Annual Report 2022
TX Group

Group at a Glance

925.2 CHF mn Revenues

100.1 CHF mn EBIT adj.

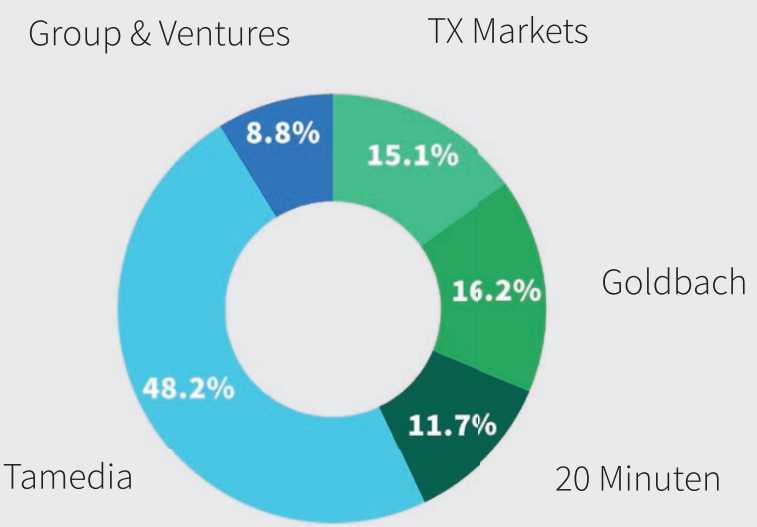
140.1 CHF mn Net liquidity

10.9 % Margin

78.0 % Equity ratio

79.6 CHF mn Free cash flow before effects of business combinations

Segment share of total revenues with third parties



Dr. Pietro Supino,
Chairman & Publisher

Dear shareholders
Dear partners of the TX Group
Dear employees

The last three years have not been easy. War broke out in Europe not long after the worldwide pandemic was overcome. The global economy is suffering from this and from the geopolitical tensions. We can be thankful that our country has been largely spared so far. This can neither be taken for granted nor is it guaranteed indefinitely. It is therefore crucial for us to engage with the world around us and to cultivate the values of our country and society.

As a significant private media group, we care about these values. We want to contribute to a free society. We see it as our role to create transparency and to provide orientation. So that people can form their own opinions - from political to commercial to private topics. This is the purpose of our group.

Our newspapers and digital platforms strive to be reliable sources and to offer perspectives - every day. We have high standards for the quality of our media. We report on this and on our commitment to social and ecological responsibility in a separate sustainability report.

Contrary to the content-related performance review, the financial results for the year 2022 are not satisfying. Our companies Tamedia, 20 Minuten and Goldbach did not perform up to expectations.

Nevertheless, significant groundwork has been done for the digital transformation of the business at Tamedia and a change in management has been initiated. Parallel to the transformation investments, adjustments to the areas which are in decline will be inevitable. The market position is still unique and offers sound conditions from which to return to a successful path.

A promising new CEO at 20 Minuten, Bernhard Brechbühl, started on 1 August 2022. In a first step, he and his management team are concentrating on continuing the already well advanced digital transformation. A new growth strategy will follow.

Goldbach is facing the prevailing pressure on the advertising market. This will also open consolidation opportunities.. Goldbach is thus investing in the technological transformation of its business. A simplification of the structure and a clear focus is necessary for the integration of Clear Channel's Swiss activities. With this acquisition, the promising "out of home" advertising business can be developed as a new important profit pool of the group.

The development in the TX Markets segment was very pleasing. JobCloud was able to continue its growth course in Switzerland. The development of the 49 per cent stake in karriere.at in Austria is also excellent.

Just like Goldbach Media, the heart of the Goldbach Group, JobCloud is fully consolidated. However, as we are running these businesses with partners, the result belong to us only on a prorata basis (50% of JobCloud and 54% of Goldbach Media). This has increasingly affected the consolidated profit share for TX shareholders in recent years.

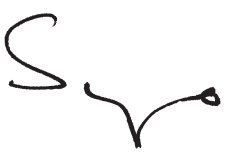
Meanwhile, the participation in the SMG Swiss Marketplace Group, founded in November 2021 (approx. 31%), is accounted for “at equity”. The company is now well established and shows great potential. Our former CEO Christoph Tonini leads SMG since 1 February 2023.

Also promising is the development of the Fintech Portfolio in Ventures, set to launch as an investment fund on 1 April 2023. Doodle and Zattoo were able to gain ground in their development, which should allow them to achieve further steps in the next 18 months.

And finally, we are exploring exciting opportunities for the development of our real estate properties. A recognised real estate expert will join the Group Management at the beginning of April for this purpose. By the end of 2023, the Group will have achieved its goal of reducing central costs by CHF 20 million.

The Group’s decentralised structure creates transparency. This facilitates the ability to identify operational weaknesses that need to be addressed within the companies.And it has made the value of the group more visible as the sum of its parts. This, in connection with successful transactions, has also led to a higher valuation at the stock exchange. The development must be pursued at both levels.

Strong relationships are particularly important in challenging times. With this in mind, I would like to thank our shareholders, our business partners and all our employees and management for the trust and commitment during the difficult financial year 2022.



