slight increase in scope 2 emissions is mainly due to the evolution of some electricity emission factors, while electricity consumption was reduced by 9%.
- The decrease in emissions in scope 3 is mainly driven by a lower purchase volume in devices and accessories but also due to improvements in emission factors and efforts by some key suppliers to reduce their product footprint.
- By the end of 2023, one of Salt's key network suppliers has publicly committed to setting targets in line with the Science Based Target Initiative (SBTi) criteria, facilitating the development of Salt's own targets.

Outlook, 2024 and Beyond

- Salt will set reduction targets, aiming to align with the Science Based Targets initiative (SBTi) and the 2015 Paris Agreement.
- All fleet cars used by sales representatives and project managers will be replaced by PHEVs in 2024. Vehicles designed to carry large goods will be encompassed, when suitable E-alternatives are available.

Circular Economy and Sustainable Offers

Salt is committed to promoting the principles of a circular economy through a set of actions. For products where Salt has an influence on the design or the sourcing, the focus is on longevity, ensuring that products have longer life cycles to reduce the need for constant replacement. Examples include the Salt Home Fibre Box or SIM cards; Salt offers e-SIM technology, an environmentally friendly alternative to traditional SIM cards that significantly reduces plastic waste. The commitment to green practices extends to the choice of materials and packaging, with notably recycled materials and natural inks preferred for packaging solutions wherever possible and relevant.

Salt's take-back and recycling programmes encourage customers to return old devices for responsible disposal or refurbishment, contributing to the circular flow of materials. To reduce waste, especially e-waste, Salt offers attractive SIM-only offers that allow and encourage customers to continue using their perfectly good devices. SIM-only offers are the most frequently chosen option by customers. In addition, Salt offers device repair services and an innovative 'Keep & Care' programme, which insures existing devices against drops and display breakage, the most common issues faced by customers. This encourages users to keep their device longer rather than replacing it when damaged.

Salt also engages with suppliers, manufacturers and stakeholders to promote a more sustainable supply chain. Salt is actively working to raise awareness of the environmental impact of electronic equipment. Educating and engaging customers is crucial to encourage responsible usage and participation in take-back schemes. In addition, life cycle assessments are conducted to identify environmental hotspots and areas for improvement in products. Staying informed about and complying with relevant environmental regulations and standards is a priority.

Finally, Salt is also committed to reducing waste in its day-to-day operations, from office activities to network maintenance, in order to minimise the environmental impact of its operations.

Facts and Achievements, 2023

- Salt successfully pursued its Revendo Buy-Back programme launched in Summer 2022. In 2023, it has resulted in the buy-back of over 7’000 devices, thanks to market leading prices, which increased the attractiveness of the programme.
- In 2023 eSIM represented about 8% of all SIM-activations.
- Salt has launched the sale of refurbished tablets in Salt Stores, offering customers a sustainable and affordable alternative to new devices.
- Throughout the year, Salt has worked on the development of innovative in-store display concepts, the Salt Eco Wallbay and Desk, specifically designed to promote refurbished phones in Salt Stores, which are planned to be implemented in the first quarter of 2024.
- Salt expanded its device insurance offering with the introduction of a ‘Keep & Care’ offering, which extends coverage to existing devices as well as newly purchased ones.
- Salt continued its ongoing efforts to promote the sustainable use of mobile devices through various social media posts, raising awareness of the importance of circular economy practices.
- Salt continued its network equipment resale program, in the context of a major Radio Access Network (RAN) refresh and the 5G rollout.

Outlook, 2024 and Beyond

- In 2024, the innovative Salt Eco Wallbay and Eco Desk concepts are set to be installed in approximately 10 Salt Stores.
- Salt will continue awareness campaigns for sustainable mobile device use on its social media channels.
- Salt will continue to make attractive device buy-back offers.

Social

Social

Salt’s "Social" chapter focuses on the measures and initiatives undertaken by the company to foster a positive impact on its employees and the broader community. This section also provides detailed information on the health and safety measures implemented across the company to ensure the well-being of its workforce. An emphasis is also put on the central position Salt places on customer satisfaction, which reflects its dedication to meet and exceed consumer and customer expectations. Additionally, the company's commitment to youth protection is highlighted, showcasing the steps taken to safeguard the younger members of the community. Overall, this chapter aims to offer an overview of the company's social initiatives, demonstrating its dedication to create a sustainable and inclusive environment for all parties.

“At Salt, we work on improving every aspect of the employee journey, from training and development to fostering a diverse and inclusive culture. We are committed to work-life balance and determined not only to attract, but to inspire, develop and retain top talent.”

Nadia, Head of Human Resources at Salt

Employees, Culture and Community

Salt's workforce, encompassing individuals from over 61[1] different nationalities, reflects the company's dedication to create a diverse environment. At the heart of the organization are core values: Personal, Simple, Sincere, Original, and Efficient. These values guide interactions, decision-making, and innovation, fostering a culture that values individuals, encourages transparency, embraces innovation, and prioritizes efficiency.

Salt's streamlined and efficient organizational structure is characterized by minimal management layers. Open communication and direct interactions are a cornerstone of the corporate culture. Employees are encouraged to share feedback directly, with open channels available all the way up to the CEO and Management Board. Their input is valued and welcomed at every level. Additionally, regular all hands meetings and different initiatives encourage creative contributions, ensuring that all employees are well informed and that every voice is heard.

Salt provides fair and competitive compensation, including flexible working hours, ample holiday time (5 to 6 weeks), modern and ergonomic workplaces, and free mobile subscriptions. It fully funds loss of earnings health insurance and offers flexible, individual pension plans where employees choose their contribution degree, in a financially robust pension fund. Additionally, Salt does not implement the coordination deduction for pensions, thereby providing its employees with insurance coverage that surpasses the legal minimum. This aims at supporting in particular employees with lower incomes and those working part-time. A generous home office policy allows employees to work remotely up to 60% of the week and part-time, whenever it is compatible with the nature of the position. On top, Salt celebrates milestones like births, weddings, and work anniversaries with various gifts and paid leave. It offers health tips and discounts on health-improving products through its benefits platform as well as a large range of other product offers and discounts.

Salt offers maternity and paternity leave benefits that surpass legal requirements. For maternity leave, employees with over one year of service receive full salary payment for 112 days. Employees with less than a year of service are eligible for 98 days of maternity leave at 100% salary, exceeding the legal standard of 80%, which includes a cap. Similarly, paternity leave is provided at 100% salary for 10 days, exceeding the legal standard of 80%, which includes a cap.

Recognizing the importance of the gender pay gap, Salt conducts reviews to ensure alignment with industry standards, striving to eliminate the gap through ongoing measures and initiatives. Salt is on the official company "white list" of Travail.Suisse, which means that an equal pay analysis was conducted in accordance with the Federal Act on Gender Equality and audited by an independent party. A fair gender-neutral recruitment process is in place. In Switzerland and Liechtenstein, 63% of employees, particularly in sales and call center roles, are under standardized salary grids, ensuring equal pay for men and women. Similarly, predefined budgets for Network & IT and support function roles guarantee pay parity. Furthermore, ongoing initiatives, including employer branding activities, aim to attract a more diverse talent pool and achieve a better-balanced male/female ratio.

Recognizing the importance of continuous learning, particularly for younger employees, the company has implemented training programs and employs apprentices and trainees to equip its workforce with the necessary skills to thrive in the industry. Furthermore, Salt actively collaborates with a local university by engaging in student business projects that provide students hands-on, real-world experiences. This partnership not only fosters innovation and learning but also strengthen ties with the academic community. With regards to the global workforce, training programs for managers, sales-force, and call centre agents are in place to enhance leadership, sales, and support capabilities and foster personal development.

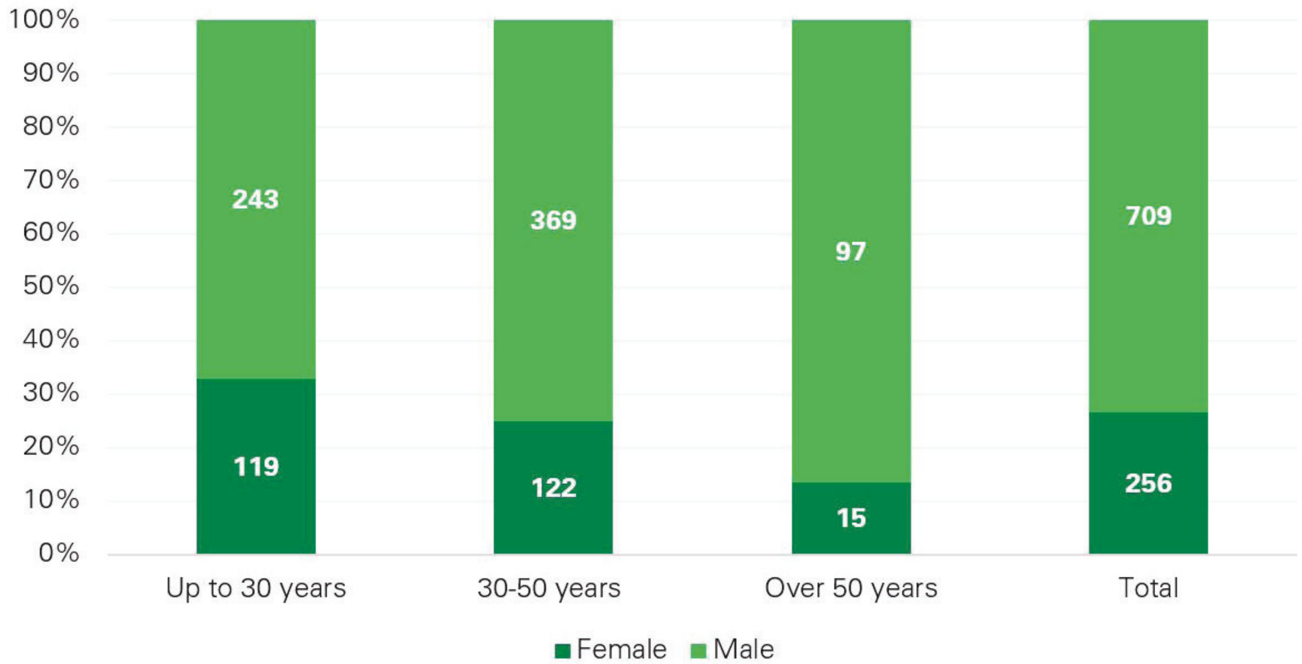
1 in Switzerland and Liechtenstein, incl. apprentices and trainees – excl. Salt Services S.A.

Commitment to employee engagement is reflected in actions such as one-to-one discussions with managers and organized social gatherings across different offices and departments. These initiatives aim to foster cross-departmental exchanges and enhance social interactions beyond traditional office spaces.

Extending its commitment beyond the workplace, the company provides employees with one paid day annually for voluntary activities. This initiative reflects the belief in actively contributing to the betterment of the communities it operates in, with an increasing number of employees participating in these impactful endeavours.

Overall Salt aims to create a workplace that prioritizes diversity, well-being and training. The journey is ongoing, with a commitment to continuous improvement for the benefit of employees, stakeholders, and the broader community.

Staff breakdown by gender and age



Staff breakdown by gender and age, for Switzerland and Liechtenstein with apprentices and trainees (in FTEs)

Facts and Achievements, 2023

- By the end of 2023, the company reached 1'097 Full Time Employees (FTE)[1].
- On 31.12.23, the company's workforce included people from 61[2] different nationalities.
- Salt successfully employed 67[2] apprentices and 7[2] trainees in various departments such as Sales, Logistics, Customer Care, IT, Marketing, Finance, and HR, as of 31.12.23.
- 85% of the apprentices who completed their training in July 2023 continued their professional journey with the company.
- Women comprised 27.5%[1] of the company's workforce as of 31.12.23, surpassing the Swiss ICT industry's average of 17%, according to Swiss ICT Professional Association (2021).
- Throughout 2022 and 2023 Salt actively promoted its female careers and workforce via a dedicated #WomenInTech social media campaign.
- Demonstrating a commitment to employee welfare, the company enhanced its benefits package, upgrading the accident policy.
- EHL Hospitality Business School graduate students successfully completed a Student-Business-Project on Salt customer care related topics in Spring 2024.

Outlook, 2024 and Beyond

- Salt will conduct an equal pay analysis to measure progress since 2021.
- Salt will actively continue to work on enhancing the company's image as a desirable employer and further focus on attracting top talent.
- The company will implement improved trainings for managers, equipping them with skills for effective absence management and fostering a positive work environment.
- Salt will further revamp the onboarding process to ensure smoother integration of new employees.
- Salt will roll out a standardized leadership training program.
- Salt will further promote its Volunteering Day, encouraging widespread employee participation in community service and social responsibility initiative.
- In the coming years, Salt will continuously support Swiss youth education, with ongoing initiatives and new programs and strengthen the company's university partnerships.

1 incl. affiliates, excl. apprentices and trainees
2 in Switzerland and Liechtenstein, incl. apprentices and trainees – excl. Salt Services S.A.

Health and Safety

Salt prioritizes health and safety through a set of measures and policies. Committed to providing a safe workplace, the company has established specific occupational health and safety policies and procedures. Salt monitors regulations and best practices, ensuring a vigilant adherence to industry standards for the well-being of its employees and stakeholders.

The company has established policies, guidelines and measures to address psychosocial risks, ensuring a framework that promotes employee mental health and well-being. Additionally, it implements initiatives aimed at reducing both turnover and absenteeism, fostering a stable and engaged workforce.

To ensure quick responses to health or other safety emergencies, employees undergo training on protocols with both floor marshals & designated health contacts in offices, in compliance with the law. Additionally, Salt conducts digital and physical awareness campaigns to keep employees informed about potential risks and safety measures. Physical safety measures are implemented across facilities, including offices, data centers, Salt Stores and antenna sites, with ergonomic considerations for workstations promoting employee well-being.

An Employee Assistance Program offers access to a network of health experts, ensuring comprehensive well-being support and acting as external person of trust. Regular trainings to maintain a healthy and safe working environment are in place.

In response to the COVID-19 pandemic, the company has a robust pandemic readiness and response plan, allowing backoffice employees to work remotely with the flexibility to reactivate this plan in case of future global health crises, ensuring seamless business continuity.

These initiatives collectively underline the company's commitment to fostering a secure and healthy work

Facts and Achievements, 2023

- Salt has implemented new and updated existing internal policies with a focus on Health & Safety.
- Salt has carried out and completed internal and external audits, in particular in the back office and in the Salt Stores.
- Salt has improved its H&S monitoring through KPIs.
- Salt has defined an action plan to reduce the number of incidents and illnesses among its employees.
- Salt has improved absence management, in particular by updating processes, improving monitoring, strengthening communication and expanding cooperation with external providers.
- Salt improved the process and continued the implementation of H&S training programmes, including psychosocial risks (PSR) prevention, first aid, absence management, conflict management and leadership.
- Salt has engaged external service providers, in particular to support and train employees.
- Salt has provided improved accident insurance coverage for Salt employees (beyond the legal minimum).
- The external service provider "MOVIS" was introduced, who acts as a person of confidence for employees in need of support. MOVIS is at the disposal of all employees for professional and personal matters.
- Salt has completed a compliance assessment with a Swiss compliance management tool dedicated to Health & Safety.
- In 2023, the lost-time injury rate in Switzerland and Liechtenstein fell to 18.7 accidents per thousand full-time employees per year, a decrease of 32% compared with 2022.
- Minor accidents, defined as those resulting in no or less than three days' absence from work, accounted for 50% of all accidents at work in 2023, a significant decrease from 77% in 2021.

Outlook, 2024 and Beyond

- Salt will provide further training for managers focusing on effective absence management strategies and practices, leadership and communication.
- Salt will address additional risks identified in Health & Safety audits, beyond PSR, and implement appropriate response strategies.
- Salt will review and improve policies, with a particular focus on the prevention of harassment and mobbing.
- Salt will develop an action plan to address the gaps identified in the compliance assessment report.
- Salt will perform first aid refresh trainings on an annual basis in its offices, in compliance with the law.
- Salt will conduct workshops with employee representatives at its headquarters to plan the transition to new offices in Prilly. These sessions allow employees to make suggestions on the layout of the space and help shape the company's future office. This ensures well-being at all levels of the organisation and effective change management.
- Salt will continue to carry out compliance assessments and improvements, in particular with regard to compliance with new regulations.

Youth, Consumers and Customers

Prioritizing the reliability, availability and quality of services, Salt consistently invests in infrastructure and technology, aiming to continually enhance the overall customer experience. The company is committed to delivering outstanding and affordable mobile and fixed network services to consumers across Switzerland. Its consistent year-on-year improvements in the renowned connect Mobile Network test are tangible evidence of this commitment. Besides making continuous investments in its own mobile network, Salt is supporting the widespread deployment of Fibre-to-the-Home (FTTH) technology in Switzerland, which is widely recognised as the most advanced and future-proof fixed access technology available. Through these efforts Salt aims to continuously improve the user experience and ensure access to high quality connectivity in every part of Switzerland.

In terms of its customer base, Salt has a customer centric approach and is committed to continuously improving its service and offers them to this end a variety of interaction channels - digitally through mobile applications and bots, as well as through its call centres and its extensive network of Salt Stores. Salt constantly monitors its Net Promoter Score (NPS) and places a strong focus on customer satisfaction and loyalty. In addition, the company proactively gathers customer feedback through a variety of touch points: one-on-one conversations across care and sales channels, extensive surveys and careful monitoring of social media interactions. This multifaceted approach enables Salt to stay in touch with its customers' needs and preferences and adapt accordingly.

To continuously elevate customer service standards, the company meticulously tracks key performance indicators such as response times and first-time resolution rates. Friendliness and quality of interactions are also key drivers for overall customer satisfaction. Regular training and coaching programs are organized to improve specific areas and overall customer service levels.