Dr. Pietro Supino
Chairman & Publisher

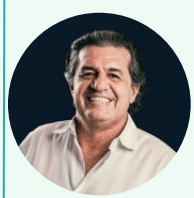
Group structure

Board of Directors of the TX Group
Chairmann and Publisher: Pietro Supino

Group

COO - Sandro Macciacchini | CCO - Ursula Nötzli | CSO - Daniel Mönch | CFO - Wolf-Gerrit Benkendorff*

Segments and companies

TX Markets				
				
SMG Swiss Marketplace Group 30.74% Board of Directors	**JobCloud 50%** Board of Directors	**Goldbach 100%** Board of Directors	**20 Minuten 100%** Board of Directors	**Tamedia 100%** Board of Directors
CEO Christoph Tonini From 1 February 2023	**CEO Davide Villa**	**CEO Michi Frank**	**CEO Bernhard Brechbühl**	**CEO Andreas Schaffner**
Executive Board	Executive Board	Executive Board	Executive Board	Executive Board

* Not part of the group management

TX Group is organized as a holding company. The companies Goldbach, 20 Minuten and Tamedia each have their own CEO and are managed independently by their own Management Boards. These report to the Board of Directors at their company, which comprises individual members of the Board of Directors at TX Group AG and other independent third parties. TX Markets segment, with its interests in JobCloud and SMG Swiss Marketplace Group, is also headed by a Managing Director who represents TX Group on the Board of Directors of these holdings. In regards to the majority interests in Doodle and Zattoo, which are combined within the Group & Ventures segment, this role is performed by a member of Group Management at TX Group.

Group Management at TX Group is divided into the areas of Group Operations, Group Communications & Sustainability and Group Development. These areas oversee the holding functions, particularly, the management of interests, and also provide certain services for the companies within the Group. Group Management consists of the persons who head up the areas, in conjuction with the Chairman of the Board of Directors and Publisher.

Thanks to the extensive division of managerial responsibility across the Group functions on one side and of the operational business within the companies and holdings on the other, “checks and balances” and a flat and efficient structure are ensured.

Segment reports

TX Markets

www.tx.markets

in CHF mn	2022	2021	Change
Advertising revenue [1]	–	11.0	–100.0%
Classifieds & services revenue [1]	138.8	192.8	–28.0%
Other operating revenue [1]	0.9	1.2	–24.0%
Other income [1]	–	0.1	–100.0%
Revenues	**139.7**	**205.1**	**–31.9%**
of which organic revenues [2]	139.7	115.2	21.3%
Operating expenses [3]	(62.8)	(124.7)	–49.6%
Share of net result of associates / joint ventures	(10.9)	12.1	–189.6%
Operating income / (loss) before depreciation and amortisation (EBITDA)	**66.1**	**92.6**	**–28.6%**
Margin [4]	47.3%	45.1%	2.2 %p
Depreciation and amortisation	(6.6)	(7.4)	–11.7%
Operating income / (loss) before effects of business combinations (EBIT b. PPA)	**59.5**	**85.1**	**–30.1%**
Margin [4]	42.6%	41.5%	1.1 %p
Depreciation and amortisation resulting from business combinations	(10.3)	(19.7)	–47.5%
Operating income / (loss) (EBIT)	**49.2**	**65.4**	**–24.8%**
Margin [4]	35.2%	31.9%	3.3 %p
Normalisation [5]	44.0	22.6	94.6%
Operating income / (loss) (EBIT adj.)	**93.2**	**88.1**	**5.9%**
Margin [4]	66.7%	42.9%	23.8 %p
Number of employees (FTE) [6]	262	508	–48.5%

1 Includes third-party revenue and revenue vis-à-vis other TX segments.
2 Includes only companies and activities that were included in the scope of consolidation for the entire reporting period 2022 and 2021. In the TX Markets segment, the contribution of the former SMG companies was excluded accordingly in the previous year.
3 No IAS 19 pension costs (as in segment reporting).
4 The margin relates to revenue.
5 Normalisation effects:
– Amortisation and impairment from business combinations of associated SMG (2022: CHF 33.7 million; 2021: CHF 2.9 million).
– Amortisation from business combinations (2022: CHF 10.3 million; 2021: CHF 19.7 million).
6 Average number of employees, excluding employees in associates / joint ventures.

TX Markets segment includes the strategic investments in the job portal JobCloud (50%, fully consolidated) and in SMG Swiss Marketplace Group (30.74%, at equity consolidation).

JobCloud

JobCloud holds an investment in the Austrian job platform Karriere.at (JobCloud share in Karriere.at is 49%, at equity consolidation)

JobCloud is the leading digital company on the Swiss recruitment market and is owned by TX Group and Ringier. The platforms run a wide range of job advertisements and match employers with candidates across Switzerland. JobCloud is known for its extensive network of partners, including jobs.ch, jobup.ch, JobScout 24, Jobwinner, Alpha and Topjobs.

The Austrian job platform Karriere.at is Austria's biggest job portal. The portfolio offers a variety of services for companies (job ads, employer branding, active sourcing, recruiting services) and end customers (job search, employer page, CV and tools).

JobCloud's job platforms performed tremendously well in the reporting year. Thanks to a significant increase in orders (+21% on the previous year) and a large number of new customers, the platforms saw strong growth. This made it possible to further expand its market leadership position in Switzerland. The Austrian job platform Karriere.at also performed very well and continued its growth path.

Transformation of the job market

The market is experiencing a "war for talent" and a shortage of skilled employees. Unemployment in Switzerland is low, and the number of vacancies is high. A generational shift is also evident among job-seekers, resulting in less loyalty and higher turnover.

Job platforms are also experiencing a transition, with more of them adopting a performance-based payment model, as opposed to charging based on advertising duration. Technology is the decisive factor in this transformation, and JobCloud has made targeted investments in various technologies in recent years, such as JobCloud.ai and Joveo. JobCloud continues to focus on developing new business models (Spotted) and attracting new customers among small and medium-sized enterprises (SMEs).

Outlook

In future, JobCloud aims to further expand digital recruitment and to enhance the attractiveness of its platforms for job-seekers. The potential in terms of SMEs has still to be fully exploited and will remain a priority, also thanks to targeted software support.

SMG Swiss Marketplace Group

SMG Swiss Marketplace Group is a network of online marketplaces and one of the leading digital companies in Switzerland. SMG was created in mid-November 2021 with the merger of Scout24 Schweiz and TX Markets and is owned by TX Group (30.74%), Ringier (29.34%), Die Mobiliar (29.34%) and General Atlantic (10.03%).

The company covers four areas: real estate (immoscout24.ch, homegate.ch, ImmoStreet.ch, home.ch, Acheter-Louer.ch, CASASOFT and IAZI), automotive (autoscout24.ch, motoscout24.ch, Car For You), general marketplaces (anibis.ch, tutti.ch, Ricardo.ch) and finance and insurance (financescout24.ch). The platforms finance themselves through different fee models ranging from recruitment fees to transaction fees, commissions and various advertising formats. Transaction-based models are becoming increasingly popular in the international environment in the classifieds and marketplaces sectors.

In the reporting year, the newly founded company concentrated on completing the management team and establishing uniform structures. At the same time, the first synergies were achieved through savings in marketing costs and staff reductions. Despite the difficult economic situation with supply bottlenecks, inflation and war, the operating business developed overall satisfactorily. Due to the realignment of the Automotive business, intangible assets created in the course of the merger were written down (page 47 and 111).

SMG Swiss Marketplace Group with a balanced portfolio

- Automotive: At the end of 2021, the market was characterised by a shortage on the supply side caused by bottlenecks for raw materials and chips; however, the offer of passenger vehicles on the platforms increased during 2022.
- Real estate: The market for real estate in Switzerland continues to be “dried up”, whereby the SMG platforms still benefit from an excellent market positioning.
- General marketplaces: Usage habits have stabilised at a high level - following the pandemic-related upturn. Sustainability-focused initiatives, such as Secondhand Day, contribute to the increasing popularity of the marketplaces.
- Finance and insurance: The fairly young business was restructured in 2022 and has withdrawn from mortgage brokerage. The continuing operations grew at a strong percentage rate, maintaining their revenues.

Outlook

From 1 February, Christoph Tonini will lead SMG Swiss Marketplace Group as the new CEO and designated delegate of the SMG Board of Directors. With SMG now benefiting from solid foundations, everything is in place to accelerate growth and further increase profitability.

Goldbach

www.goldbach.com

Managing Director: Michi Frank

in CHF mn	2022	2021	Change
Advertising revenue [1]	46.8	27.0	73.7%
Classifieds & services revenue [1]	10.6	0.2	4605.3%
Commercialization revenue [1]	124.5	133.5	–6.7%
Other operating revenue [1]	9.1	12.6	–27.2%
Other income [1]	0.5	1.3	–62.4%
Revenues	**191.5**	**174.5**	**9.8%**
of which organic revenues [2]	191.5	174.5	9.8%
Operating expenses [3]	(141.5)	(129.6)	9.2%
Share of net result of associates / joint ventures	0.0	0.1	–80.9%
Operating income / (loss) before depreciation and amortisation (EBITDA)	**50.1**	**45.0**	**11.2%**
Margin [4]	26.1%	25.8%	0.3 %p
Depreciation and amortisation	(28.9)	(9.8)	194.5%
Operating income / (loss) before effects of business combinations (EBIT b. PPA)	**21.2**	**35.2**	**–39.9%**
Margin [4]	11.0%	20.2%	–9.1 %p
Depreciation and amortisation resulting from business combinations	(13.8)	(15.9)	–13.4%
Operating income / (loss) (EBIT)	**7.4**	**19.3**	**–61.8%**
Margin [4]	3.8%	11.0%	–7.2 %p
Normalisation [5]	13.8	15.2	–9.0%
Operating income / (loss) (EBIT adj.)	**21.2**	**34.4**	**–38.5%**
Margin [4]	11.1%	19.7%	–8.7 %p
Number of employees (FTE) [6]	674	626	7.6%

1 Includes third-party revenue and revenue vis-à-vis other TX segments.
2 Includes only companies and activities that were included in the scope of consolidation for the entire reporting period 2022 and 2021. There were no changes in the Goldbach segment.
3 No IAS 19 pension costs (as in segment reporting).
4 The margin relates to revenue.
5 Normalisation effects:
– Hardship payments for NEO ADVERTISING SA (2021: CHF –0.8 million).
– Amortisation resulting from business combinations (2022: CHF 13.8 million; 2021: CHF 15.9 million).
6 Average number of employees, excluding employees in associates / joint ventures.