Salt's dedication to accessibility and inclusivity is evident through initiatives aimed at enhancing the experience for individuals with disabilities. Adaptations are made in Salt Stores and products but also across digital platforms, including websites and apps. For example, the large majority of Salt Stores are accessible to people with disabilities. Another prominent example is the development of a dedicated Apple TV remote control tailored for less tech-savvy users.

As part of its community engagement initiatives, Salt has implemented customer education plans covering various topics, among others energy-saving practices for mobile and fixed internet users, tips on how to save money as well as general education on mobile phone functionalities. Leveraging primarily digital channels and social media, the company provides valuable recommendations, contributing to an informed and engaged customer community.

As part of its commitment to youth protection, Salt complies with legal requirements and promotes the safe and responsible use of telecommunications services for minors and youth in general. It actively informs customers of this commitment on its website and works with the Swiss Telecommunications Association (asut) on awareness campaigns.

Finally, Salt is committed to ethical marketing practices, transparency and honesty in customer communications. In addition, its proactive communication strategy ensures that customers are well informed about their options, including the ability to block premium contents and adjust roaming services and expenses according to their needs.

Facts and Achievements, 2023

- Salt's Mobile network reached the "outstanding" rating in the 2023 edition of the prominent Connect Mobile Network test.
- Salt was designated "Best Universal Provider" for large companies and residential customers in the BILANZ telecommunication rating.
- Salt was again elected "Best Performing Internet Connection" by nPerf for 2023 and ranked second in the nPerf Mobile Network report.
- Salt won the Regional Fixed-Network Provider Connect test with an "outstanding" rating.
- Salt maintained its "very good" rating in both Connect Mobile and Fixed Hotlines service tests
- Salt reached 99.9% mobile network population coverage in Switzerland.
- Salt announced a partnership with SpaceX Starlink, in order to provide its mobile customers with 100% territory coverage in Switzerland through Direct-to-Cell satellite technologies.
- Salt performed a full (web) accessibility audit of its second brand "GoMo" digital customer journey.
- Salt has announced that it will not increase the price of its Salt Home broadband service until mid-2026.
- Salt improved the occasional travellers roaming experience for its main brand customers by introducing an affordable data roaming solution called "Data Day Pass".
- Salt revamped its self-care customer portal, enabling a seamless digital user experience across mobile and fixed products.
- Salt continued to enable the digital life of its subscriber in all its activities (work, labor and sports) and introduced PS5, Apple watch and TLC watch offers.
- Despite enforcing an inflation absorbing price increase in July 2023, Salt remained true to its philosophy of offering high quality mobile connectivity at very attractive prices.

Outlook, 2024 and Beyond

- In 2024, Salt will perform design and development accessibility fixes identified in its second brand "GoMo" digital customer journey audit.
- In the coming years, Salt will continue to evaluate and improve accessibility for individuals with disabilities, in Salt Stores, with a particular focus on new locations.
- Over the coming years, Salt will further implement online accessibility improvements on all its brands.
- In 2024, Salt will offer a mobile app for managing customer accounts, to meet the needs of digital natives.

Governance

Governance

Salt's "Governance" chapter highlights the company's adherence to high standards in corporate governance, ethics and compliance. This part of the report provides insights to the frameworks established to ensure integrity and accountability in all aspects of the company's operations. It also highlights the data privacy and cybersecurity measures in place, reflecting the company's commitment to protecting sensitive information and maintaining trust with its stakeholders. Furthermore, the chapter provides insights on the management and shareholder, offering transparency about the company's leadership. Overall, this chapter underlines the company's commitment to ethical leadership, transparent operations and the protection of stakeholder interests.

"Our organisational culture is based on close collaboration with our Board of Directors and NJJ representatives, fostering strategic alignment at all levels. Our hands-on management approach ensures efficiency and agility in achieving our goals. This readiness to adapt swiftly to evolving needs sets us apart."

Franck, Chief Financial Officer at Salt

Management and Shareholders

Salt Mobile SA ("Salt") is owned, through one or more holding entities, by NJJ. NJJ was established in 2010 as the private holding venture of Xavier Niel, a prominent entrepreneur and telecom investor. NJJ is committed to fostering long-term shareholder value and achieving operational and financial excellence across its business portfolio.

In this corporate structure, Matterhorn Telecom Holding S.A., Luxembourg, maintains complete ownership of Matterhorn Telecom S.A., Luxembourg. Matterhorn Telecom S.A., in turn, holds full ownership of Salt, the primary operating entity located in Switzerland.

Salt Mobile SA has two wholly-owned affiliate companies, Salt Services SA, which operates in Portugal, and Salt (Liechtenstein) AG, which operates in Liechtenstein.

Salt has a diverse and dynamic Board of Directors, consisting of industry experts. Their collective experience and diverse perspectives are instrumental in steering the company's strategic decisions.

Matterhorn Telecom Holding S.A. – Board of Directors

Franck Bernard	Member of the Board of Directors (since 2018)
Pierre-Emmanuel Durand	Member of the Board of Directors (since 2022)
Tigran Khachatryan	Member of the Board of Directors (since 2023)
Christine Valette	Member of the Board of Directors (since 2023)
Olivier Rosenfeld	Member of the Board of Directors (since 2015)

Matterhorn Telecom S.A. – Board of Directors

Franck Bernard	Member of the Board of Directors (since 2018)
Pierre-Emmanuel Durand	Member of the Board of Directors (since 2022)
Tigran Khachatryan	Member of the Board of Directors (since 2023)
Christine Valette	Member of the Board of Directors (since 2023)
Olivier Rosenfeld	Member of the Board of Directors (since 2015)

Salt Mobile SA - Board of Directors

Marc Furrer	President of the Board of Directors (since 2021)
Pierre-Alain Allemand	Member of the Board of Directors (since 2019)
Franck Brunel	Member of the Board of Directors (since 2016)
Pierre-Emmanuel Durand	Member of the Board of Directors (since 2020)
Xavier Niel	Member of the Board of Directors (since 2016)
Alexandra Reich	Member of the Board of Directors (since 2022)
Olivier Rosenfeld	Member of the Board of Directors (since 2015)
Libor Voncina	Member of the Board of Directors (since 2022)

Salt Mobile SA - Management Board

The Salt Management Board is consists of a blend of long-standing and newer members. Several Management Board members have been a part of the company for many years, some growing professionally within its ranks. Their long tenure has allowed them to develop a profound understanding of the company's culture and operations. On the other hand, recent additions to the Management Board has brought new insights and innovative approaches as the company completed its turnaround and prepared for a phase of sustained growth across all products. This dynamic combination ensures that the company's leadership is well-equipped to navigate both current challenges and future opportunities.

The Salt Management Board works in close collaboration with the Board and NJJ representatives (Shareholders), ensuring the strategic and operational alignment across all levels of the organization. Additionally, the Management adopts a hands-on approach, actively engaging in the company's day-to-day operations and decision-making processes. This approach ensures that the company's strategic objectives are consistently met with efficiency and agility.

Massimiliano (Max) Nunziata	Chief Executive Officer (CEO) (since 2023) and Chief Marketing Officer ad interim (since December 2023)
Christian Aveni	Chief Business Officer (since 2019)
Franck Bernard	Chief Financial Officer (since 2017)
Nina Hagmann	Chief Corporate Affairs Officer & General Counsel (since 2020)
Luis Hernández González	Chief Strategy & Business Development Officer (since 2021)
Lars Keller	Chief Sales Officer (since 2018)
Stefano Orlando	Chief Customer Operations Officer (since 2016)
Eric Wolff	Chief Technology Officer (since 2015)

Learn more about the dedicated individuals on our website: **salt.ch/management**

Board and Management changes, 2023

- In June 2023, Salt appointed Max Nunziata stepping in as CEO, succeeding Pascal Grieder who had led the company since September 2018.
- Atila Civelek stepped down from the role of Chief Marketing Officer in December 2023.
- Tigran Khachatryan and Christine Valette replaced Valerie Emond and Geoffrey Henry at the Matterhorn Telecom Holding S.A. and Matterhorn Telecom S.A. Boards of Directors.

Outlook, 2024 and Beyond

- A new Chief Marketing Officer will join the company in June 2024. In the meantime, interim management is provided by CEO, Max Nunziata.
- In February 2024, a special emphasis is placed on the digital development of the company, with the creation of a new role, the Director of Digital, which reports directly to the CEO.

Corporate Governance, Compliance and Ethics

Salt's commitment to ethical business practices is embedded in its operations and corporate culture. The company has established a framework of policies and guidelines, ranging from a Code of Ethics and Ethics Guidelines to robust compliance and management regulations, ensuring integrity and transparency in all aspects of its business.

Central to the company's ethical approach is its Code of Ethics, which encapsulates its core values and serves as a guiding principle for all decision-making processes. Additionally, the Salt Ethics Guidelines provide instructions on how to prevent and respond to conflicts of interest, gifts, solicitation of bribes, fraud and other unethical behaviour. Besides, Salt has put in place a whistle-blower mechanism, which empowers employees to report any unethical or illegal activity, ensuring a safe and transparent working environment. Any reported violation undergoes a rigorous investigation, with appropriate measures implemented as necessary, up to and including termination of employment.

Salt requires its suppliers to adhere to comparable ethical standards and regulations, particularly concerning human rights and anti-corruption practices. This expectation is formalized in contractual agreements and is reinforced by the potential for audits to ensure compliance.

Salt's Fraud Management Policy addresses the deliberate exploitation of processes, controls or technical weaknesses to gain an advantage, avoid obligations, cause financial loss or other damage to Salt, its subsidiaries or third parties. It encourages employees to report any issue they may encounter.

Salt's Risk Management Policy specifies the roles and responsibilities for enterprise risk management. The company uses a centralized risk management system, focusing on strategic and operational risks. This system is integrated with Salt's overall strategy. Each identified risk is quantified on the basis of its likelihood of occurrence and potential impact. Using an internal control system, Salt aims to proactively identify and address potential threats at an early stage, to ensure the continued stability and success of the company.
In terms of regulatory compliance, the company sets a high standard by following all relevant applicable regulations. This includes notably strict adherence to licensing requirements, spectrum usage, and compliance with the Swiss Telecommunications Act.

Salt's Management Regulations define the management structure and the separation of roles between Salt's Board of Directors and the Management Board, as well as Salt's internal organisation, in accordance with the Swiss Code of Obligations.

Finally, the Salt Signature Policy regulates the internal and external signatures within Salt and towards third parties and provides for the legal control of each of Salt's commitments towards third parties.

Facts and Achievements, 2023

- Salt has developed and officially approved a Social Responsibility and Sustainability Policy.
- Salt has conducted legal monitoring in Switzerland and the EU, with a special emphasis on Environmental, Social, and Governance (ESG) aspects.
- Salt has further strengthened its business continuity strategy.
- Salt prepared for the compliance with the Swiss Ordinance on Due Diligence and Transparency concerning Minerals and Metals from Conflict-Affected Areas and Child Labour.
- Salt has ensured compliance with the Swiss Data Protection law, which came into force in September 2023.

Outlook, 2024 and Beyond

- Salt will release its a Social Responsibility and Sustainability Policy.
- Salt will further integrate ESG in its supply chain by formalizing and releasing a Responsible Procurement Policy.
- Salt will actively prepare for the implementation of the EU Corporate Sustainability Reporting Directive (CSRD), which will be applicable to Matterhorn Telecom Holdings S.A. starting with the 2025 reporting year.
- Salt will complete its first due diligence report on child labor.
- Salt will conduct a review and update of its Ethics Guidelines to align with international recommendations.

Data Privacy and Cyber Security

As part of its commitment to data privacy compliance and cyber security, Salt has taken a number of measures to ensure the highest standards of confidentiality, integrity and availability as well as data protection, including implementing high levels of security for its network and IT infrastructures. Adhering strictly to the Swiss data protection law, the company has established policies and guidelines for data handling, storage, and sharing. This adherence underlines Salt's dedication to safeguard customer data against unauthorized access, leakages and breaches.

The implementation of cybersecurity frameworks provides a systematic approach to manage sensitive information, ensuring it remains secure. Additionally, the company places a high priority on employee awareness. Individual sessions are held with internal stakeholders and regular wider education of employees on data protection and cybersecurity best practices is carried out, recognising that a well-informed workforce is a key defence against cyber threats.

Continuous investments in advanced cybersecurity technologies are a testament to the company's proactive approach. These technologies are complemented by regular security audits, which help identify and rectify any vulnerability, thereby reinforcing the security infrastructure.

In preparation for potential cyber incidents and data breaches, Salt has established comprehensive incident response plans and procedures to mitigate damage. These plans are part of a broader strategy for business continuity and recovery, ensuring the company can quickly rebound from any cyber-attacks while minimizing impact.

The company extends its security standards to suppliers and partners, particularly those with system access, ensuring a secure and compliant supply chain. In preparation for the possibility of a data breach, the company has developed processes to efficiently report and manage such incidents, prioritising transparency and accountability.

Regular audits and compliance checks, including third-party audits, are conducted to verify adherence to the Swiss data protection law and cybersecurity standards. Cybersecurity risk assessments are performed routinely, enabling the company to stay ahead of emerging threats. Additionally, the company has put in place a comprehensive Bug Bounty program. It's Security Operation Center (SOC) monitors security threats on a 24hours per day, 7 days per week basis. By assessing and managing these risks regularly, the company ensures a secure digital environment for its customers.

Above all, Salt upholds an ethical approach to data usage. It commits to respecting customer privacy, consent and transparency.

Facts and Achievements, 2023

- Salt has enhanced transparency by revising and publishing comprehensive privacy statements on his website. These updated documents cover a broad spectrum of stakeholders, including customers, partners, employees, and job applicants, ensuring all involved parties are fully informed about how Salt collects, uses, and manages their data.
- Salt has made further IT developments to provide customers and website visitors with greater control over their personal data. This includes the introduction of marketing and privacy consent management tools, alongside enhanced cookie management options, enabling users to make informed decisions about the usage of their data by Salt.
- Salt has streamlined and clarified its internal policies on personal data retention and its public data privacy documentation, ensuring they are more straightforward and accessible. This has been supported by IT developments and internal processes for data deletion and anonymization. These efforts facilitate the removal of obsolete personal data, ensuring that only necessary data is retained at Salt.
- Salt has created and implemented an e-learning program focused on data protection, making it a mandatory training component in particular for all customer service representatives and store staff, which aims to ensure a high standard of privacy practices in customer interactions.
- Salt has performed different awareness campaigns directed at employees, with a special focus on phishing campaigns. These actions are designed to enhance employee vigilance and understanding of cybersecurity threats.
- Salt has established a robust Bug Bounty program, inviting skilled external individuals to identify and report system vulnerabilities, thereby enhancing the overall security and integrity of its digital infrastructure.

Outlook, 2024 and Beyond

- Salt is committed to ongoing efforts and improvements aimed at streamlining existing processes and tools. This continuous improvement strategy aims to strengthen data and cybersecurity as a whole.
- Salt will maintain and expand its awareness campaigns, with a particular focus on the use of AI tools and how to protect both customer and company data.
- Salt will continue to improve the employee training programmes in order to provide them with more in-depth knowledge on the handling, processing and archiving of personal data. This includes data relating to customers, employees, partners and suppliers to ensure that the entire workforce has a comprehensive understanding and adheres to best practices in data management and protection.
- Salt will continue its awareness campaigns, targeting topics such as the reduction of potential phishing, fraud, and similar cybersecurity threats.
- Salt is committed to ongoing monitoring and implementation of industry best practices in cybersecurity to ensure the highest level of protection.

Salt contribution to UN Sustainable Development Goals (SDGs)

As part of its ESG strategy, Salt contributes to the Sustainable Development Goals included in the United Nations Agenda 2030. In particular, Salt contributes to the following goals:

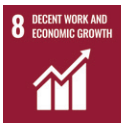
Promoting employee health and safety,
Offering flexible working hours, working from home and part-time work to ensure a good work-life balance, whenever it is compatible with the nature of the position.

Contributing to the education of Swiss youth education and their entry into the labour market by training apprentices and trainees and sponsoring student research projects,
Training employees.

Promoting careers of women in the ICT sector and at all levels of the Salt organisation,
Providing equal opportunities and monitoring pay based on an equal pay analysis carried out in 2021, which showed Salt's compliance with Swiss legal requirements,
Offering flexible working hours, working from home and part-time work to ensure a good work-life balance, whenever it is compatible with the nature of the position.

Adopting renewable energy,

Achieving energy efficiency, especially in network.



Providing attractive benefits and working conditions offered equally to men and women,
Committing to the training and employment of young people, especially apprentices,
Demanding high ethical and legal standards from all suppliers,
Helping Swiss businesses achieve efficiency and sustainability in their operations by providing them with affordable solutions that incorporate the latest telecommunications technologies.
Improving towards a fairer supply chain.

Developing Salt's mobile and fixed network infrastructure, with a particular focus on service quality and energy efficiency, to provide affordable and state of the art services to B-to-C and B-to-B customers.

Improving the accessibility of Salt websites.

Eco-designing the second-generation Fiber Box,
Proposing refurbished devices to customers, refurbishing Fiber Boxes,
Offering services to promote a more sustainable use of devices: Repair services / Care Insurance for lifespan extension, BuyBack program for reselling, in-store drop-off for recycling,
Reselling, donating and recycling network and IT equipment,
Reducing waste and minimizing resource consumption.

Progressively integrating climate protection measures in Salt decisions and strategy.

Promoting strong ethics and business values, among employees and in commercial relationships.

Disclaimer

This report contains certain statements that are deemed to be forward-looking statements. Forward-looking statements are not historical facts; they are based upon current expectations and assumptions regarding anticipated developments and other factors. They are not guarantees of future performance or achievement since they are subject to numerous assumptions, known and unknown risks, and uncertainties, which are outside Salt's control and are difficult to predict. Forward-looking statements speak only as of the date they are made, and various factors could cause actual performance or achievement to differ materially from that expressed or implied by these forward-looking statements. Salt assumes no duty to and does not undertake to update forward-looking statements until publication of the next report.