Goldbach markets and brokers advertising across the following areas: TV, radio, print, online, mobile, out-of-home advertising and performance marketing. The segment includes, among other things, the fully consolidated majority interests in the video marketer Goldbach Media (54%), the online marketer Goldbach Audience (50.1%), the title marketer Goldbach Publishing, the audio marketer Swiss Radioworld (54%), the out-of-home marketer Neo Advertising (52.3%), the centralised centre of expertise for technology and services known as Goldbach neXT and the digital agency dreifive. Goldbach has a presence in Germany with Goldbach Germany and Jaduda, and in Austria with Goldbach Austria.

The advertising inventories originate mainly from TV broadcasters (groups), radio stations, owners of outdoor advertising spaces or providers of sites for outdoor advertising spaces, websites (online publishers) and newspaper publishers. Through the integration of Goldbach into TX Group, Goldbach has also been marketing TX Group advertising inventories since 2020.

Goldbach saw revenues grow in the 2022 reporting year thanks to out-of-home advertising, with new inventories being secured. The other categories were not capitalised as in the previous year, due to the decline in usage and the challenging environment in the advertising market. Goldbach has invested in transforming the company and in the development and expansion of a cross-media booking platform, which whereby the previous year's results could not be matched. Two strategically relevant acquisitions

were made with AdUnit and the out-of-home advertising marketer Clear Channel. This will strengthen Goldbach's already excellent position. The proposed merger of Clear Channel Schweiz and Neo Advertising will significantly increase the offering in the out-of-home area.

Developments in the advertising market

Like the media sector as a whole, the advertising market is also in the middle of a digital transformation. The coronavirus pandemic has further accelerated this development. This phenomenon was very evident in the 2022 financial year.

More than a third of advertising money goes to Google
In the reporting year, total gross advertising spending in Switzerland increased despite the crises (+21.8% compared to 2021), yet it is still not fully at the level it was before Corona. Around one-third of the advertising money (35.8%) went to the media channels of the global tech giant Google (SEA, YouTube).

In comparison with other media, the total gross advertising volume developed as follows: Internet advertising (Search, Display, YouTube) had the biggest growth with a plus of 67.1%. Out-of-home increased by 13.1%, radio by 6.3% and print remained practically unchanged at plus 1%. Only TV lagged behind the previous year's figures with -2.3%.

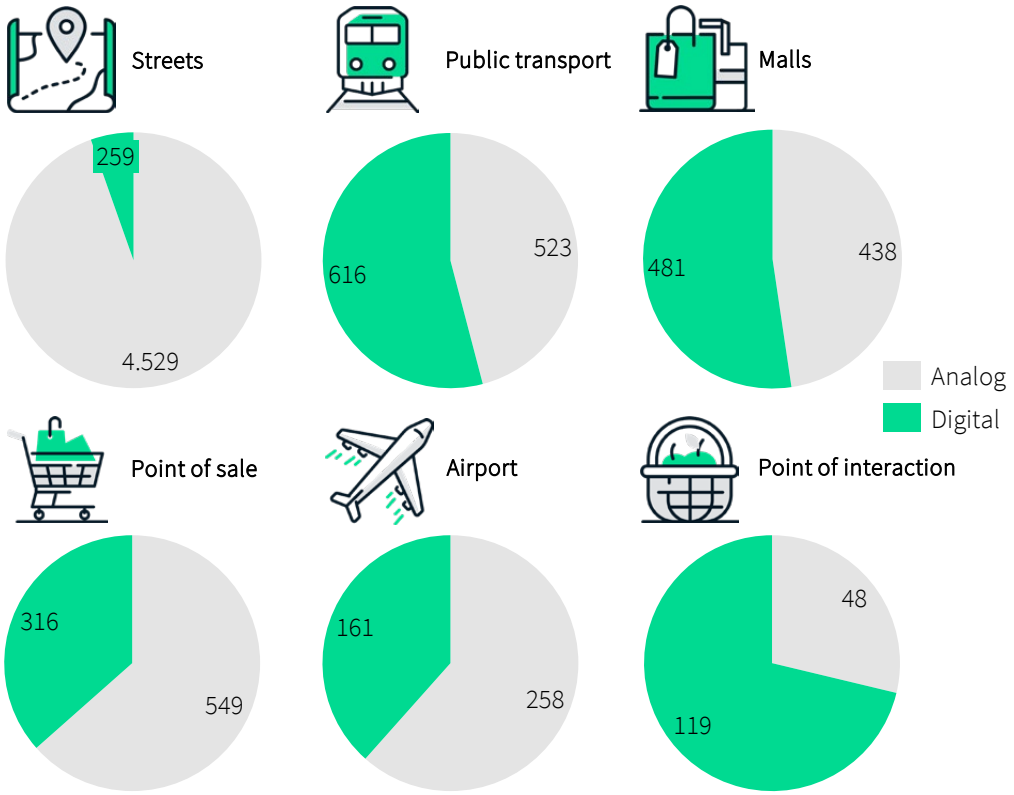
Source: mediafocus, Advertising market trend 2022

The digital transformation in the advertising market coincides with the changes in consumers' media use. Goldbach is tackling the decline in linear TV use with the industry solution of replay ads – a new form of advertising for time-shifted television. Goldbach has offered the option to book replay ads since September 2022.

So far, the big Internet companies like Google, Facebook, Apple and Amazon have been capitalising on the recent and longer-term developments. Goldbach is aware of the importance of the online area and is adopting a suitable strategy. This underpins the current service portfolio, allowing Goldbach to offer individual, performance-oriented marketing solutions, including 360-degree marketing. The basis for this is provided by the combined media and advertising platforms of the network of TX Group, Goldbach Group and Neo Advertising. This network comprises TV, digital video and audio via 20 Minuten Native Advertising, as well as out-of-home and influencer marketing, and reaches up to 90 per cent of Swiss consumers.

Out-of-home advertising
The strategic focus is on expanding the out-of-home advertising business, which was emphasised at the end of 2022 with the announcement of the acquisition of Clear Channel Schweiz. Out-of-home advertising is one of the few segments seen as a growth market within the marketing industry. The market is large due to the high purchasing power of Swiss consumers, but still digitally underdeveloped. There is therefore high growth potential, particularly in the area of digital screens. For this reason, Goldbach places a strategic focus on out-of-home advertising and has been marking important milestones since 2022 with the profit from the VBZ and Coop inventory via Neo Advertising and by developing its own spaces in collaboration with Digilight in Austria.

Neo Advertising's out of home portfolio by segments
Number of advertising spaces



Outlook

Goldbach plans to merge Clear Channel and Neo Advertising and, in doing so, focus on strengthening the out-of-home business. Goldbach is also investing further in digitalisation with the expansion of a cross-media booking platform.

20 Minuten

www.20min.ch

Managing Director: Bernhard Brechbühl

in CHF mn	2022	2021	Change
Advertising revenue [1]	105.7	112.8	–6.3%
Classifieds & services revenue [1]	4.4	4.4	–0.8%
Other operating revenue [1]	4.8	6.5	–27.1%
Other income [1]	0.2	0.1	146.8%
Revenues	**115.0**	**123.8**	**–7.1%**
of which organic revenues [2]	115.0	123.8	–7.1%
Operating expenses [3]	(101.2)	(106.6)	–5.1%
Share of net result of associates / joint ventures	(5.5)	0.7	–939.2%
Operating income / (loss) before depreciation and amortisation (EBITDA)	**8.3**	**17.9**	**–53.4%**
Margin [4]	7.2%	14.4%	–7.2 %p
Depreciation and amortisation	(0.9)	(0.8)	8.1%
Operating income / (loss) before effects of business combinations (EBIT b. PPA)	**7.4**	**17.0**	**–56.4%**
Margin [4]	6.5%	13.7%	–7.3 %p
Depreciation and amortisation resulting from business combinations	(2.2)	(2.2)	–0.1%
Operating income / (loss) (EBIT)	**5.2**	**14.8**	**–64.7%**
Margin [4]	4.6%	12.0%	–7.4 %p
Normalisation [5]	10.0	3.9	160.0%
Operating income / (loss) (EBIT adj.)	**15.3**	**18.7**	**–18.4%**
Margin [4]	13.3%	15.1%	–1.8 %p
Number of employees (FTE) [6]	322	319	1.1%

1 Includes third-party revenue and revenue vis-à-vis other TX segments.
2 Includes only companies and activities that were included in the scope of consolidation for the entire reporting period 2022 and 2021. There were no changes in the 20 minutes segment.
3 No IAS 19 pension costs (as in segment reporting).
4 The margin relates to revenue.
5 Normalisation effects:
– Impairment of the associates Ultimate Media B&M and BTMX P/S (2022: CHF 7.8 million; 2021: CHF 1.7 million).
– Amortisation resulting from business combinations (2022: CHF 2.2 million; 2021: CHF 2.2 million).
6 Average number of employees, excluding employees in associates / joint ventures.

The 20 Minuten segment comprises 20 Minuten, 20 minutes and 20 minuti, 20 Minuten Radio, lematin.ch and encore! as well as interests in the free newspaper Heute (published by AHVV Verlag, 25.5%) and heute.at (published by DJ Digitale Medien, 51%) in Austria and Edita/L'essentiel (50%) in Luxembourg.

Launched at the end of 1999 for a young, urban target group, the free newspaper 20 Minuten has developed into the Swiss media brand with the widest coverage and has a presence in German-speaking Switzerland, western Switzerland and Ticino. Published in eight local print editions on work days and round the clock in digital format, 20 Minuten provides information and entertainment, with stories about society, politics, economy, sport, the entertainment world and lifestyle. 20 Minuten offers a wide range of multimedia content on both digital channels and social media.