The achievement of our climate ambitions depends, in part, on broader societal shifts in consumer demands and technological advancements, each of which are beyond our control. Should society's demands and technological innovation not shift in parallel with our pursuit of our energy transition plan, our ability to meet our climate ambitions will be impaired.

Matterhorn Telecom Holding S.A.

Consolidated Financial Statements

For The Year Ended December 31, 2023

Salt.

Registred Office: 53, boulevard Royal | L-2449 Luxembourg | R.C.S. Luxembourg: B 195 766

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Audit report

To the Shareholder of
Matterhorn Telecom Holding S.A.

Report on the audit of the consolidated financial statements

Our opinion

In our opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of Matterhorn Telecom Holding S.A. (the "Company") and its subsidiaries (the "Group") as at 31 December 2023, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards as adopted by the European Union.

What we have audited

The Group's consolidated financial statements comprise:

- the consolidated statement of profit or loss for the year then ended;
- the consolidated statement of other comprehensive income / (loss) for the year then ended;
- the consolidated statement of financial position as at 31 December 2023;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated statement of cash flows for the year then ended; and
- the notes to the consolidated financial statements, including material accounting policy information and other explanatory information.

Basis for opinion

We conducted our audit in accordance with the Law of 23 July 2016 on the audit profession (Law of 23 July 2016) and with International Standards on Auditing (ISAs) as adopted for Luxembourg by the "Commission de Surveillance du Secteur Financier" (CSSF). Our responsibilities under the Law of 23 July 2016 and ISAs as adopted for Luxembourg by the CSSF are further described in the "Responsibilities of the "Réviseur d'entreprises agréé" for the audit of the consolidated financial statements" section of our report.

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

We are independent of the Group in accordance with the International Code of Ethics for Professional Accountants, including International Independence Standards, issued by the International Ethics Standards Board for Accountants (IESBA Code) as adopted for Luxembourg by the CSSF together with the ethical requirements that are relevant to our audit of the consolidated financial statements. We have fulfilled our other ethical responsibilities under those ethical requirements.

Other information

The Board of Directors is responsible for the other information. The other information comprises the information stated in the annual report including the management report but does not include the consolidated financial statements and our audit report 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 identified above 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 and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards as adopted by the European Union, 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.

Responsibilities of the "Réviseur d'entreprises agréé" for the audit of the consolidated financial statements

The objectives of our audit 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 audit 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 the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF 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.

As part of an audit in accordance with the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the consolidated financial statements, 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 Group's internal control;

- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors;

- conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our audit report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our audit report. However, future events or conditions may cause the Group to cease to continue as a going concern;

- evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation;

- obtain sufficient appropriate audit evidence regarding the financial information of the entities and business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance 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 those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate to 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.

Report on other legal and regulatory requirements

The management report is consistent with the consolidated financial statements and has been prepared in accordance with applicable legal requirements.

PricewaterhouseCoopers, Société coopérative — Luxembourg, 25 March 2024

Represented by

Electronically signed by:
Tal Ribon

Tal Ribon

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

(in thousands of Swiss Francs)	Notes	2023	2022
Revenue	4	**1'116'728**	**1'073'272**
Access, backbone, interconnection and content costs	5	(117'862)	(120'813)
Commercial expenses and cost of equipment sold	5	(241'527)	(237'435)
Network, IT, property expenses and other purchases	5	(60'411)	(54'890)
Wages, salaries and post-employment benefits	9	(96'932)	(90'095)
Other operating expenses	12	(28'420)	(27'913)
Other operating income	12	5'274	9'343
Gain on disposal and other gains	14	3'417	1'333
Restructuring, transition and transaction costs		(470)	(120)
Corporate and monitoring fees		(4'000)	(4'000)
Depreciation and amortization	6	(240'617)	(251'092)
Depreciation of right-of-use assets	13	(47'328)	(38'308)
Operating profit		**287'852**	**259'282**
Finance costs	10	(103'927)	(103'169)
Finance income	10	9'947	530
Finance costs, net		**(93'980)**	**(102'639)**
Profit before tax		**193'872**	**156'643**
Income tax expenses	7	(37'277)	(41'522)
Profit attributable to owners		**156'595**	**115'121**

The accompanying notes are an integral part of the consolidated financial statements

CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME / (LOSS)

(in thousands of Swiss Francs)	Notes	2023	2022
Profit		**156'595**	**115'121**
Gain (loss) on cash flow hedge	10	6'816	(32'744)
Cost of hedging	10	(2'501)	-
Deferred tax on items recognized directly in other comprehensive (loss) / income	7	(1'144)	8'204
Net other comprehensive income / (loss) to be reclassified to profit and loss in subsequent periods		**3'171**	**(24'540)**
Remeasurement of defined benefit obligation	9	(3'835)	(841)
Deferred tax on items recognized directly in other comprehensive income	7	588	111
Net other comprehensive (loss) not to be reclassified to profit and loss in subsequent periods		**(3'247)**	**(730)**
Other comprehensive (loss) after tax		**(76)**	**(25'270)**
Total comprehensive income		**156'519**	**89'851**

The accompanying notes are an integral part of the consolidated financial statements

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(in thousands of Swiss Francs)	Notes	December 31, 2023	December 31, 2022
ASSETS			
Non-current assets			
Goodwill	6	1'313'793	1'313'793
Other intangible assets	6	854'891	893'979
Property, plant and equipment	6	542'683	500'929
Right-of-use assets	13	220'156	207'099
Trade receivables and contract assets	4,11	46'600	45'331
Derivative assets	10	-	405
Other non-current assets	11,12	9'102	8'861
Prepaid expenses	12.3	9'657	9'789
Deferred tax assets	7	1'040	3'890
Total non-current assets		**2'997'922**	**2'984'076**
Current assets			
Inventories	5	25'979	23'655
Trade receivables and contract assets	4,11	241'970	227'067
Other current assets	11,12	1'667	12'504
Derivative assets	10	642	-
Prepaid expenses	12.3	38'293	31'961
Cash and cash equivalents	11,12	385'565	356'234
Total current assets		**694'116**	**651'421**
TOTAL ASSETS		**3'692'038**	**3'635'497**

The accompanying notes are an integral part of the consolidated financial statements

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(in thousands of Swiss Francs)	Notes	December 31, 2023	December 31, 2022
EQUITY AND LIABILITIES			
Equity			
Share capital	12	8'200	8'200
Share premium	12	285'428	283'375
Retained earnings		(95'450)	(69'992)
Other reserves		(15'460)	(15'384)
Total equity		**182'718**	**206'199**
Non-current liabilities			
Long-lived assets payables	11	399'810	420'806
Borrowings and other financial liabilities	10,11	1'499'162	1'751'709
Lease liabilities	11,13	662'505	658'286
Employee benefits obligations	9	7'231	3'324
Provisions	8	30'078	27'110
Other liabilities	12	500	-
Deferred income	4	1'904	2'673
Derivative liabilities	10	138'148	138'383
Deferred tax liabilities	7	7'401	16'941
Total non-current liabilities		**2'746'739**	**3'019'232**
Current liabilities			
Trade payables	11	105'543	108'897
Long-lived assets payables	11	136'993	110'553
Income tax payable	7	55'182	57'594
Borrowings and other financial liabilities	10,11	268'208	10'251
Lease liabilities	11,13	57'248	63'424
Employee benefits obligations	9	17'133	16'106
Provisions	8	2'403	2'452
Other liabilities	12	22'340	21'417
Deferred income	4	19'015	19'372
Derivative liabilities	10	78'516	-
Total current liabilities		**762'581**	**410'066**
TOTAL EQUITY AND LIABILITIES		**3'692'038**	**3'635'497**

The accompanying notes are an integral part of the consolidated financial statements

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(in thousands of Swiss Francs)	Notes	Share capital	Share premium	Cash flow hedging reserve	Actuarial gains & losses	Cost of hedging reserve	Retained earnings	Total equity
Balance at January 1, 2022		**8'200**	**205'591**	**(8'317)**	**18'203**	**-**	**(37'329)**	**186'348**
Profit attributable to owners		-	-	-	-	-	115'121	115'121
Loss on cash flow hedge	10	-	-	(32'744)	-	-	-	(32'744)
Remeasurement of defined benefit obligation	9	-	-	-	(841)	-	-	(841)
Deferred tax on items recognized directly in other comprehensive income / (loss)	7	-	-	8'204	111	-	-	8'315
Total comprehensive income		**-**	**-**	**(24'540)**	**(730)**	**-**	**115'121**	**89'851**
Interim dividend	12	-	-	-	-	-	(147'784)	(147'784)
Contribution from Shareholder to Share Premium	12	-	147'784	-	-	-	-	147'784
Share Premium repayment	12	-	(70'000)	-	-	-	-	(70'000)
Balance at January 1, 2023	**-**	**8'200**	**283'375**	**(32'857)**	**17'473**	**-**	**(69'992)**	**206'199**
Profit attributable to owners		-	-	-	-	-	156'595	156'595
Gain (loss) on cash flow hedge	10	-	-	6'816	-	(2'501)	-	4'315
Remeasurement of defined benefit obligation	9	-	-		(3'835)	-	-	(3'835)
Deferred tax on items recognized directly in other comprehensive income / (loss)	7	-	-	(1'807)	588	663	-	(556)
Total comprehensive income		**-**	**-**	**5'009**	**(3'247)**	**(1'838)**	**156'595**	**156'519**
Interim dividend	12	-	-	-	-	-	(182'053)	(182'053)
Contribution from Shareholder to Share Premium	12	-	182'053	-	-	-	-	182'053
Share Premium repayment	12	-	(180'000)	-	-	-	-	(180'000)
Balance at December 31, 2023		**8'200**	**285'428**	**(27'848)**	**14'226**	**(1'838)**	**(95'450)**	**182'718**

The accompanying notes are an integral part of the consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

(in thousands of Swiss Francs)	Notes	2023	2022
OPERATING ACTIVITIES			
Profit attributable to owners		**156'595**	**115'121**
Adjustments to reconcile profit/(loss) to funds generated from operations			
Depreciation and amortization	6	240'617	251'092
Depreciation of right-of-use assets	13	47'328	38'308
Change in other provisions	8	(2'292)	(4'563)
Income tax recognized in the income statement	7	37'277	41'522
Finance costs net	10,11	93'980	102'639
Other non-cash transaction		847	1'472
Net result on disposal of businesses and other gains	14	(3'417)	(1'333)
Gain on disposal of property, plan and equipment		(719)	(1'328)
Change in inventories, trade receivables and trade payables			
Change in inventories	5	(2'324)	5'612
Change in trade receivables	4	(13'733)	(779)
Change in trade payables	11	(2'281)	(25'360)
Change in other receivables and payables		(2'948)	(4'024)
Income tax paid	7	(46'935)	(35'414)
Change in deposits		(241)	209
Net cash provided by operating activities		**501'754**	**483'174**
INVESTING ACTIVITIES			
Purchases of property, plant and equipment and intangible assets	6	(210'140)	(204'625)
Proceeds from sale of assets disposed		719	1'328
Net cash used in investing activities		**(209'421)**	**(203'297)**
FINANCING ACTIVITIES			
Issuance of bonds	10,11	100'000	-
Bonds issuance costs	10,11	(1'596)	-
Repayment of Swap		(9'255)	-
Repurchase of debt instruments net of swap unwind	10	(18'122)	(6'168)
Repayment of lease liabilities	10,11	(56'358)	(51'974)
Interest paid and other financial charges	10	(96'827)	(101'863)
Other financial income		2'902	287
Share premium repayment	12	(180'000)	(70'000)
Net cash used in financing activities		**(259'256)**	**(229'718)**
Net change in cash and cash equivalents		**33'077**	**50'159**
Cash and cash equivalents at beginning of period		**356'234**	**306'329**
Effect of exchange rates changes on cash and cash equivalents		(3'746)	(254)
Net change in cash and cash equivalents		33'077	50'159
Cash and cash equivalents at end of period	12.2	**385'565**	**356'234**

The accompanying notes are an integral part of the consolidated financial statements

Note 1 – Description of business and basis of preparation of the consolidated financial statements

1.1 Description of business

Matterhorn Telecom S.A. and Matterhorn Telecom Holding S.A. were incorporated as at March 25, 2015 as Luxembourg public limited liability Companies (S.A.) governed by the laws of the Grand Duchy of Luxembourg. Their registered office is established in Luxembourg-city and their adress is 53, boulevard Royal L-2449 Luxembourg - R. C. S. Luxembourg: B 195 766.

NJJ Suisse Animation SAS "The Company" (parent of Matterhorn Telecom S.A.) is the ultimate parent entity for financial information purpose and the ultimate controlling party is Mr. Xavier Niel.

Salt Mobile S.A. and its subsidiaries (hereafter "Salt Switzerland") provide consumers, businesses and other telecommunication operators with a wide range of services including mobile telecommunications, data transmission, Internet / TV / Fixed Telephony and other value-added services.

1.2 Basis of preparation of the consolidated financial statements

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as endorsed by the European Union.

These consolidated financial statements have been prepared under the historical cost convention with the exception of derivative financial instruments, financial assets at fair value through profit or loss and the defined benefit pension plan that are measured at fair value. The presentation of the current deferred income as of 31.12.2022 in previous consolidated financial statements has been overstated by CHF 2.7 million and the non-current deferred income has been understated by the same amount. The classification of the prepaid expenses as of 31.12.2022 between current and non-current in these financial statements has been re-presented accordingly, for comparability purposes. There is no impact on the consolidated statement of profit or loss. The presentation of the note 16 - Related parties as of 31.12.2022 has been modified for comparability purposes with no impact on the consolidated statement of financial position or on the consolidated statement of profit or loss.

These consolidated financial statements as at December 31, 2023 and the related consolidated statements of profit and loss, comprehensive income, changes in equity and cash flows for the period from January 1, 2023 to December 31, 2023 were approved and authorised for issue on March 20, 2024 by the Board of Directors of Matterhorn Telecom Holding S.A..

1.2.1 New standards and Amendments to IFRS affecting amounts reported in the financial statements

The Group has applied the following amendments for the first time for their annual reporting period commencing January 1, 2023.

IFRS 17 Insurance Contracts
IFRS 17 was issued in May 2017 as replacement for IFRS 4 Insurance Contracts. It requires a current measurement model where estimates are remeasured in each reporting period. Contracts are measured using the building blocks of:
• discounted probability-weighted cash flows
• an explicit risk adjustment, and
• a contractual service margin (CSM) representing the unearned profit of the contract which is recognised as revenue over the coverage period.
This new standard has no impact on the consolidated financial statements of the Group as of December 31, 2023.

Disclosure of Accounting Policies – Amendments to IAS1
The IASB amended IAS 1 Presentation of Financial Statements to require entities to disclose their material rather than their significant accounting policies. The amendments define what is 'material accounting policy information' (being information that, when considered together with other information included in an entity's financial statements, can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements) and explain how to identify when accounting policy information is material. They further clarify that immaterial accounting policy information does not need to be disclosed. If it is disclosed, it should not obscure material accounting information. The amendment to IAS1 regarding estimates was taken into account when preparing the consolidated financial statements of the Group as of December 31, 2023.

Definition of Accounting Estimates – Amendments to IAS 8
The amendment to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors clarifies how companies should distinguish changes in accounting policies from changes in accounting estimates. The distinction is important, because changes in accounting estimates are applied prospectively to future transactions and other future events, whereas changes in accounting policies are generally applied retrospectively to past transactions and other past events as well as the current period. The amendment to IAS8 was taken into account when preparing the consolidated financial statements of the Group as of December 31, 2023.

Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to IAS 12
The amendments to IAS 12 Income Taxes require companies to recognise deferred tax on transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences, and will require the recognition of additional deferred tax assets and liabilities. The amendment should be applied to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, entities should recognise deferred tax assets (to the extent that it is probable that they can be utilised) and deferred tax liabilities at the beginning of the earliest comparative period for all deductible and taxable temporary differences associated with:
• right-of-use assets and lease liabilities, and
• decommissioning, restoration and similar liabilities, and the corresponding amounts recognised as part of the cost of the related assets.
The cumulative effect of recognising these adjustments is recognised in the opening balance of retained earnings, or another component of equity, as appropriate. IAS 12 did not previously address how to account for the tax effects of on-balance-sheet leases and similar transactions and various approaches were considered acceptable. Some entities may have already accounted for such transactions consistent with the new requirements. These entities will not be affected by the amendments. This amendment has no impact on the consolidated financial statements of the Group as of December 31, 2023 as the impacted transactions have already been recorded in line with the amendment.

International Tax Reform—Pillar Two Model Rules – Amendments to IAS 12
In December 2021, the Organisation for Economic Co-operation and Development (OECD) released the Pillar Two model rules (the Global AntiBase Erosion Proposal, or 'GloBE') to reform international corporate taxation. Large multinational enterprises within the scope of the rules are required to calculate their GloBE effective tax rate for each jurisdiction where they operate. They will be liable to pay a top-up tax for the difference between their GloBE effective tax rate per jurisdiction and the 15% minimum rate.
In May 2023, the IASB made narrow-scope amendments to IAS 12 which provide a temporary relief from the requirement to recognise and disclose deferred taxes arising from enacted or substantively enacted tax law that implements the Pillar Two model rules, including tax law that implements qualified domestic minimum top-up taxes described in those rules. Affected entities are also required to disclose information to help users of the financial statements better understand an entity's exposure to Pillar Two income taxes arising from that legislation, particularly before its effective date. The group is in the process of assessing its exposure to the Pillar Two legislation for when it comes into effect. However, given the limited operations carried out by the Group in the Principality of Liechtenstein and the impact of specific adjustments envisaged in the Pillar Two legislation, it is expected that current tax exposure will not be material. Refer to note 7 for more details.

1.2.2 New and revised IFRS in issue but not yet effective

The Group has not early adopted any IFRS as endorsed by the European Union, which is not yet effective.
The Group does not expect any material impact from the application of any new standard or amendment that is not yet effective.

1.3 Use of critical estimates and judgements

In preparing the Group financial statements, the Group's management makes estimates, judgements and assumptions, insofar as many elements included in the financial statements cannot be measured with precision. These estimates and underlying assumptions are revised if the underlying circumstances evolve or in light of new information or experience.

Consequently, estimates made as at December 31, 2023 may subsequently be changed. The underlying assumptions used for critical estimates are as follows:

	Nature of critical estimate and judgement
Note 4 : Revenue and Trade Receivables	Determination of the bad debt based on an assessment of the future recoverable amount using the expected loss credit model. Key assumptions of the postpay revenue recognition relates to the allocation to each identified performance obligation on the basis of relative stand-alone selling prices and timing (at a point in time versus over time).
Note 6 : Impairment	Key assumptions used to determine recoverable amounts: discount rate, perpetual growth rate, expected cash flows
Note 8 : Provisions	Provisions for dismantling: churn rate, inflation rate, discount rate and restoring cost
Note 9 : Employee benefits (Pension)	Discount rate, inflation rate, salary increases, mortality table
Note 13 : Lease	Right-of -use assets and lease liability valuation (assessment of whether a contract contains a lease, lease term, probability to exercise a renewal option and discount rate)

The consolidated financial statements have been prepared on the assumption that the Group is a going concern and will continue its operations under the scope defined above.

1.4 Audit fees

The Group's consolidated financial statements are audited by PricewaterhouseCoopers, Luxembourg. The total fees are shown below:

(in thousands of Swiss Francs)	2023	2022
Audit fees	510	507
Audit-related fees	138	10
Other services	80	26
Fees	**728**	**543**

Note 2 – Accounting policies

This note describes the accounting policies applied to prepare the consolidated financial statements for the years ended December 31, 2023 and December 31, 2022. The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements.

2.1 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control on the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit / (loss) and other comprehensive income / (loss) from the date the Company gains control until the date when the Company ceases to control the subsidiary.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

All intragroup transactions and balances are eliminated in consolidation.

2.2 Business combinations and goodwill

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred to the former owners of the acquiree by the Group, and the equity interests issued by the Group in exchange for control of the acquiree. Transaction costs are recognised as a profit or loss as incurred.

At the acquisition date, the identifiable assets and the liabilities assumed are recognised at their fair value, except that:

- deferred tax assets or liabilities, and assets or liabilities related to employee benefits arrangements are recognised and measured in accordance with IAS 12 and IAS 19 respectively and;
- assets that are classified as held for sale in accordance with IFRS 5 – Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that standard.

Assets, liabilities, income and expenses of a subsidiary are included in the consolidated financial statements until the date the Group lose the control on the subsidiary. Gain and loss related to the divestment are recognized through the income statement for the difference between the fair value of the proceeds and the carrying value of the net assets.

Any excess of the cost of the business combination over the acquirer's interest in the net fair value of identifiable assets, liabilities and contingent liabilities taken over, regardless of the level of the investment held, is recognised as goodwill. Goodwill is not amortised, but tested annually for impairment.

Therefore, the evolution of general economic and financial trends, the different levels of resilience of the telecommunication operators with respect to the decline of local economic environments, the changes in the market capitalisation values of telecommunication companies, as well as actual economic performance compared to market expectations represent external indicators that are analysed by the Group, together with internal performance indicators, in order to assess whether an impairment test should be performed more than once a year.

IAS 36 requires that these tests be performed at the level of each Cash Generating Unit (CGU) or groups of CGUs which are likely to benefit from acquisition-related synergies, within an operating segment. A CGU is defined as the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets. This allocation is reviewed if the Group changes the level at which it monitors return on investment for goodwill testing purposes. To determine whether an impairment loss should be recognised, the carrying value of the assets and liabilities of the CGUs or groups of CGUs is compared to recoverable amount. The recoverable amount of a CGU is the higher of its fair value less costs of disposal and its value in use.

The Company considers that the smallest group is the operational segment described in Note 3.
Impairment loss for goodwill is recorded in operating expenses and is never reversed subsequently.
Intangible assets acquired in business combinations and recognised separately from goodwill are initially recognised at their fair value at the acquisition date.
Contingent consideration, if any, is recognised against the acquisition cost at the acquisition date. Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognised in profit or loss.

2.3 Associates

Associates are companies where the Group has the power to exercise a significant influence but does not exercise control. Significant influence may be obtained when the Group has 20% or more of the voting rights in the investee or has obtained a seat on the Board of Directors or otherwise participates in the policy-making process of the investee.
Associates are accounted for using the equity method. The net assets and results are adjusted to comply with the Group's accounting policies. The carrying amount of goodwill arising from the acquisition of associates is included in the carrying amount of investments in associates and joint ventures.

2.4 Segment reporting

The operating segment is the component of the Group that engages in business activities and which operating result is based on the internal reporting to the Chief Operating Decision-Maker in order to determine the allocation of resources and to assess of the operating segment' performance.

2.5 Effect of changes in foreign exchange rates

Functional and presentation currency

The Swiss Franc (CHF) is the functional currency of all entities within the Group and is the Group's presentation currency.

Transactions in foreign currencies

Transactions in foreign currencies are converted into the entities' functional currency at the exchange rate of the transaction date. Monetary assets and liabilities are remeasured at the exchange rate of the end of each reporting period and the resulting translation differences are recorded in the income statement, in finance income or finance expenses.

Both for transactions qualifying as hedge accounting and for transactions qualifying as economic hedge, the change in fair value of derivatives that can be attributed to changes in exchange rates is recorded in financial result. As the hedged item is not recognised in the statement of financial position in the context of a cash flow hedge of a highly probable forecast transaction, the effective portion of change in fair value of the hedging instrument is recorded in other comprehensive income and reclassified in:

- profit or loss in accordance with the precedent method with respect to financial assets and liabilities;
- the initial cost of the hedged item with respect to the non-financial assets and liabilities.

2.6 Revenue

Revenue from the Group activities is measured and accounted for in accordance with IFRS 15 “Revenue from Contracts with Customers”.

Service sales

Revenue from mobile telecommunication access subscription fees, is recognised on a straight-line basis over the minimum contract term, which is generally 12 or 24 months. Revenue related to out of bundle operations is recognised when the service is rendered.

Fixed-network services comprise principally the basic charges for fixed telephony, broadband and TV connections as well as the domestic and international telephony traffic of individuals. Revenues related to monthly flat rate subscription are recognised on a straight-line basis over the term of the contract. Revenue related to out of bundle operations is recognised when the service is rendered.

Revenue from incoming and outgoing telephone calls, including those from the wholesale of traffic data, are recognised when the service is rendered.

Equipment sales

Revenue from equipment sales is recognised at the time the customer takes delivery of the good (point in time).

Build-to-Suit (BTS) sites sales

According to the master service agreement signed with Swiss Infra Services S.A. on August 5, 2019, the Group builds network sites to be then sold to Swiss Infra Services S.A. when available for use. The revenue from the sale is recognized when the site is transferred. Under IFRS 16, this transaction is considered as a sale and lease-back transaction.

Content sales

The accounting for revenue sharing arrangements and supply of content depends on the analysis of the facts and circumstances surrounding these transactions. The revenue is recognized on a gross basis when the Group acts as a principal. The Group is considered as a principal if it controls the specified services or goods before it is transferred to the customer. Otherwise the revenue is recognized on a net basis.

Promotional offers

Revenues are stated net of discounts. Certain commercial offers include a free service over a certain period (time-based incentives) when the customer commits to a fixed period contract. In such circumstances the total revenue generated under the contract is spread over the fixed and non-cancellable contract period.

Separable components of bundled offers

Some products sold by the Group, through its direct channel, include two components: equipment (e.g. a mobile handset / TV box) and service (fix or mobile). As far as a sale with multiple products or services is concerned, the Group analyses all deliverables in the contract to identify the different performance obligations. The fixed or determinable total amount in the contract is allocated to each identified performance obligation on the basis of relative stand-alone selling prices. Non-refundable activation fees are not considered as a separate performance obligation. They are included in the contract price and allocated on a relative stand-alone selling prices basis to the individual performance obligations under the customer contract.

2.7 Subscriber acquisition and retention costs, advertising and related cost

Subscriber acquisition and retention costs

Subscriber acquisition and retention costs, mainly commissions paid to retailers and employees, are capitalized in the statement of financial position and amortized over the contract term if they are directly related to obtaining a contract. This results in the recognition of prepaid expenses under current assets on the statement of financial position.

Advertising and related costs

Advertising, promotion, sponsoring, communication and brand marketing costs are expensed when incurred.

2.8 Other intangible assets

Intangible assets mainly consist of licenses, content rights, customer contracts, indefeasible rights of use, development costs and software.

Gross value

Intangible assets are initially recognised at their acquisition or production cost. When intangible assets are acquired in a business combination, their cost is determined in connection with the purchase price allocation based on their respective market value. When their market value is not readily determinable, cost is determined using generally accepted valuation methods based on revenues, costs or other appropriate criteria.

Internally generated trademarks and subscriber bases are not recognised as assets.

Indefeasible Rights of Use (IRUs) acquired by the Group correspond to the right to use cable or capacity transmission cable granted for a fixed period and packages of connection to our FTTH customers. IRUs are recognised as assets when the Group has the specific indefeasible right to use an identified portion of the underlying asset, generally optical fibers or dedicated wavelength bandwidth, and the duration of the right corresponds to the major part of the economic life of the underlying asset. The instalments to be paid for the Group IRUs are spread over a number of years. The related liability is presented as long-lived asset payables with a current and a non-current portion. There is no IRUs contract that meet the criteria of recognition and measurement of IFRS 16 Leases. The IRU(s) acquired in 2023 have been discounted using the incremental borrowing rate, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions. To determine the incremental borrowing rate, the Group uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by the Group and makes adjustments specific to the lease, e.g. term, country and currency.

The Group's research and development projects mainly relate to the upgrade of the network architecture or functionality and the development of service platforms aimed at offering new services to the Group's customers. These projects generally give rise to the development of software. An intangible asset arising from development is recognised if, and only if, the Group can demonstrate all of the following:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- its intention to complete the intangible asset and use or sell it;
- its ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- its ability to measure the expenditure attributable to the intangible asset during the development phase.

Amortisation

Intangible assets are amortised on straight-line basis over their expected useful life:

Licenses	15 to 17 years
Software	3 to 5 years
Customer relations	1 to 11 years
Other intangible assets	5 to 20 years

Licenses to operate mobile telephone networks are amortised over the license period from the date when the license is ready to be used. The right to operate a mobile network is recorded in an amount corresponding to the fixed portion of the royalties due when the license was granted. The variable user fee is expensed as incurred.

Subsequent to initial recognition, intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses.

2.9 Property, plant and equipment

Gross Value

Fixed assets are recognised at their purchase or production cost, which includes costs directly attributable to bringing the asset to the location and to a working condition for its intended use. It also includes the initial estimate of the costs of dismantling, removing the item and restoring the site on which it is located, representing the obligation incurred by the Group.

The cost of networks includes design and construction costs, as well as costs related to the improvement in equipment and facility capacity.

The total cost of an asset is allocated to its different components. Each component is accounted for separately when the components have different useful lives or when the pattern in which their future economic benefits are expected to be consumed by the entity varies. Depreciation rate and method of such components are different accordingly.

Maintenance and repair costs are recognised in profit or loss as incurred, except where they serve to increase the productivity or useful life of the asset.

Depreciation

Depreciation is based on the cost of a property, plant and equipment less any residual value and reflects the pattern in which the future economic benefits of the asset are expected to be consumed. Thus, the asset is usually depreciated on the straight-line basis over the following estimated useful lives:

Buildings	10 to 30 years
Network: Switching, transmission and other network equipment	5 to 10 years
Network: Cables and civil works	15 to 30 years
IT equipment: Computer hardware	3 to 5 years

These useful lives are reviewed annually and are adjusted if they differ from previous estimates. These changes in accounting estimates are recognised prospectively.

2.10 Impairment of non-current assets

At the end of each reporting period, the Group reviews the carrying amount of its property, plant and equipment and intangible assets with definite useful life to determine whether there is any indication that those assets have suffered an impairment loss.

Indicators of impairment include events or circumstances occurring during the period (such as obsolescence, physical damage, significant changes to the manner in which the asset is used, worse than expected economic performance, a drop in revenues or other external indicators).

If any such indication exists, the recoverable amount of the asset is estimated in order to determine the impairment loss (if any). Goodwill is tested for impairment in the last quarter of each financial period, or when there is any indication of impairment.

The recoverable amount of an asset is the higher of its fair value less costs of disposal and its value in use, which is assessed using the discounted cash flows method based on management’s best estimate of the set of economic conditions. Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of cash-generating units to which the asset belongs to.

The impairment loss recognised is equal to the difference between the net book value and the recoverable amount.

2.11 Financial assets and liabilities

Financial assets and liabilities are recognised initially at fair value. They are subsequently measured either at fair value or at amortised cost using the effective interest method depending on the category in which they are classified.

The effective interest rate is the rate that discounts estimated future cash payments or receipts through the expected life of the financial instrument or when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability. This calculation includes all fees and points paid or received between parties to the contract.

2.11.1 Financial assets to be measured at amortised cost

This category mainly includes trade receivables, cash, certain deposits, as well as other loans and receivables. These instruments are recognised at fair value upon origination and are subsequently measured at amortised cost using the effective interest method. Receivables with no stated interest rate are measured at initial nominal amount unless there is any significant impact resulting from the application of an implicit interest rate.

The loss allowances for loan and receivables are based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group’s past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

The Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The expected loss rates are based on the payment profiles of sales over a period of minimum 6 months before the closing date and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

Trade receivables are written off when there is no reasonable expectation of recovery from the company. Indicators that there is no reasonable expectation of recovery include, amongst others, a failure to make contractual payments for an extended period of time.

Impairment losses on trade receivables are presented as customer bad debt within in other operating expenses.

Financial assets are fully or partially derecognised when:

- the rights to receive cash flows from the asset have expired;
- an obligation to pay the cash flows received from the asset to a third party has been assumed;
- the rights to receive cash flows from the asset have been transferred to a third party and all the risks and rewards of the asset have been substantially transferred.

2.11.2 Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are:

- assets held for trading that the Group acquired principally for the purpose of selling them in the short term, or where the Group does not have the ability to exert either control or significant influence;
- part of a portfolio of identified financial instruments that are managed together and for which there is evidence of recent actual pattern of short-term profit-taking;
- derivative assets not qualifying for hedge accounting.

2.11.3 Financial liabilities to be measured at amortised cost

Borrowings and other financial liabilities at amortised cost are recognised upon inception at fair value of the sums paid or received in exchange of the liability, and subsequently measured at amortised cost using the effective interest method. Current interest-free payables are booked at their nominal value.

Transaction costs that are directly related to the acquisition or issuance of a financial liability are deducted from its carrying value. The costs are subsequently amortised over the life of the liability by using the effective interest method.
Within the Group, some financial liabilities at amortised cost are subject to hedge accounting. They mostly relate to foreign currency borrowings in order to hedge future cash flows against changes in currency value (cash flow hedge).

2.11.4 Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss consist mainly of derivative instruments described below.

2.11.5 Recognition and measurement of hedging derivatives

Derivatives are financial assets or liabilities measured at fair value through profit or loss and are classified in a separate line item of the statement of financial position when they qualify for hedge accounting.

Hedge accounting designation:
At inception of the hedge relationship, the Group documents the economic relationship between hedging instruments and hedged items including whether changes in the cash flows of the hedging instruments are expected to offset changes in the cash flows of hedged items.
The Group enters into cross-currency / interest rate swaps that have similar critical terms as the hedged item, such as reference rate, payment dates and notional amount. If changes in circumstances affect the terms of the hedged item such that the critical terms no longer match exactly with the critical terms of the hedging instrument, the Group uses the hypothetical derivative method to assess effectiveness. As all critical terms matched during the year, there is an economic relationship.
Hedge ineffectiveness for cross-currency / interest rate swaps may occur due to the credit value/debit value adjustment on the interest rate swaps.

The Group documents its risk management objective and strategy for undertaking its hedge transactions.

Cash flow hedges that qualify for hedge accounting:
The cash flow hedge is a hedge of the exposure to variability in cash flows that is attributable to a particular interest rate and/or currency risk associated with a recognised asset or liability or a highly probable forecast transaction (such as a future purchase or sale) and could affect profit or loss. The hedged item being not recognised, the effective portion of changes in fair value of the hedging instrument is recognised in other comprehensive income. Such amounts are recycled to profit or loss when the hedged financial asset or hedged financial liability affects the income statement. When the hedged item is not a financial asset or a financial liability, such amounts are reclassified in its initial cost.
Hedge accounting is terminated when the hedged item is no longer recognised, when the Group voluntarily revokes the designation of the hedging relationship, or when the hedging instrument is terminated or exercised. The accounting consequences are that amounts booked in other comprehensive income are immediately reclassified in profit or loss when the hedged item is no longer recognised or, in all other cases, when the hedged item affects profit or loss. Subsequent changes in the value of the hedging instrument are recorded in profit or loss.

2.12 Inventory

Inventory mainly comprises handsets, TV boxes and related accessories for resale and is measured at the lower of their cost and their net realisable value. Cost is calculated using the weighted average method. Net realisable value represents the estimated selling price less all estimated costs necessary to make the sale.
Inventory also includes the work in progress related to the sites built to be sold within the Built to Suit Program under the Master Services Agreement signed with Swiss Infra Services SA on August 5, 2019. When the sites are sold, the related construction cost is presented in cost of equipment sold.

Obsolete, defective or slow-moving inventories have been written down to estimated net realisable value. The recoverable amount of inventory is calculated based on inventory age and turnover.

2.13 Income and deferred taxes

The current and deferred income tax expense is reviewed each year and includes both current and deferred taxes.