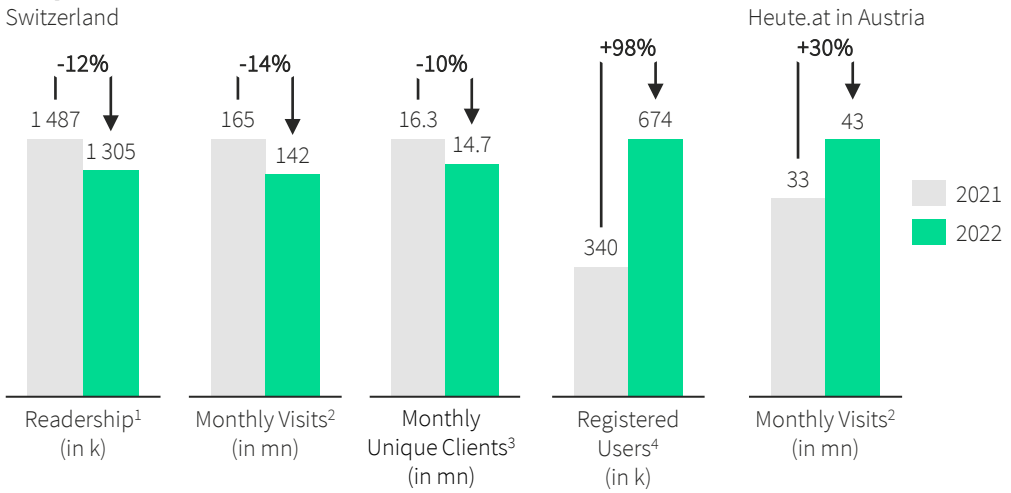
The situation in the advertising market remained challenging in this reporting year. In addition, more money is pouring into the big digital concerns from abroad. The high price of paper is also having a negative impact on operating income, and this cannot be passed on to the readers of the purely advertising-financed 20 Minuten.

It is gratifying to see the number of registered users increase to 674,000 in the reporting year, which means it almost doubled within a year. Logins are important in terms of developing a better understanding of user behaviour and appealing directly to target groups with content and advertising. Another success story is how the 20 Minuten subsidiary heute.at managed to achieve 30 per cent traffic growth in Austria during 2022. L'essentiel in Luxembourg saw a 4 per cent increase in the number of visits.

20 Minuten transforms itself continuously

Digital transformation is providing 20 Minuten with opportunities to further develop its business model. There are challenges to overcome too, with the big foreign tech firms attracting more and more advertising money. Meanwhile, the structural change is in full swing, with the public consuming more digital news and the young target group in particular now consuming their news on social media rather than from media platforms directly. Also, user numbers are currently hovering just below pre-pandemic levels after two years of increased appetite for information due to coronavirus.

Comparison of user numbers



1 Readership: number of readers of print editions in Switzerland (source WEMF Mach Basic 2022-2)
2 Monthly visits: number of visits to digital platforms of 20 Minuten (across Switzerland) per month (source: Mediapulse Online Data) or to digital platforms of heute.at in Austria (source: Google Analytics)
3 Monthly unique clients: number of devices accessing digital platforms of 20 Minuten in Switzerland in a month (source: Google Analytics)
4 Registered users: number of users registered on the platforms of 20 Minuten in Switzerland (own figures)

In 2022, 20 Minuten expanded its activities on various social platforms. The aim is to reach young people with reliable news through these channels. Working with the editorial team, the much-reinforced social media team has developed various verticals, i.e. topic-specific channels, and been experimenting with various platforms like Snapchat Discover. This has led to a massive increase in follower numbers and social media coverage.

Social media developments
Thanks to a great commitment and collaboration between the social media and editorial teams, it was possible to react very quickly to the death of Queen Elizabeth II in September 2022 and a corresponding TikTok video was released. The video achieved over a million views and more than 150,000 likes. In total, 20 Minuten recorded an aggregate play time of over 500,000 hours on TikTok across all videos.

Since April 2022, 20 Minuten has led the Storyclash rankings of Swiss media brands, successfully defending its position and even increasing its lead over the second placed. The rankings measure interactions with fans and followers.

Strengthening and enhancement of the journalism offering

Social media is not only a new distribution channel for 20 Minuten, but also has a significant influence on the daily work of journalists. Images and reports of events are quickly available via social media, although sometimes the source may be dubious or false content or theories may be disseminated. With this in mind, 20 Minuten has created a fact-checking task force which uses the latest tools and intensive research methods to check images and videos. The task force also delivers training for the editorial team and compiles articles in the “Faktenchecks” section which look at Internet trends and refute rumours.

Thanks to these investments in journalism, 20 Minuten/20minutes/20 minuti remains the media network most able to shape opinions across Switzerland, according to the annual “Media Monitor” study by the Federal Office of Communications (OFCOM).

Outlook

In 2023, the focus will be on reviewing and adjusting the business strategy in order to identify various areas for action. The print edition, for example, is to be upgraded in the spring. This includes aspects like the number of pages and paper quality. 20 Minuten Radio is now being positioned as a special interest station, with the focus on 80’s pop-rock and news content.