Current tax is measured by the Group at the amount expected to be paid to or recovered from the tax authorities of each country, based on its interpretation with regard to the application of tax legislation.

Deferred taxes are recognised for all temporary differences between the book values of assets and liabilities and their tax basis, as well as for unused tax losses, using the liability method taking into account the tax rates, which are enacted or substantially enacted at the end of the reporting period. Deferred tax assets are recognised only when their realisation is considered probable.

Deferred tax assets arising from tax losses are not recognised under certain circumstances specific to each tax entity, and particularly when:

- entities cannot assess the probability of the tax loss carryforwards being set off against future taxable profits, due to forecasts horizon and uncertainties as to the economic environment;
- entities do not expect to use the losses within the timeframe allowed by tax regulations;
- tax losses are uncertain to be used due to the risks of divergent interpretations with regard to the application of tax legislation.

The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

2.14 Provisions

A provision is recognised when the Group has a present obligation towards a third party as resulting from a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation.

The obligation may be legal, regulatory or contractual or it may represent a constructive obligation deriving from the Group's actions where, by an established pattern of past practice or published policies creating a valid expectation on the part of other parties that the Group will discharge certain responsibilities.

The estimate of the amount of the provision corresponds to the probable outflow of resources likely to be incurred by the Group to settle its obligation.

Contingent liabilities are disclosed in the Notes to the financial statements. They correspond to:

- probable obligations resulting from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the Group's control; or
- present obligations arising from past events that are not recognised because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or because the amount of the obligation cannot be measured with sufficient reliability.

Litigation

In the ordinary course of business, the Group is involved in a number of legal and arbitration proceedings and administrative actions. The costs that might result from these proceedings are only accrued when they are probable and when their amount can be quantified or estimated within a reasonable range. The amount of provision recorded is based on a case-by-case assessment of the risk level, and events arising during the course of legal proceedings may require a reassessment of this risk.

Restructuring

Provisions for restructuring costs are recognised only when the restructuring has been announced and the Group has drawn up or has started to implement a detailed formal plan, prior to the end of the reporting period.

Asset Retirement Obligation

The Group is required to dismantle equipment and restore sites and office buildings. Provision is measured as the best estimate of the amount required to settle its obligations (on a per site basis for mobile antennas). These dismantling costs are calculated on the basis of the identified costs for the current financial year, extrapolated for future years using the best estimate of future trends in prices, inflation, etc., and are discounted at a risk-free rate based on market yields on high quality corporate bonds (same discount rate as the one used for the employee benefits).

This estimate is revised at the end of each reporting period and adjusted, when appropriate. The asset to which the provision relates is also adjusted for the corresponding amount.

The majority of this obligation is not expected to result in cash outflow within a year, the full provision is reported under non-current provision.

2.15 Employee benefits

The Group is affiliated to a legally independent pension fund. The annual contributions to this fund are made by both employee and employer in accordance with unchanged regulatory provisions. This is a defined contribution plan according to Swiss legislation, but it qualifies as a defined benefit plan under IAS 19 due to the constructive obligation of the employer to guarantee a minimum rate of interest and a fixed conversion rate.

The plan is providing several categories of coverage and the employees' contributions are based on various percentages of their gross salaries. All employees are entitled to participate in the plan for retirement, disability or death. The Group's contributions exceed those of the employees. The risks of disability and death are entirely reinsured by an insurance company.

The Group's obligation in respect of its defined benefit plan is calculated by estimating the amount of the future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine the present value of the obligation, and the fair value of any plan assets is deducted. The calculation is performed by a qualified actuary in accordance with the projected unit credit method using information available at year end. Current pension entitlements are charged to income in the period in which they arise. Actuarial gains and losses are recorded in full under other comprehensive income in the reporting period in which they arise.

2.16 Cash & cash equivalents

Cash and cash equivalents comprise cash on hand and at banks, deposits and other highly liquid investments with an original maturity of three months or less.

2.17 Lease

The Group leases various network sites, offices, stores and vehicles. Rental contracts are typically made for fixed periods , but may have extension options as described below.
The Group assess whether a contract contains a lease at the inception of the contract. The contract contains a lease if it conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The criteria to be considered to meet the definition of a lease are the follows:

- The contract specifies the right to use an asset,
- The Group has the right to obtain substantially all of the economic benefit from the use of the asset over the period of use, and
- The Group has the right to direct the use of the asset.

Contracts may contain both lease and non-lease components. The Group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. However, for leases of real estate for which the Group is a lessee, it has elected not to separate lease and non-lease components and instead accounts for these as a single lease component.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

The leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group.

The Group does not apply any exemption for short term leases or low value leases.

Lease liabilities include the net present value of the fixed lease payments.
Extension options are included in a number of leases across the Group. These are used to maximise operational flexibility in terms of managing the assets used in the Group's operations. The majority of extension options held are exercisable only by the Group and not by the respective lessor.
Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.
Lease liabilities are remeasured in the following cases:

- Change in the lease payment due to a change in the discount rate
- Change in the lease term or in the extension option assessment
- Change in the lease contract when the modifications are not accounted for a separate lease

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option. Extension options are only included in the lease term if the lease is reasonably certain to be extended. Extension options in offices, stores and vehicles leases have not been included in the lease liability, because the Group could replace the assets without significant cost or business disruption.

Extension options for the network sites have been considered when they are reasonably certain to be extended.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.
To determine the incremental borrowing rate, the Group uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by the Group and makes adjustments specific to the lease, e.g. term, country and currency.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability,
- any lease payments made at or before the commencement date,
- any initial direct costs, and
- restoration costs.

Right-of-use assets are depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Sale and leaseback transaction

When the Group (the seller-lessee) transfers an asset to another entity (the buyer-lessor) and leases that asset back from the buyer-lessor, the Group assess whether the transfer of the asset is a sale. The Group applies the requirements for determining when a performance obligation is satisfied in IFRS 15 to determine whether the transfer of an asset is accounted for as a sale of that asset. If the transfer of an asset satisfies the requirements of IFRS 15 to be accounted for as a sale of the asset the Group measures the right-of-use asset arising from the leaseback at the proportion of the previous carrying amount of the asset that relates to the right-of-use retained by the Group.

According to the master service agreement signed with Swiss Infra Services S.A. on August 5, 2019, the Group builds network sites to be then sold to Swiss Infra Services S.A. when available for use. The revenue from the sale is recognized when the site is transferred. Under IFRS 16, this transaction is considered as a sale and lease-back transaction. The gain or loss made in this transaction is recognized over the duration of the lease.

The lease liability and the corresponding right of use asset are calculated based on the discounted lease payments using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions. To determine the incremental borrowing rate, the Group uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by the Group and makes adjustments specific to the lease, e.g. term, country and currency.

Note 3 – Segment Information

The Group is reporting one operating segment. The operating segment is reported based on the internal reporting to the Chief Operating Decision Maker (CODM), and has been prepared in accordance with the Group's accounting policies. The CODM is using EBITDA (excluding the gain on disposal and other gains, holding companies impacts and IFRS 15 and 16 adjustments) as the main measure of performance and for resource allocation purposes.

No measures of assets or liabilities are being reported regularly to the CODM.

The Group activity is mainly operated in Switzerland.

(in thousands of Swiss Francs)	2023	2022
Services revenue	1'001'744	967'323
Equipment revenue and other revenue	114'413	110'309
Revenue reported to CODM	**1'116'157**	**1'077'633**
EBITDA reported to CODM	**467'096**	**450'680**

Revenue reconciliation

(in thousands of Swiss Francs)	2023	2022
Revenue reported to CODM	1'116'157	1'077'633
Impact IFRS 15	571	(4'360)
Revenue	**1'116'728**	**1'073'272**

EBITDA reported to CODM to profit before tax reconciliation

(in thousands of Swiss Francs)	2023	2022
EBITDA reported to CODM	**467'096**	**450'680**
Impact IFRS 15 and 16	105'508	96'182
EBITDA Holding companies and other top consolidation adjustment	(224)	487
Result on disposal and other gains	3'417	1'333
Depreciation and amortization	(240'617)	(251'092)
Depreciation of right-of-use assets	(47'328)	(38'308)
Operating profit	**287'852**	**259'282**
Finance costs	(103'927)	(103'169)
Finance income	9'947	530
Finance costs, net	**(93'980)**	**(102'639)**
Profit before tax	**193'872**	**156'643**

Note 4 – Sales

4.1 Revenue

(in thousands of Swiss Francs)	2023	2022
Services revenue	932'445	896'689
Equipment revenue and other revenue	184'283	176'583
Revenue	**1'116'728**	**1'073'272**

Services revenue is recognized over time whereas equipment revenue is recognized at a point in time.

The Group applies the practical expedient from IFRS 15.121 to the non-disclosure of the transaction price allocated to unsatisfied subscription based performance obligations since the Group's right to consideration corresponds directly with the value to the customers. With respect to bundle offers with a sale of a subsidised device together with a subscription service, estimated revenues of CHF 148 million is expected to be recognised from such contracts in the coming years (CHF 37.5 million in 2025 and 2026).

In 2023, the equipment revenue and other revenue includes the proceeds from the sale of sites under Build-to-Suit program with Swiss Infra Services S.A. for CHF 4.8 million (CHF 4.4 million in 2022).

4.2 Trade receivables and contract assets

Trade receivables and contract assets are presented as follows at the face of the statement of financial position:

(in thousands of Swiss Francs)	December 31, 2023	December 31, 2022
Contract assets	63'412	59'840
Trade receivables	279'404	256'432
Allowance for doubtful receivables	(54'246)	(43'874)
Trade receivables and contract assets	**288'570**	**272'398**

Contract assets mainly include deferrals related to the sale of bundled offers. When subsidised devices are sold with a service contract, the allocation of the revenue for the delivered device based on standalone selling price results in an earlier revenue recognition. This results in the recognition of a contract asset.

The following table provides an ageing balance of gross trade receivables and contract assets:

(in thousands of Swiss Francs)	Expected Credit Loss rate	December 31, 2023	Expected Credit Loss rate	December 31, 2022
Past due - under 60 days	7%	41'733	6%	34'662
Past due - 60 to 120 days	29%	3'010	38%	2'656
Past due - over 120 days	99%	46'042	98%	35'633
Gross trade receivables and contract assets past due		**90'785**		**72'951**
Gross trade receivables and contract assets not past due	**2%**	**252'031**	**2%**	**243'321**
Gross trade receivables and contract assets		**342'816**		**316'272**

The Group outsources part of its receivables collection. Customer receivables are mainly transferred to an agency if overdue by 121 days or more. Enterprise and other partners customers are treated on a case by case basis. Receivables under servicing agreement are recognised in 2023 for a total value of CHF 41.6 million (CHF 33.3 million in 2022), most of them being covered by a bad debt provision amounting CHF 41.0 million (CHF 32.8 million in 2022).

The Group sold certain trade receivables to a collection agency for cash. These financial assets, that are classified as financial assets at fair value through profit or loss, are derecognised in their entirety at the date of the transfer. As of December 31, 2023 the receivables classified as fair value through profit or loss, had a carrying amount, equivalent to their fair value, of approximately CHF 0 million (CHF 0.8 million in 2022).

Information about the credit quality of trade receivable and the Group's exposure to credit risk, foreign currency risk and interest rate risk can be found in Note 11.1.

Tables below provide an analysis of the changes in provision for trade receivables in the statement of financial position:

(in thousands of Swiss Francs)	January 1, 2023	Additions	Used	December 31, 2023
Allowance for doubtful receivables	**(43'874)**	(28'455)	18'083	**(54'246)**

(in thousands of Swiss Francs)	January 1, 2022	Additions	Used	December 31, 2022
Allowance for doubtful receivables	**(34'573)**	(24'079)	14'778	**(43'874)**

4.3 Deferred income

	December 31, 2023			December 31, 2022		
(in thousands of Swiss Francs)	Current	Non-current	Total	Current	Non-current	Total
Customer contract liabilities	17'698	1'904	19'602	18'833	2'673	21'506
Other deferred income	1'317	-	1'317	539	-	539
Deferred income	**19'015**	**1'904**	**20'919**	**19'372**	**2'673**	**22'045**

Customer contract liabilities mainly corresponds to the deferral arising on the payment of prepaid cards and activation fees. The estimated revenue recognised in 2023 that was included in the customer contract liabilities balance at the beginning of the year amounts to CHF 11.2 million.

Other deferred income is composed of deferred sub rental income (sites and shops).

Note 5 – Operating costs and other costs

5.1 Access, backbone, interconnection and content costs

(in thousands of Swiss Francs)	2023	2022
Interconnection and roaming costs	(109'296)	(109'854)
Transmission lines	(308)	(3'127)
Content costs	(8'258)	(7'832)
Access, backbone, interconnection and content costs	**(117'862)**	**(120'813)**

5.2 Commercial expenses and cost of equipment sold

(in thousands of Swiss Francs)	2023	2022
Commercial expenses	(70'462)	(62'980)
Cost of equipment sold	(171'065)	(174'455)
Commercial expenses and cost of equipment sold	**(241'527)**	**(237'435)**

5.3 Network, IT, property expenses and other purchases

(in thousands of Swiss Francs)	2023	2022
Network and IT expenses	(25'252)	(20'984)
Property expenses	(9'078)	(6'390)
Subcontracting and professional services	(10'141)	(11'422)
Other purchases	(15'940)	(16'094)
Network, IT, property expenses and other purchases	**(60'411)**	**(54'890)**

5.4 Inventories

(in thousands of Swiss Francs)	December 31, 2023	December 31, 2022
Handsets and other devices	21'925	20'492
BTS under construction	6'162	5'117
Gross value	**28'087**	**25'609**
Provisions	(2'108)	(1'954)
Inventories	**25'979**	**23'655**

Note 6 – Long-lived assets

6.1 Goodwill

Goodwill as of December 31, 2023 amounts to CHF 1’313.8 million (CHF 1’313.8 million in 2022). As per IAS 36, goodwill is tested for impairment annually.

1. Key assumptions and impairment testing

A cash-generating unit to which goodwill has been allocated shall be tested for impairment at least annually by comparing the carrying amount of the unit, including the goodwill, with the recoverable amount of the unit:

- if the recoverable amount of the unit exceeds its carrying amount, the unit (including the goodwill allocated to it) is not impaired
- if the carrying amount of the unit exceeds its recoverable amount, an impairment loss must be recognized.

As described in the Note 2.4, the Group is operating on one segment which represents the unique CGU for impairment testing purpose.

At the end of each reporting period, an entity is required to assess whether the goodwill may be impaired (i.e. its carrying amount may be higher than its recoverable amount). The basis chosen to calculate the CGU's recoverable value is "value in use".

The following key assumptions have been used in the economic model (Discounted Cash Flows "DCF" model) used for impairment testing:

- Perpetual growth: +1.5% (1% in 2022)
- Discount rate (WACC) pre-tax: 5.7% (6.0% in 2022)

More specifically, perpetual growth rate considers both economic environment and market conditions. Economic environment assessment relies on economic growth projections built by public and private financial institutions.
The DCF model uses a projection of the most reliable information available as of the testing date and for the next 3 years in order to measure free cash flows generated by operations. The projection is based on approved Company's budget and business plan.

Based on the evaluation performed, no impairment charge has been recorded as of December 31, 2023 (no impairment as of December 31, 2022).

2. Sensitivity analysis

A sensitivity analysis has been performed on recoverable values, based on significant variations the discount rate after tax (+2%) or expected cash-flows after tax (-20%). As at December 31, 2023 and 2022, the outcome of the impairment test was no reasonable possible change in key assumptions described above would lead the carrying amount to exceed the recoverable amount.

6.2 Other intangible assets

Intangible assets were as follows as at December 31, 2023:

	December 31, 2023			
(in thousands of Swiss Francs)	Cost	Accumulated amortization	Accumulated Impairment	Net
Telecommunication licenses	364'297	(220'576)	-	143'721
Software	163'471	(141'119)	(4'516)	17'836
Customer contracts	680'846	(671'987)	-	8'859
Other intangibles assets	880'539	(195'974)	(90)	684'475
Intangible assets	**2'089'153**	**(1'229'656)**	**(4'606)**	**854'891**

Intangible assets were as follows as at December 31, 2022:

	December 31, 2022			
(in thousands of Swiss Francs)	Cost	Accumulated amortization	Accumulated Impairment	Net
Telecommunication licenses	364'297	(198'870)	-	165'427
Software	155'939	(131'990)	(4'516)	19'433
Customer contracts	680'846	(618'970)	-	61'876
Other intangibles assets	801'281	(153'948)	(90)	647'243
Intangible assets	**2'002'363**	**(1'103'778)**	**(4'606)**	**893'979**

Intangible assets under construction amounted to CHF 2.1 million as at December 31, 2023 (CHF 0.6 million as at December 31, 2022).

Movements in the Net Book Value of Intangible assets were as follows:

(in thousands of Swiss Francs)	Telecommunica-tion licenses	Software	Customer contracts	Other Intangibles assets	TOTAL
Opening balance as at January 1, 2023	165'427	19'433	61'876	647'243	893'979
Additions	-	7'672	-	79'262	86'934
Amortization	(21'706)	(9'269)	(53'017)	(42'030)	(126'022)
Closing balance as at December 31, 2023	**143'721**	**17'836**	**8'859**	**684'475**	**854'891**

(in thousands of Swiss Francs)	Telecommunica-tion licenses	Software	Customer contracts	Other Intangibles assets	TOTAL
Opening balance as at January 1, 2022	186'921	21'747	129'994	577'893	916'555
Additions	199	7'591	-	106'098	113'888
Amortization	(21'693)	(9'905)	(68'118)	(36'748)	(136'464)
Closing balance as at December 31, 2022	**165'427**	**19'433**	**61'876**	**647'243**	**893'979**

Other Intangibles assets mainly include operating Indefeasible Rights of Use (IRUs) agreements that have been acquired for both our backhauling network (core and antennas) and our FTTH footprint.

Capitalised expenditure
The labour expenses capitalised during the year amounted to CHF 5.1 million (CHF 4.3 million as at December 2022).

6.3 Property, Plant and Equipment

Tangible assets were as follows as at December 31, 2023:

	December 31, 2023			
(in thousands of Swiss Francs)	Cost	Accumulated depreciation	Accumulated Impairment	Net
Land and buildings	133'386	(92'849)	(18'142)	22'395
Network	1'699'795	(1'130'788)	(68'578)	500'429
IT equipment	25'906	(18'387)	(4'777)	2'742
Other property, plant and equipment	75'184	(55'920)	(2'147)	17'117
Tangible assets	**1'934'271**	**(1'297'944)**	**(93'644)**	**542'683**

Tangible assets were as follows as at December 31, 2022:

	December 31, 2022			
(in thousands of Swiss Francs)	Cost	Accumulated depreciation	Accumulated Impairment	Net
Land and buildings	128'468	(88'743)	(18'142)	21'583
Network	1'592'215	(1'066'650)	(68'578)	456'987
IT equipment	24'336	(17'092)	(4'777)	2'467
Other property, plant and equipment	68'856	(46'817)	(2'147)	19'892
Tangible assets	**1'813'875**	**(1'219'302)**	**(93'644)**	**500'929**

Tangible assets under construction or paid in advance amounted to CHF 82.7 million as at December 31, 2023 (CHF 67.1 million as at December 31, 2022).

Movements in the Net Book Value of Tangibles assets were as follows:

(in thousands of Swiss Francs)	Land and buildings	Network	IT Equipment	Other property, plant and equipment	TOTAL
Opening balance as at January 1, 2023	21'583	456'987	2'467	19'892	500'929
Additions	5'093	143'358	1'570	6'328	156'349
Depreciation and Impairment	(4'281)	(99'916)	(1'295)	(9'103)	(114'595)
Closing balance as at December 31, 2023	**22'395**	**500'429**	**2'742**	**17'117**	**542'683**

(in thousands of Swiss Francs)	Land and buildings	Network	IT Equipment	Other property, plant and equipment	TOTAL
Opening balance as at January 1, 2022	22'063	414'931	2'461	23'789	463'244
Additions	4'126	142'127	1'399	4'661	152'313
Depreciation and Impairment	(4'606)	(100'071)	(1'393)	(8'558)	(114'628)
Closing balance as at December 31, 2022	**21'583**	**456'987**	**2'467**	**19'892**	**500'929**

The accelerated depreciation recognised in 2023 amounted to CHF 3.0 million and was mainly related to Network assets that are no longer in use (CHF 10.5 million in 2022).

Capitalised expenditure
The labour expenses capitalised during the year amounted to CHF 8.6 million (CHF 7.9 million as at December 2022).

6.4 Purchases of Property, Plant Equipment and Intangible assets

For cash flow statement purposes, purchases of Property, Plant, Equipment and Intangible assets were as follows:

(in thousands of Swiss Francs)	2023	2022
Additions or advances in property, plant and equipment and intangible assets	**(243'283)**	**(266'201)**
Adjustments of non cash-flow effect items		
Net Increase / (decrease) in amounts due to fixed assets suppliers	33'143	61'576
Total adjustments of non cash-flow effect items	**33'143**	**61'576**
Cash effect of purchases of property, plant and equipment and intangible assets	**(210'140)**	**(204'625)**

Note 7 – Income Tax

7.1 Corporate income Tax expense

The Group is liable for income taxes. Matterhorn Telecom S.A. and Matterhorn Telecom Holding S.A., which are registered in Luxembourg, are subject to an income tax at a rate of 24.94% (24.94% in 2022).

In Luxembourg, tax losses incurred before 2017 can be carried forward indefinitely. Since 2017, tax losses can be carried forward for a maximum of seventeen years. In Switzerland, tax losses can be carried forward for a maximum of seven years.

Salt Mobile S.A. is liable for taxes in all Swiss cantons based on an inter-cantonal allocation at various rates. With this regard the current average tax rate is our estimated rate of 15.66% (15.73% in 2022) based on the statutory tax rates applicable in Switzerland, which can potentially vary in the upcoming years.

The Group is within the scope of the OECD Pillar Two model rules that will come into effect from 1 January 2024. Since the Pillar Two legislation was not effective as of December 31, 2023, the group has no related current tax exposure. The group applies the exception to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes, as provided in the amendments to IAS 12 issued in May 2023.
Under the legislation, the group is liable to pay a top-up tax for the difference between its GloBE effective tax rate per jurisdiction and the 15% minimum rate. All entities within the group have an effective tax rate that exceeds 15%, except for one subsidiary that operates in the Principality of Liechtenstein.
The group is in the process of assessing its exposure to the Pillar Two legislation for when it comes into effect. However, given the limited operations carried out by the Group in the Principality of Liechtenstein and the impact of specific adjustments envisaged in the Pillar Two legislation, it is expected that current tax exposure will not be material.

The income tax is broken down as follows:

(in thousands of Swiss Francs)	2023	2022
Current tax expense in respect of the current year	(44'523)	(45'017)
Deferred tax income	7'246	3'495
Total tax expense	**(37'277)**	**(41'522)**

7.2 Group Tax Proof

The reconciliation between effective income tax expense and the theoretical tax calculated based on the Luxembourg statutory tax rate is as follows:

(in thousands of Swiss Francs)	2023	2022
Profit before tax	**193'872**	**156'643**
Income tax rate	24.94%	24.94%
Theoretical income tax expense	**(48'352)**	**(39'067)**
Reconciliation items:		
Effect on deferred tax balances due to the change in income tax rate	57	197
Effect of different tax rates of subsidiaries operating in other jurisdictions	23'140	19'702
Deferred tax assets not recognized on tax loss carry forwards arising in the period	(75)	(664)
Effect of permanent differences due to interests on debt instruments which are not deductible	(16'225)	(13'669)
Utilisation of previously unrecognised tax losses	449	-
Change in unrecognized deferred tax asset on temporary differences	3'708	(8'252)
Other	21	231
Income tax expense recognised in profit or loss	**(37'277)**	**(41'522)**

7.3 Statement of financial position - tax position

The tax position by class of temporary difference is as follows:

(in thousands of Swiss Francs)	December 31, 2023	December 31, 2022
Pension	364	-
Intangible assets & Property, plant and equipment	(68'341)	(78'300)
Lease obligation	76'506	78'984
Hedge accounting	132	(35)
Revenue recognition	(14'996)	(13'674)
Other	(26)	(26)
Net deferred taxes - Group	**(6'361)**	**(13'051)**
- Deferred tax assets	*1'040*	*3'890*
- Deferred tax liabilities	*(7'401)*	*(16'941)*

7.4 Change in Group net deferred taxes

(in thousands of Swiss Francs)	December 31, 2022	Recognized as a profit or loss	Recognized in other comprehensive income	December 31, 2023
Pension	-	(224)	588	364
Intangible assets & Property, plant, equipment	(78'300)	9'959	-	(68'341)
Lease obligation	78'984	(2'478)	-	76'506
Hedge accounting	(35)	1'311	(1'144)	132
Revenue recognition	(13'674)	(1'322)	-	(14'996)
Other	(26)	-	-	(26)
Deferred taxes on temporary differences	**(13'051)**	**7'246**	**(556)**	**(6'361)**

(in thousands of Swiss Francs)	December 31, 2021	Recognized as a profit or loss	Recognized in other comprehensive income	December 31, 2022
Pension	-	(111)	111	-
Intangible assets & Property, plant, equipment	(93'797)	15'497	-	(78'300)
Lease obligation	81'991	(3'007)	-	78'984
Hedge Accounting	104	(8'343)	8'204	(35)
Revenue recognition	(13'149)	(525)	-	(13'674)
Other	(10)	(16)	-	(26)
Deferred taxes on temporary differences	**(24'861)**	**3'495**	**8'315**	**(13'051)**

Unused tax losses for which no deferred tax asset has been recognised amounted to CHF 428.7 million as of December 31, 2023 (CHF 432.8 million as of December 31, 2022). Unused tax losses were incurred by the Luxembourg holding companies.

Note 8 – Provisions

(in thousands of Swiss Francs)	January 1, 2023	Additions	Used	Released	Unwinding of discount rate	Other	December 31, 2023
Restructuring provisions	-	-	-	-	-	-	-
Provisions for dismantling and restoring sites	27'110	3'360	(714)	-	322	-	30'078
Other provisions	2'452	120	(168)	-	-	-	2'403
Provisions	**29'562**	**3'480**	**(882)**	**-**	**322**	**-**	**32'481**
of which non-current provisions	27'110	3'360	(714)	-	322	-	30'078
of which current provisions	2'452	120	(169)	-	-	-	2'403

Note 9 – Employee benefits

9.1 Wages, salaries and post-employment benefits

(in thousands of Swiss Francs)	2023	2022
Wages, social contributions & individual incentive / bonus plans	(106'030)	(97'520)
Capitalised Labour	13'669	12'187
Post-employment benefits	(4'571)	(4'762)
Wages, salaries and post-employment benefits	**(96'932)**	**(90'095)**

The wages, social contributions & individual incentive / bonus plans include the wages, bonus and related social charges. Capitalised labour reflects the time spent by Salt Mobile S.A. employees on tangible and intangible assets. Post-employment benefits include the net service costs.

The number of FTEs (excluding apprentices and trainees) at the end of 2023 was 1'097 (1'026 in 2022).

9.2 Non-Current Employee benefits obligation

(in thousands of Swiss Francs)	2023	2022
Post employment benefit	2'326	-
Other non current employee benefit	4'905	3'324
Wages, salaries and post-employment benefits	**7'231**	**3'324**

The other non current employee benefit relates to retention bonuses to be paid after a given service period.

The Group provides retirement benefits to its employees as required by Swiss law through a Pension Fund that is a separate legal entity. The Group's employees are insured for the risks of old age, death and disability.
The plan's benefits are based on age, salary and on an individual old age account. The plan is financed by contributions paid by the employees and by the employer. The assets of the Pension Fund are invested in qualified insurance policies Equities, Bonds, Real Estate, Alternative Investments and Cash, in accordance with organizational guidelines and investment regulations.

The Board of Trustees consists of an equal number of employer and employee representatives and is responsible for managing the Foundation in accordance with Swiss law. Per the regulatory framework, a temporary funding shortfall is permitted. The Board of Trustees must take appropriate measures to solve the shortfall within a reasonable timeframe. If those measures do not lead to the desired results, the Pension Fund may temporarily charge remedial contributions to employers, insured persons and pensioners. The employer contribution must at least equal the aggregate contributions levied from the insured persons.
The main risks to which the Group is exposed in relation to operating defined benefit plan are:
– market and liquidity risks: these are the risks that the investments do not meet the expected returns over the medium to long-term, and/or that there is a mismatch between cash inflow and cash outflow. The structure of the portfolios is reviewed and asset-liability matching analyses are performed on a regular basis to minimize both risks.
– mortality risk: the assumptions adopted by the Group make allowance for future improvements in life expectancy. However, if life expectancy improves at a faster rate than assumed, this would result in greater payments from the plan and consequently increases in the plan's liabilities. Mortality assumptions are reviewed on a regular basis to mitigate this risk.

All Swiss plans qualify as defined benefit plans under IAS 19. Under Swiss accounting principles, the Pension Plan Salt Mobile SA is overfunded by 108.5% as of December 31, 2023 (December 31, 2022: 106%).

The standard retirement age is 65. Employees are entitled to early retirement with a reduced old-age pension. The amount of the old-age pension is the result of multiplying the individual retirement savings account at the time of retirement by a conversion rate set out in the pension-fund rules. The retirement benefits can also be paid out in the form of a capital payment either in full or in part. In case of early retirement, the employer also finances an OASI bridging pension until the standard retirement age. One of the benefits provided by the Group is a temporary disability pension up to retirement. This disability pension is independent of the years of service. Disability and death risks are reinsured by an external insurance company.

Actuarial valuations of the plan assets and of the defined benefit obligation were carried out by an external actuarial expert. The present value of the defined benefit obligation, and the related current service cost, were measured using the projected unit credit method.

The expected service cost for the year ending December 31, 2024 is CHF 4.9 million.

The principal assumptions used for the purpose of the actuarial valuations were as follow:

	December 31, 2023	December 31, 2022
Discount rate	1.50%	2.25%
Salary increase	1.50%	1.25%
Cost-of-living adjustment	0.00%	0.00%
Interest credit on total account balance	1.50%	2.25%
Mortality and disability - Swiss official tables	Swiss BVG 2020	Swiss BVG 2020

The evaluation is done on a yearly basis.

The amount recognised in the consolidated statement of financial position in respect of the Group's defined benefit retirement plan is as follow :

(in thousands of Swiss Francs)	December 31, 2023	December 31, 2022
Present value of funded obligations	(138'752)	(135'656)
Fair value of plan assets	136'426	135'656
Employee benefit obligations	**(2'326)**	**-**

The amount recognised in the consolidated statement of profit / (loss) in respect of the defined benefit plan is as follows:

(in thousands of Swiss Francs)	December 31, 2023	December 31, 2022
Service costs	(4'249)	(4'581)
Administration expenses	(322)	(181)
Total current service cost	(4'571)	(4'762)
Net interest expenses	105	12
Net periodic pension cost	**(4'466)**	**(4'750)**

(in thousands of Swiss Francs)	December 31, 2023	December 31, 2022
Defined Benefit Obligation (DBO) at the beginning of period	135'656	140'289
Current Service cost	4'571	4'762
Interest cost	2'639	333
Employee contributions (incl. administration expenses)	3'275	3'301
Actuarial (gain) / loss - experience	990	13'998
Actuarial (gain) / loss - financial assumptions	7'318	(22'169)
Liabilities extinguished on settlements	(10'792)	-
Benefits paid	(4'905)	(4'858)
Defined Benefit Obligation (DBO) at the end of the period	**138'752**	**135'656**

The duration of the DBO is 9.8 years (9.4 years as at December 31, 2022).

The plan assets consists of the following categories of assets:

	December 31, 2023	December 31, 2022
Equity Securities	40%	29%
Bonds Securities	39%	25%
Real Estate / Property	20%	19%
Other	1%	27%
	100%	100%

The strategic asset allocation is diversified within the requirements of providing long-term returns with an acceptable level of risk. The plan assets are primarily invested in listed investments which insure good liquidity.

Change in the fair value of plan assets is as follows:

(in thousands of Swiss Francs)	December 31, 2023	December 31, 2022
Fair value of plan assets at the beginning of period	135'656	140'289
Return on plan assets	2'804	388
Return on plan assets greater / (less) than discount rate	1'754	(23'741)
Employer contributions	5'975	5'591
Employee contributions (incl. administration expenses)	3'275	3'295
Assets distributed on settlements	(10'792)	-
Benefits paid	(4'905)	(4'858)
Changes in asset ceiling	2'659	14'692
Fair value of plan assets at the end of the period	**136'426**	**135'656**

The actual return on assets during the year is +4.81% (-15.48% as at December 31, 2022).

The movement in the net liability during the year is as follows:

(in thousands of Swiss Francs)	December 31, 2023	December 31, 2022
Accrued pension cost at the beginning of period	-	-
Net periodic pension cost	(4'466)	(4'750)
Employer contributions	5'975	5'591
Amount recognised in OCI	(3'835)	(841)
Accrued pension cost at the end of the period	**(2'326)**	**-**

The variations resulting from changes in actuarial assumption have been summarized in the following sensitivity analysis as December 31, 2023:

(in thousands of Swiss Francs)	Current Assumption	Sensitivity change	DBO change
Discount rate	1.50%	0.50% increase	(6'635)
		0.50% decrease	7'399
Salary increase	1.50%	0.50% increase	1'215
		0.50% decrease	(1'234)

The variations resulting from changes in actuarial assumption have been summarized in the following sensitivity analysis as December 31, 2022:

(in thousands of Swiss Francs)	Current Assumption	Sensitivity change	DBO change
Discount rate	2.25%	0.50% increase	(6'157)
		0.50% decrease	6'839
Salary increase	1.25%	0.50% increase	1'067
		0.50% decrease	(1'069)

For any change in actuarial assumption, sensitivity analysis assesses the impact on defined benefit obligation (DBO). In each situation only one assumption is modified while other parameters remain unchanged.

9.3 Current - Employee benefits obligation

(in thousands of Swiss Francs)	December 31, 2023	December 31, 2022
Employees, payables	224	311
Employees accrual	12'939	11'930
Social institutions, payables	3'970	3'865
Current employee benefit obligation	**17'133**	**16'106**

As at December 31, 2023 employees accrual mainly consists of bonus payables for CHF 11.5 million and holidays allowance for CHF 1.1 million (as at December 31, 2022, CHF 10.7 million and CHF 1.3 million, respectively).

Note 10 – Derivatives, borrowings and financial results

10.1 Derivatives and borrowing

Assets		December 31, 2023			December 31, 2022		
(in thousands of Swiss Francs)	Notes	Current	Non-current	**Total**	Current	Non-current	**Total**
Derivatives	**10.2**	642	-	**642**	-	405	**405**
Derivatives		**642**	**-**	**642**	**-**	**405**	**405**

Liabilities		December 31, 2023			December 31, 2022		
(in thousands of Swiss Francs)	Notes	Current	Non-current	**Total**	Current	Non-current	**Total**
Debt instruments		228'794	1'445'101	**1'673'895**	-	1'686'293	**1'686'293**
Accrued interest on debt instruments		12'129	-	**12'129**	10'251	-	**10'251**
Derivatives	**10.2**	78'516	138'148	**216'664**	-	138'383	**138'383**
Supplier financing agreement		27'285	54'061	**81'346**	-	65'416	**65'416**
Borrowings and other financial liabilities		**346'724**	**1'637'310**	**1'984'034**	**10'251**	**1'890'092**	**1'900'343**

On July 12, 2023, the Group entered into an Indenture Agreement for the issuance of CHF 100 million 5.25% Senior Secured Notes due 2028 with bi-annual coupon. The Notes were priced at 100% of their aggregate principal amount and were issued on July 21, 2023.
In April 2023, the Group repurchased EUR 2.3 million 2.625% Notes due 2024 and EUR 13.7 million 4% Notes due 2027 for a total consideration of CHF 14.5 million.
In March 2023, the Group repurchased EUR 1.2 million principal amount of Senior Secured Notes due 2024 and EUR 0.3 million principal amount of Senior Secured Notes due 2027 for a total consideration of CHF 1.4 million.