Tamedia

www.tamedia.ch

Managing Director: Andreas Schaffner

in CHF mn	2022	2021	Change
Advertising revenue [1]	90.3	98.0	–7.9%
Classifieds & services revenue [1]	38.1	34.4	10.7%
Subscriptions & single sales revenue [1]	231.0	239.1	–3.4%
Printing & logistics revenue [1]	98.8	82.2	20.1%
Other operating revenue [1]	4.7	5.3	–11.6%
Other income [1]	1.5	0.1	897.5%
Revenues	**464.4**	**459.3**	**1.1%**
of which organic revenues [2]	464.4	459.3	1.1%
Operating expenses [3]	(460.8)	(440.3)	4.7%
Share of net result of associates / joint ventures	1.3	3.4	–61.9%
Operating income / (loss) before depreciation and amortisation (EBITDA)	**4.9**	**22.4**	**–78.2%**
Margin [4]	1.1%	4.9%	–3.8 %p
Depreciation and amortisation	(0.6)	(0.7)	–15.1%
Operating income / (loss) before effects of business combinations (EBIT b. PPA)	**4.3**	**21.7**	**–80.3%**
Margin [4]	0.9%	4.7%	–3.8 %p
Depreciation and amortisation resulting from business combinations	(18.2)	(21.2)	–14.4%
Operating income / (loss) (EBIT)	**(13.9)**	**0.4**	**–3400.4%**
Margin [4]	–3.0%	0.1%	–3.1 %p
Normalisation [5]	20.6	17.8	16.0%
Operating income / (loss) (EBIT adj.)	**6.7**	**18.2**	**–63.0%**
Margin [4]	1.4%	4.0%	–2.5 %p
Number of employees (FTE) [6]	1 283	1 363	–5.9%

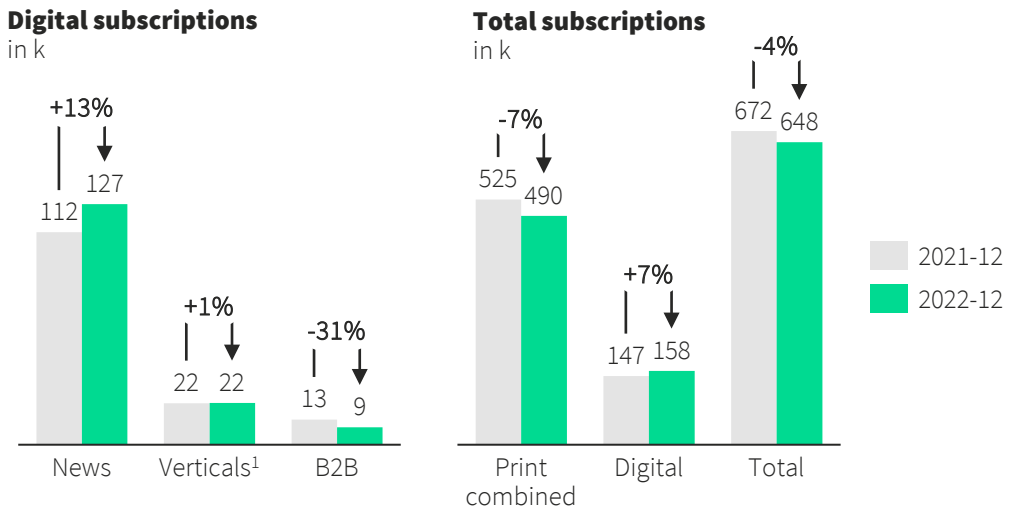
1 Includes third-party revenue and revenue vis-à-vis other TX segments.
2 Includes only companies and activities that were included in the scope of consolidation for the entire reporting period 2022 and 2021. There were no changes in the Tamedia segment.
3 No IAS 19 pension costs (as in segment reporting).
4 The margin relates to revenue.
5 Normalisation effects:
– Reversal through profit or loss of payments received from previous accounting periods that could not be repaid (2022: CHF –1.5 million).
– Extraordinary federal contributions to the financing of the national news agency (2021: CHF –0.3 million).
– Repayment or receipt of extraordinary federal support for reduced delivery of newspapers (2022: CHF 3.1 million; 2021: CHF –3.1 million).
– Impairment of the associated LZ Linth Zeitung AG (2022: CHF 0.8 million).
– Amortisation resulting from business combinations (2022: CHF 18.2 million; 2021: CHF 21.2 million).
6 Average number of employees, excluding employees in associates / joint ventures.

Tamedia comprises the paid-for daily and Sunday newspapers, magazines and all publishing services.

Tamedia is a Swiss media company, which was founded in 1893 with the Tages-Anzeiger. Today, the company comprises the paid-for daily and Sunday newspapers, magazines and publishing services. The best-known publications include 24 heures, Basler Zeitung, Bilan, BZ Berner Zeitung, Das Magazin, Der Bund, Finanz und Wirtschaft, Le Matin Dimanche, Schweizer Familie, SonntagsZeitung, Tages-Anzeiger and Tribune de Genève. Tamedia also operates Switzerland's largest newspaper printing plants in Zurich, Bern and Bussigny. The company has employees in both German-speaking and French-speaking Switzerland.

Tamedia's revenues in the reporting year are slightly up on the previous year. This is mainly attributable to higher revenues from print and logistics, which are associated in turn with the higher paper prices. The exceptional price rises can be explained by strikes at Finnish paper factories, the war in Ukraine and strong price changes in the energy sector. Between November 2020 and April 2022 alone, paper prices rose by almost 100 per cent. Higher paper costs also had an impact on operating expenses, which are significantly up on the previous year and had an impact on net income. The weak digital market also has a decisive impact on results.