On April 29, 2022, the Group repurchased EUR 6.0 million principal amount of Senior Secured Notes due 2027 and unwound the related cross-currency interest rate swap for a total consideration of CHF 6.2 million. The result of the transaction has been recognized in consolidated statement of profit or loss.

On December 1, 2019, the Group entered into an interest-bearing supplier financing agreement with a network supplier and a financial institution. Under this agreement, the Group undertakes to pay to the financial institution the invoices with an extended deadline greater than one year. Supplier financing agreement outstanding balances amounts to CHF 81.3 million as of December 31, 2023 (CHF 65.4 million as of December 31, 2022).

The debt instruments are measured at amortised cost, using the effective interest rate method.

The debt instruments (excluding transaction costs) issued by Matterhorn Telecom S.A. as at December 31, 2023:

December 31, 2023

Original currency	Debt instrument	Date of issuance	Current nominal amounts	Current nominal amounts	Maturity	Nominal interest rate (%)	Outstanding interest amount
			in thousands of currency unit	in thousands of CHF			in thousands of CHF
EUR	Senior Secured Notes (a)	27.11.2017	380'036	352'711	15.05.2027	4.00%	1'764
EUR	Term Loan B (b)	19.03.2020	400'000	371'240	15.09.2026	EURIBOR 3M (floored at 0) +2.375%	584
EUR	Senior Secured Notes (c)	19.09.2019	675'000	626'468	15.09.2026	3.125%	5'710
EUR	Senior Secured Notes (d)	19.09.2019	246'519	228'794	15.09.2024	2.625%	1'752
CHF	Senior Secured Notes €	21.07.2023	100'000	100'000	31.07.2028	5.25%	2'319
Total				**1'679'213**			**12'129**

The above debt instruments as of December 31, 2023 are hedged as follows:

December 31, 2023

Original currency	Debt instrument	Notional amount due from counterparty	Notional amount due to counterparty	Hedging rate	Maturity
		in thousands of currency unit	in thousands of CHF		
EUR	Senior Secured Notes (a)	140'000	144'060	3.94%	15.11.2024
		240'036	257'379	3.42%	15.11.2027
EUR	Term Loan B (b)	100'000	102'900	3.70%	15.09.2024
		300'000	308'700	3.72%	15.09.2024
EUR	Senior Secured Notes (c)	300'000	308'700	2.98%	15.09.2026
		100'000	102'900	3.03%	15.09.2026
		212'000	218'148	3.00%	15.09.2026
		63'000	64'827	3.00%	15.09.2026
EUR	Senior Secured Notes (d)	48'385	49'788	2.67%	15.09.2024
		98'134	107'211	2.51%	15.09.2024
		1'601'555	**1'664'613**		

The debt instruments (excluding transaction costs) issued by Matterhorn Telecom S.A. as at December 31, 2022:

December 31, 2022

Original currency	Debt instrument	Date of issuance	Current nominal amounts	Current nominal amounts	Maturity	Nominal interest rate (%)	Outstanding interest amount
			in thousands of currency unit	in thousands of CHF			in thousands of CHF
EUR	Senior Secured Notes (a)	27.11.2017	394'000	387'657	15.05.2027	4.00%	1'938
EUR	Term Loan B (b)	19.03.2020	400'000	393'560	15.09.2026	EURIBOR 3M (floored at 0) +2.375%	376
EUR	Senior Secured Notes (c)	19.09.2019	675'000	664'133	15.09.2026	3.125%	6'054
EUR	Senior Secured Notes (d)	19.09.2019	250'000	245'975	15.09.2024	2.625%	1'883
Total				**1'691'325**			**10'251**

The above debt instruments as of December 31, 2022 are hedged as follows:

December 31, 2022

Original currency	Debt instrument	Notional amount due from counterparty	Notional amount due to counterparty	Hedging rate	Maturity
		in thousands of currency unit	in thousands of CHF		
EUR	Senior Secured Notes (a)	140'000	144'060	3.94%	15.11.2024
		254'000	272'352	3.73%	15.11.2027
EUR	Term Loan B (b)	100'000	102'900	3.70%	15.09.2024
		300'000	308'700	3.72%	15.09.2024
EUR	Senior Secured Notes (c)	300'000	308'700	2.98%	15.09.2026
		100'000	102'900	3.03%	15.09.2026
		212'000	218'148	3.00%	15.09.2026
		63'000	64'827	3.00%	15.09.2026
EUR	Senior Secured Notes (d)	151'866	156'270	2.67%	15.09.2024
		98'134	107'211	2.51%	15.09.2024
		1'719'000	**1'786'068**		

The debt instruments are recognised in the consolidated statements of financial position as follows:

(in thousands of Swiss Francs)	
As at December 31, 2021	**1'777'061**
Repurchase of debt instruments	(6'144)
Realized exchange loss (gain)	(865)
Unrealised exchange loss (gain)	(85'144)
Amortization of debt issuance costs	1'385
As at December 31, 2022	**1'686'293**
Repurchase of debt instruments	(16'890)
Realized exchange loss (gain)	(3'223)
Issuance of bonds	100'000
Capitalisation of debt issuance costs	(1'919)
Unrealized exchange loss (gain)	(91'998)
Amortization of debt issuance costs	1'632
As at December 31, 2023	**1'673'895**

Credit lines

(in thousands of Swiss Francs)	December 31, 2023		December 31, 2022	
	Amount available	Amounts drawn down	Amount available	Amounts drawn down
Super Revolving Credit Facility	60'000	-	60'000	-
Bank overdraft	-	-	-	-
Credit lines	**60'000**	**-**	**60'000**	**-**

As at December 31, 2023, the Group has not drawn any amount under the RCF Agreement.

10.2 Derivative instruments

For the periods ended December 31, 2023 and December 31, 2022, the Group's designated hedges were limited to cash flow hedges as the Group did not have any hedges designated as fair value or net investment hedges.

The Group's cash-flow hedges consisted of cross-currency interest rate swaps that the Group uses to protect against variability in future interest cash flows on liabilities which bear interest at variable or fixed rates and/or foreign currency risk on EUR-denominated debt instruments. The cash flows are expected to occur simultaneously with the payment of interests on debt instruments.

The swaps are measured at fair value (level 2). Fair value of financial assets and liabilities is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

On July 25, 2023 the group partially unwound EUR 100.0 million of its EUR 148.4 million cross currency interest rate swap on Senior Secured Notes (d).

On May 12, 2023, the Group partially unwound EUR 14.0 million of its EUR 254.0 million cross currency interest rate swap on Senior Secured Notes (a) and EUR 3.5 million of its EUR 151.9 million cross currency interest rate swap on Senior Secured Notes (d).

On January 17, 2023, the Group extended the maturity of the EUR 254.0 million cross-currency interest rate Swap on Senior Secured Notes (a) from 2024 to 2027 with a decrease of the hedging rate from 3.73% to 3.42%.

During the year 2023, the cash flow hedges were effective, both retrospectively since inception and prospectively as of December 31, 2023. Therefore the full changes in their fair values (gains and losses) since inception initially were been recognised in other comprehensive income, and were reclassified to the income statement when the hedged cash flows affect earnings.

The net amount recognised in OCI (net change in OCI) related to hedging activities is described in the table below.

(in thousands of Swiss Francs)	December 31, 2023	December 31, 2022
Beginning accumulated OCI balance	**(43'753)**	**(11'010)**
Net loss deferred in accumulated OCI due to change in the fair value of the derivative (effective portion)	(77'625)	(118'463)
Reclassified out of accumulated OCI into Income Statement	81'939	85'720
Ending accumulated OCI Balance	**(39'439)**	**(43'753)**

10.3 Finance costs, net

(in thousands of Swiss Francs)	2023	2022
Commitment fees on Super Revolving Credit Facility	(432)	(466)
Amortization of debt issuance costs	(1'632)	(1'385)
Interest on bonds	(55'283)	(55'836)
Foreign exchange losses	(1'375)	(1'862)
Interest on lease agreements	(41'603)	(42'493)
Other financial expenses	(3'602)	(1'126)
Finance costs	**(103'927)**	**(103'169)**
Foreign exchange gains	2'463	-
Interest on short-term deposit	3'953	237
Other financial gains	3'531	293
Finance income	**9'947**	**530**
Finance costs, net	**(93'980)**	**(102'639)**

10.4 Management of covenants

Under the Revolving Credit Facility ("RCF") which forms part of the Senior Facilities Agreement dated September 12, 2019 the Group is obliged to comply with a senior secured net leverage ratio covenant ("the financial covenant").
The financial covenant shall not be required to be satisfied unless, on the last day of the relevant period, the aggregate outstanding exposure in respect of the RCF (subject to certain exceptions) is greater than CHF 35.0 million.
As at December 31, 2023, the Company complied with those covenants as the RCF was not used.

Under the indentures to the Senior Secured Notes issued by the Company and its subsidiaries, certain non-financial covenants are to be respected. The non-compliance may result in an Event of Default and in the principal and the accrued unpaid interest becoming due and payable immediately. As at December 31, 2023, the Company complied with those covenants.

10.5 Net debt reconciliation

This section sets out an analysis of net debt and the movements in net debt between December 31, 2022 and December 31, 2023:

(in thousands of Swiss Francs)	December 31, 2023	December 31, 2022
Cash and cash equivalents net	385'565	356'234
Derivatives	(216'022)	(137'978)
Borrowings and other financial liabilities - Non Current	(1'499'162)	(1'751'709)
Borrowings and other financial liabilities - Current	(268'208)	(10'251)
Lease liabilities	(719'753)	(721'710)
Net debt	**(2'317'580)**	**(2'265'414)**

(in thousands of Swiss Francs)	Cash and cash equivalents net	Derivatives	Lease liabilities	Borrowings, and other financial liabilities	Net debt
As at December 31, 2022	**356'234**	**(137'978)**	**(721'710)**	**(1'761'960)**	**(2'265'414)**
Cash flow including interest payments	33'077	(10'109)	97'961	65'333	186'262
Supplier financing agreement	-	-	-	(15'930)	(15'930)
Issuance of bonds	-	-	-	(100'000)	(100'000)
Early repayment of hedge instruments	-	9'255	-	-	9'255
Repurchase of debt instruments	-	1'232	-	16'890	18'122
Acquisition- leases	-	-	(61'888)	-	(61'888)
Foreign exchange adjustments	(3'746)	(91'998)	-	95'221	(523)
Other non cash movements	-	13'576	(34'116)	(66'924)	(87'464)
As at December 31, 2023	**385'565**	**(216'022)**	**(719'753)**	**(1'767'370)**	**(2'317'580)**

(in thousands of Swiss Francs)	Cash and cash equivalents net	Derivatives	Lease liabilities	Borrowings, and other financial liabilities	Net debt
As at December 31, 2021	**306'329**	**(20'231)**	**(732'138)**	**(1'818'676)**	**(2'264'716)**
Cash flow including interest payments	50'159	2'050	94'467	57'320	203'996
Supplier financing agreement	-	-	-	(34'546)	(34'546)
Repurchase of debt instruments	-	-	-	6'144	6'144
Acquisition- leases	-	-	(44'991)	-	(44'991)
Foreign exchange adjustments	(254)	(85'144)	-	86'009	611
Other non cash movements	-	(34'653)	(39'048)	(58'211)	(131'912)
As at December 31, 2022	**356'234**	**(137'978)**	**(721'710)**	**(1'761'960)**	**(2'265'414)**

Other non cash movements mainly include finance costs and change in fair value of derivative instruments.

Note 11 – Information on market risk and fair value of financial assets and liabilities

11.1 Financial risks

The Group is subject to various financial risks. These risks include capital risk, credit risk, liquidity risk and financial market risk (including interest rate risk and currency risk). These risks are monitored by Management of the Group.

Capital risk management

The Group manages its capital to ensure that it will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance.

The capital structure of the Group consists of debt, which mainly includes borrowings described in Note 10, cash and cash equivalents and equity attributable to equity holders, comprising issued capital, reserves and retained earnings.

Credit Risk management

Financial instruments that could potentially subject the Group to concentrations of credit risk consist primarily of cash, trade receivables, investments and deposits.

The Group considers that it has an extremely limited exposure to concentrations of credit risk with respect to trade accounts receivable due to its large and diverse customer base (residential, professional and large business customers). In addition, the maximum value of the credit risk on these financial assets is equal to their recognised net book value.

Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the Board of Directors, which has established an appropriate liquidity risk management framework for the management of the Group's short-medium and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowings facilities, by continuously monitoring cash flows, and by matching the maturity profiles of financial assets and liabilities, including from time to time the repayment or repurchase of our existing indebtedness prior to its scheduled maturity. Note 10 sets out details of additional undrawn facilities that the Group has at its disposal to further reduce liquidity risk (refer to the Note 11.2).

Interest Rate Risk

The Group manages its net exposure to interest rate risk through the proportion of fixed rate financial debt and variable rate financial debt in its total financial debt portfolio. To manage this mix, the Group may enter into interest rate swap agreements, in which it exchanges periodic payments based on a notional amount and agreed-upon fixed and variable interest rates and into forward contracts, in which it exchanges fixed amounts of foreign currency and fixed amounts of Swiss francs.

Sensitivity analysis of the Group's position to changes in interest rates

The sensitivity of the Group's financial assets and liabilities to interest rate risk is analysed only for components of net financial debt. Only these components are interest-bearing and therefore exposed to interest rate risk. The Group is primarily exposed to a change in EURIBOR3m. To mitigate this risk, the Group entered into cross-currency interest-rate swaps, in which it agrees to exchange, at specified intervals, the difference between fixed and Euribor3m rate interest amounts (refer to note 10.1).

Counterparty Risk management

The Group is exposed to a counterparty risk on the fair value of the derivatives. This risk is assessed using a Credit Valuation Adjustment ("CVA") and is calculated using probabilities of default of the banking counterparties. This risk of counterparty is considered as hedge ineffectiveness and is therefore recognized trough the consolidated income statement of the year. This CVA was nil. as of December 31, 2023 and 2022.

Foreign exchange rate risk management

The Group operates mainly in the currency of its country (CHF). However, the Group is subject to foreign currency risk arising from borrowings and future commercial transactions which can be done in Euros (purchase of handsets or roaming for example). The Group uses derivative financial instruments to hedge certain exposures (for instance Bonds denominated in Euros).

The Group's policy to mitigate foreign exchange risk is to hedge most of its debt instruments denominated in Euros.

The Group uses foreign currency inflows to pay for its foreign currency outflows. If necessary, the Group buys foreign currency shortly before the transaction.

Sensitivity of cash flow hedge reserves

A 0.5% change in spot rates would change the market value of cross-currency swaps designated as cash flow hedges and the associated cash flow hedge reserves by approximately CHF 37.2 million as at December 31, 2023 (change of CHF 43.8 million as at December 31, 2022).

The following table shows the exposure (before hedging instruments) of the Group financial positions by currency:

	December 31, 2023				
(in thousands of Swiss Francs)	Total	EUR	USD	GBP	CHF
Financial assets (A)	**684'904**	**112'862**	**1'278**	**163**	**570'601**
Other assets	10'769	482	-	-	10'287
Trade receivables	288'570	12'550	920	22	275'078
Cash and cash equivalents	385'565	99'830	358	141	285'236
Financial liabilities (B)	**2'415'034**	**1'630'930**	**5'930**	**219**	**777'955**
Debt instruments excluding issuance costs(1)	1'679'213	1'579'213	-	-	100'000
Supplier financing agreement	81'346	-	-	-	81'346
Trade payables	105'543	41'074	5'493	219	58'757
Long-lived assets payables	536'803	833	437	-	535'533
Current borrowings and other financial liabilities (1)	12'129	9'810	-	-	2'319
Net exposure (A) - (B)	**(1'730'130)**	**(1'518'068)**	**(4'652)**	**(56)**	**(207'354)**

(in thousands of Swiss Francs)	December 31, 2022 Total	EUR	USD	GBP	CHF
Financial assets (A)	**649'997**	**20'275**	**1'374**	**283**	**628'064**
Other assets	21'365	168	-	-	21'197
Trade receivables	272'398	9'939	632	-	261'827
Cash and cash equivalents	356'234	10'168	742	283	345'041
Financial liabilities (B)	**2'407'248**	**1'746'447**	**10'508**	**46**	**650'246**
Debt instruments excluding issuance costs [1]	1'691'325	1'691'325	-	-	-
Supplier financing agreement	65'416	-	-	-	65'416
Trade payables	108'897	42'590	5'601	46	60'660
Long-lived assets payables	531'359	2'281	4'908	-	524'170
Current borrowings and other financial liabilities [1]	10'251	10'251	-	-	-
Net exposure (A) - (B)	**(1'757'251)**	**(1'726'172)**	**(9'134)**	**237**	**(22'182)**

[1] Refer to Note 10.1 for further information regarding debt instruments, accrued interests and derivatives instruments.

The following table shows the sensitivity of the Group to a 10% change in the foreign exchange rates of the currency to which they are exposed and the related impact on its income statement:

(in thousands of currency)	December 31, 2023 Net position at the end of the year [2]	+10% change	-10% change
EUR	(31'295)	(2'845)	3'477
USD	(5'537)	(503)	615
GBP	(52)	(5)	6

(in thousands of currency)	December 31, 2022 Net position at the end of the year [2]	+10% change	-10% change
EUR	(24'998)	(2'273)	2'778
USD	(9'893)	(899)	1'099
GBP	213	19	(24)

[2] Net positions related to the debt instruments and current borrowings which are hedged and have been excluded (Refer to Note 10.1 for further information regarding bonds, accrued interests and derivatives instruments).

10% is the sensitivity rate considered by management for foreign currency risk and represents the assessment of the reasonably possible change in foreign exchange rates.

11.2 Financial instruments

The market value of financial assets and liabilities measured at fair value in the statement of financial position shown in the table below has been ranked based on the three hierarchy levels defined by IFRS 13:

- Level 1: quoted price in active markets;
- Level 2: inputs observable directly or indirectly;
- Level 3: inputs not based on observable market data.

Derivative instruments were the only items measured at fair value (level 2) in the statement of financial position and presented according to their maturity date. Fair value of financial assets and liabilities is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Estimated fair value for disclosure purpose:

- The carrying amounts of trade receivables and payables are a reasonable estimate of their fair value because of their short-term maturities;
- The carrying amounts of deposits and other items, fixed assets payables and cash and cash equivalents correspond to the fair values;
- The fair value of fixed interest-bearing financial liabilities is estimated on the basis of the maturing future payments discounted at market interest rates (level 2).

	December 31, 2023	
(in thousands of Swiss Francs)	Book value	Estimated fair value
Loans, receivables and cash and cash equivalents	**684'904**	**684'904**
Other assets	10'769	10'769
Trade receivables	288'570	288'570
Cash and cash equivalents	385'565	385'565
Financial liabilities at amortised cost	**(2'409'716)**	**(2'375'769)**
Debt instruments and accrued interests on debt instruments	(1'686'024)	(1'652'077)
Supplier financing agreement	(81'346)	(81'346)
Trade payables	(105'543)	(105'543)
Long-lived assets payables	(536'803)	(536'803)
Hedging derivatives	**(216'022)**	**(216'022)**

	December 31, 2022	
(in thousands of Swiss Francs)	Book value	Estimated fair value
Loans, receivables and cash and cash equivalents	**649'997**	**649'997**
Other assets	21'365	21'365
Trade receivables	272'398	272'398
Cash and cash equivalents	356'234	356'234
Financial liabilities at amortised cost	**(2'402'216)**	**(2'271'606)**
Debt instruments and accrued interests on debt instruments	(1'696'544)	(1'565'934)
Supplier financing agreement	(65'416)	(65'416)
Trade payables	(108'897)	(108'897)
Long-lived assets payables	(531'359)	(531'359)
Hedging derivatives	**(137'977)**	**(137'977)**

Incomes and expenses related to financial assets and liabilities are as follows:

	December 31, 2023		
(in thousands of Swiss Francs)	Net finance costs	Other operating expenses and income	Other comprehen-sive income
Other non-current assets	-	-	-
Trade receivables	1'204	(22'370)	-
Other receivables and payables	-	-	-
Cash and cash equivalents	3'840	-	-
Borrowings, derivatives and other financial liabilities	(102'552)	-	4'315
Trade payables	(116)	-	-
Total	**(97'624)**	**(22'370)**	**4'315**

(in thousands of Swiss Francs)	December 31, 2022 Net finance costs	Other operating expenses and income	Other comprehen-sive income
Other non-current assets	-	-	-
Trade receivables	(2'435)	(21'551)	-
Other receivables and payables	-	-	-
Cash and cash equivalents	14	-	-
Borrowings, derivatives and other financial liabilities	(101'916)	-	(32'744)
Trade payables	1'221	-	-
Total	**(103'116)**	**(21'551)**	**(32'744)**

Net finance costs related to the borrowings, derivatives and other financial liabilities mainly consist in interest on debt instruments net of hedge effect (please refer to the Note 10.3) and leases and IRU discounting interests.

Other operating expenses related to the trade receivables mainly consist in the customer bad debt (please refer to the Note 12.1).

Other comprehensive income is related to the cash-flow hedge (please refer to the Note 10.2).

The maturity of the financial liabilities were as follows:

(in thousands of Swiss Francs)	December 31, 2023 Net book value	Contractual Cash Flow	<1 Year	Between 1 and 5 Years	> 5 Years
Trade and long-lived asset payable	**(642'346)**	**(666'793)**	(242'737)	(239'500)	(184'556)
Debt instruments and accrued interests on debt instruments	**(1'686'024)**	**(1'888'001)**	(297'970)	(1'590'031)	-
Derivatives	**(216'664)**	**(1'664'614)**	(712'660)	(951'954)	-
Supplier financing agreement	**(81'346)**	**(81'346)**	(27'285)	(54'061)	-
Lease liability	**(719'753)**	**(1'119'695)**	(98'467)	(313'276)	(707'952)

(in thousands of Swiss Francs)	December 31, 2022 Net book value	Contractual Cash Flow	<1 Year	Between 1 and 5 Years	> 5 Years
Trade and long-lived asset payable	**(640'256)**	**(640'256)**	(219'450)	(229'828)	(190'978)
Debt instruments and accrued interests on debt instruments	**(1'696'544)**	**(1'922'858)**	(61'008)	(1'861'850)	-
Derivatives	**(138'383)**	**(1'719'000)**	-	(1'719'000)	-
Supplier financing agreement	**(65'416)**	**(65'416)**	(3'585)	(61'831)	-
Lease Liability	**(721'710)**	**(1'134'768)**	(92'067)	(294'509)	(748'192)

Note 12 – Other operating results, assets, liabilities & equity

12.1 Other operating results

(in thousands of Swiss Francs)	2023	2022
Customer bad debt	(22'370)	(21'551)
Spectrum fees	(4'203)	(4'495)
Other expenses	(1'847)	(1'867)
Other operating expenses	**(28'420)**	**(27'913)**
Property fees	1'340	1'409
Other income	3'934	7'934
Other operating income	**5'274**	**9'343**
Other operating results	**(23'146)**	**(18'570)**

12.2 Cash and cash equivalents

For the purposes of the statement of cash flows, cash and cash equivalents include cash on hand and in banks.

Cash and cash equivalents at the end of the periods presented were as follows:

(in thousands of Swiss Francs)	December 31, 2023	December 31, 2022
Cash and bank balances	197'717	311'241
Short term investments	187'848	44'993
Cash and cash equivalents	**385'565**	**356'234**

12.3 Other assets

Other assets mainly consists of:

	December 31, 2023			December 31, 2022		
(in thousands of Swiss Francs)	Current	Non-current	Total	Current	Non-current	Total
Financial assets at fair value through profit or loss [(1)]	-	23	**23**	-	23	**23**
Other non-current assets [(2)]	-	9'079	**9'079**	-	8'838	**8'838**
Other current assets [(3)]	1'667	-	**1'667**	12'504	-	**12'504**
Other assets	**1'667**	**9'102**	**10'769**	**12'504**	**8'861**	**21'365**

[(1)] The investment classified as assets at fair value is related to 23% shares of Teldas AG for an amount of CHF 23 thousand at December 31, 2023 (CHF 23 thousand at December 31, 2022).

[(2)] Other non-current assets are mainly composed by CHF 9.1 million of long term security deposit.

[(3)] Other current assets are mainly composed by CHF0.8 million of suppliers with debit balances.

(in thousands of Swiss Francs)	December 31, 2023 Current	Non-current	Total	December 31, 2022 Current	Non-current	Total
Prepaid external purchase	4'413	751	**5'164**	3'149	856	**4'005**
Deferred contract costs	33'880	8'906	**42'786**	28'812	8'932	**37'744**
Total prepaid expenses	**38'293**	**9'657**	**47'950**	**31'961**	**9'789**	**41'749**

Deferred contract costs include costs to obtain a contract and are mainly composed by commissions paid to dealers and incentives paid, directly attributable to contract acquisition. These costs are amortized when the related revenues are recognized.

Change in contract costs over the period are as follows:

(in thousands of Swiss Francs)	2023	2022
Balance as of January 1	37'744	34'556
Additional capitalized contract costs	44'533	34'302
Amortized contract costs	(39'491)	(31'114)
Balance as of December 31	**42'786**	**37'744**

12.4 Equity

Matterhorn Telecom Holding S.A. was incorporated under the laws of the Grand Duchy of Luxemburg on March 25, 2015. As at December 31, 2023 and December 31, 2022 the share capital is composed by 8'200'000 shares with a par value of CHF 1. As at December 31, 2023, all shares were issued and fully funded.

On November 11, 2023, the Group proceeded to the repayment of share premium for an amount of CHF 30.0 million to its sole shareholder.
On August 24, 2023, the Group distributed an interim dividend of CHF 182.1 million which was subsequently contributed to the share premium by the sole shareholder.
On January 11, 2023, the Group proceeded to the repayment of share premium for an amount of CHF 150.0 million to its sole shareholder.

On January 3, 2022 CHF 70.0 million of share premium has been repaid to the sole shareholder.
On August 31, 2022, the Group distributed dividend of CHF 147.8 million which was subsequently contributed to the share premium by the sole shareholder.

12.5 Other liabilities

(in thousands of Swiss Francs)	December 31, 2023 Current	Non-current	Total	December 31, 2022 Current	Non-current	Total
VAT payable	7'154	-	**7'154**	6'393	-	**6'393**
Other	15'186	500	**15'686**	15'024	-	**15'024**
Other liabilities	**22'340**	**500**	**22'840**	**21'417**	**-**	**21'417**

Note 13 – Leases

13.1 Right-of-use assets

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the period:

(in thousands of Swiss Francs)	Buildings	Network	Other	TOTAL
Opening balance as at January 1, 2022	**40'136**	**163'079**	**792**	**204'007**
Additions	11'231	25'681	1'349	38'261
Depreciation	(8'920)	(28'739)	(649)	(38'308)
Sale and lease back	-	5'328	-	5'328
Disposal	-	(1'582)	-	(1'582)
Other [1]	-	(474)	(133)	(607)
Closing balance as at December 31, 2022	**42'447**	**163'293**	**1'359**	**207'099**
Additions	11'559	41'814	1'393	54'766
Depreciation	(12'190)	(34'292)	(846)	(47'328)
Sale and lease back	-	6'893	-	6'893
Disposal	-	(551)	-	(551)
Other [1]	(31)	(190)	(502)	(723)
Closing balance as at December 31, 2023	**41'785**	**176'967**	**1'404**	**220'156**

[(1)] Other mainly includes the change in estimate in the contracts end dates.

13.2 Lease liability

(in thousands of Swiss Francs)	
Balance as of January 1, 2022	**(732'138)**
Additions	(38'182)
Sale and lease back	(6'808)
Accretion of interest	(42'493)
Payments (including interests)	94'467
Contract termination	3'007
Other	437
Balance as of December 31, 2022	**(721'710)**
Additions	(53'281)
Sale and lease back	(8'607)
Accretion of interest	(41'603)
Payments (including interests)	97'961
Contract termination	6'905
Other	582
Balance as of December 31, 2023	**(719'753)**
Lease Current	(57'248)
Lease Non-Current	(662'505)

13.3 Amount recognized in the consolidated income statement

(in thousands of Swiss Francs)	December 31, 2023	December 31, 2022
Income from sub-leased right-of-use assets	1'819	1'904
Depreciation of right-of-use assets	(47'328)	(38'308)
Interest on lease agreements	(41'603)	(42'493)
Variable lease payments (included in Network, IT, property expenses and other purchases)	(872)	(803)
Total	**(87'984)**	**(79'700)**

The total cash outflow for leases in 2023 was CHF 98.0 million (CHF 94.5 million in 2022).

The income from sub-lease right-of-use assets mainly related to sub-leased space in stores recognized as other operating income.

Note 14 – Gain on disposal and other gains

The other gains mainly includes release of extinguished lease liabilities related to terminated contracts over the period.

Note 15 – Scope of consolidation

	Country of Incorporation	Equity Interests	Consolidation method	Nature of business
Matterhorn Telecom Holding S.A.	Luxembourg	Parent Equity	Full Consolidation	Holding
Matterhorn Telecom S.A.	Luxembourg	100%	Full Consolidation	Holding
Matterhorn Mobile S.A.	Luxembourg	100%	Full Consolidation	Holding
Salt Mobile S.A.	Switzerland	100%	Full Consolidation	Communications
Salt Liechtenstein AG	Liechtenstein	100%	Full Consolidation	Communications
Salt Services S.A.	Portugal	100%	Full Consolidation	Customer Care

Salt Communications S.A. was merged into Salt Mobile S.A. on June 30, 2022.

Note 16 – Related parties

The Group related parties consist of the intermediate holding companies, the ultimate parent company, the ultimate controlling party, companies under common control and companies controlled by key management in addition to the Group's key management. The ultimate parent company is NJJ Suisse Animation SAS and the ultimate controlling party is Mr. Xavier Niel.

The presentation of the Note 16.2 as of 31.12.2022 has been modified for comparability purposes with no impact on the consolidated statement of financial position and consolidated statement of profit or loss.

16.1 Directors and Executive Officers

The total remuneration of directors and executive officers is as follow:

(in thousands of Swiss Francs)	2023	2022
Board of Directors	311	388
Executive Officers	8'655	5'170
Remuneration	**8'966**	**5'558**

The remuneration of executive officers consists in short-term benefit for CHF 4.5 million in 2023 (CHF 4.0 million in 2022), other long term benefit for CHF 4.2 million in 2023 (CHF 1.1 million in 2022) and estimated post-employment benefit for CHF 0.5 million in 2023 (CHF 0.4 million in 2022).

16.2 Related enterprises

The following related party transactions have been recorded (shareholder and Companies under common control):

	2023			2022		
(in thousands of Swiss Francs)	Shareholders	Other related parties	Total	Shareholders	Other related parties	Total
Monitoring fees[1]	(4'000)	-	**(4'000)**	(4'000)	-	**(4'000)**
Telecom services net revenue (cost)[2]	-	(6'292)	**(6'292)**	-	(8'885)	**(8'885)**
Subcontracting expenses[3]	-	(7'994)	**(7'994)**	-	(8'428)	**(8'428)**
Equipment revenue and other revenue	-	138	**138**	-	-	**-**
Other operating revenue	-	583	**583**	-	588	**588**
Related party transactions	(4'000)	(13'565)	**(17'565)**	(4'000)	(16'726)	**(20'726)**

[1] Monitoring fees paid by Salt Mobile to OCH AT Holding S.A.
[2] Telecom services transactions with mobile operators related to NJJ and Illiad Groups;
[3] Subcontracting purchases paid mostly to IT Solutions Factory, Monaco Telecom, Network Solutions Factory, Exedra SAS and Althaia Consulting.
[4] Equipment revenue and other revenue were mostly related to transactions with Illiad

The following related party balances were outstanding at the end of the reporting period:

	December 31, 2023			December 31, 2022		
(in thousands of Swiss Francs)	Shareholder balances	Other related parties balances	Total	Shareholder balances	Other related parties balance	Total
Assets						
Trade receivables and contract assets	-	82	**82**	-	420	**420**
Liabilities						
Trade payables	-	(1'676)	**(1'676)**	-	(1'593)	**(1'593)**

As at December 31, 2023, there was no recognised loss on related party receivables (December 31, 2022, nil).

Note 17 – Unrecognised contractual commitments

There were no existing commitments, other than those described in this Note, likely to have a material effect on the current or future financial position of the Group. Salt's shares are pledged by Matterhorn Telecom S.A. under the Indentures.

The table below provides a schedule of unrecognised commitments and contractual obligations at the end of each reporting period.

Investments and good and services purchase commitments

(in thousands of Swiss Francs)	December 31, 2023 Total	< 1 year	1-2 years	> 2 years
Investments commitments in network assets and transmission capacity	61'348	61'348	-	-
Other commitments related to the purchase of goods and services	7'771	1'110	666	5'995
Investment and goods and services purchase commitments	**69'119**	**62'458**	**666**	**5'995**

(in thousands of Swiss Francs)	December 31, 2022 Total	< 1 year	1-2 years	> 2 years
Investments commitments in network assets and transmission capacity	88'157	88'157	-	-
Other commitments related to the purchase of goods and services	12'238	5'576	-	6'662
Investment and goods and services purchase commitments	**100'395**	**93'733**	**-**	**6'662**

Salt Switzerland is committed to incur capital expenditures over the next 20 years in connection with the FTTH agreement signed with Swisscom on April 29, 2021 and amended in 2023 following Swisscom decision to shift its FTTH roll out from a Point to Multi-Point topology to a Point to Point (P2P) topology. Given the uncertainty regarding the magnitude and the temporality of the incurrence of those capital expenditures, the amount of the commitment could not be accurately quantified, and is not reflected in the outstanding investment commitment stated above.
As part of the Build-to-Suit (BTS) sites sales program, Salt Mobile S.A. is committed to build and sell a certain number of network sites to Swiss Infra Services S.A. by the end of June 2027. Given the uncertainty regarding the magnitude and the temporality of the incurrence of those capital expenditures, the amount of the commitment could not be accurately quantified, and is not reflected in the above chart.

Note 18 – Litigations

As at December 31, 2023 the Group had no material unprovided pending or threatened litigation with third parties.

As at December 31, 2022 the Group had no material unprovided pending or threatened litigation with third parties.

Note 19 – Subsequent events

On January 26th, 2024, the Group announced the syndication of a new EUR 150 million term loan facility availed by Matterhorn Telecom S.A. ("Borrower") as an incremental facility under its existing senior facilities agreement. The new facility was priced at an OID of 99.5, and have substantially the same terms as, and will be fungible with, the Borrower's existing term loan facility (including with respect to the applicable margin). The facility was drawn down on February 28th 2024.

On January 9, 2024, the Group proceeded to the repayment of share premium for an amount of CHF 150 million to its sole shareholder.

On March 18, 2024, the Group extended the maturity of the EUR 140 million cross-currency interest rate Swap from 2024 to 2027 with a mandatory break-clause in 2026 and a decrease of the hedging rate from 3.939% to 2.977%.

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