Tamedia's long-term objective is to offset losses on print subscriptions with sales of digital subscriptions. At the end of December 2022, the company had almost 158,000 digital subscriptions. The increase was considerable, even if the original target (200,000) has yet to be reached. Tamedia's total circulation declined by more than 3 per cent to 660,000 paid subscriptions over the same period, reflecting the continuing decline in the print sector. For now, however, the print business remains a key pillar within the company. Printed newspapers are still the main source of information for many people in Switzerland.



1 Verticals are publications whose editorial content may relate to the particular interests of a specific sector, profession or trade, such as "Finanz und Wirtschaft".

Bussigny site

Due to declining order volumes, Tamedia decided in early summer to adjust production capacity at the printing site in Bussigny. The early shift (6 a.m. to 2 p.m.) in western Switzerland has now been cancelled in order to achieve a long-term targeted workload. As a result, employees benefit from more regular working hours and identical daily shifts. The associated job losses were offset with the help of a social plan negotiated with social partners.

User segmentation thanks to Piano software

The success in digital new business that Tamedia was able to record in 2022 was due, among other things, to the introduction of the Piano software, the new digital subscription portfolio and closer cooperation with the editorial offices. With Piano, users can be specifically analysed according to their usage intensity and can be targeted with relevant offers. Efforts are also being made as part of content marketing initiatives – in close collaboration with editorial teams – to place suitable offers which are likely to lead to digital subscriptions.

Development of podcasts at Tamedia

Podcasts are becoming increasingly important. In the future, podcasts will play an even greater role at Tamedia as they facilitate reaching a younger, female target group. Live events are also being considered in order to increase the awareness of the formats and generate additional revenues in the medium term. In addition to daily podcasts, there will also be highlights such as series based on major editorial stories. The editorial team will also invest in sound design in order to further improve output and the auditory experience.

“Apropos” podcast
Since it was launched, the Tages-Anzeiger daily podcast known as “Apropos” has achieved more than 5 million downloads and is now clocking up over 300,000 downloads a month. It is one of the top three news podcasts in Switzerland – behind “Echo der Zeit” from SRF and “NZZ Akzent”. Since September 2022, the subscription campaign by the podcast team and the reader revenue team has already generated hundreds of trial subscriptions.

Outlook

The target of 200,000 digital subscriptions (incl. B2B) remains unchanged. The original plan was to reach this in spring 2023, although this had to be readjusted. A major reason was that many of the acquired subscribers during the pandemic (so-called “Covid cohorts”) cancelled their subscriptions after the end of the pandemic, influencing digital growth. Tamedia is currently testing segmented subscription models, in order to better address new groups of readers. The results are highly promising. In future, Tamedia is particularly interested in appealing to the user group known as global surfers. This second-largest user group in Switzerland is open to news offers and has so far used the media only very irregularly.

Group & Ventures

www.tx.group

Group Management: Pietro Supino, Sandro Macciacchini, Ursula Nötzli and Daniel Mönch

in CHF mn	2022	2021	Change
Advertising revenue [1]	13.2	15.5	–14.6%
Classifieds & services revenue [1]	55.3	53.6	3.3%
Other operating revenue [1]	111.1	115.9	–4.1%
Other income [1]	1.0	0.1	870.5%
Revenues	**180.6**	**185.0**	**–2.4%**
of which organic revenues [2]	180.6	185.0	–2.4%
Operating expenses [3]	(173.5)	(173.7)	–0.1%
Share of net result of associates / joint ventures	(2.1)	(1.0)	108.0%
Operating income / (loss) before depreciation and amortisation (EBITDA)	**5.0**	**10.3**	**–51.3%**
Margin [4]	2.8%	5.6%	–2.8 %p
Depreciation and amortisation	(30.8)	(30.9)	–0.2%
Operating income / (loss) before effects of business combinations (EBIT b. PPA)	**(25.8)**	**(20.6)**	**25.3%**
Margin [4]	–14.3%	–11.1%	–3.2 %p
Depreciation and amortisation resulting from business combinations	(5.6)	(5.6)	0.0%
Operating income / (loss) (EBIT)	**(31.4)**	**(26.2)**	**19.9%**
Margin [4]	–17.4%	–14.2%	–3.2 %p
Normalisation [5]	5.7	5.6	2.6%
Operating income / (loss) (EBIT adj.)	**(25.7)**	**(20.6)**	**24.6%**
Margin [4]	–14.2%	–11.1%	–3.1 %p
Number of employees (FTE) [6]	840	812	3.5%

1 Includes third-party revenue and revenue vis-à-vis other TX segments.
2 Includes only companies and activities that were included in the scope of consolidation for the entire reporting period 2022 and 2021. There were no changes in the Group & Ventures segment.
3 No IAS 19 pension costs (as in segment reporting).
4 The margin relates to revenue.
5 Normalisation effects:
– Reversal through profit or loss of payments received from previous accounting periods that could not be repaid (2022: CHF –1.0 million).
– Value adjustment and sale of old receivables (2022: CHF 0.8 million).
– Amortisation resulting from business combinations (2022: CHF 5.6 million; 2021: CHF 5.6 million).
6 Average number of employees, excluding employees in associates / joint ventures.

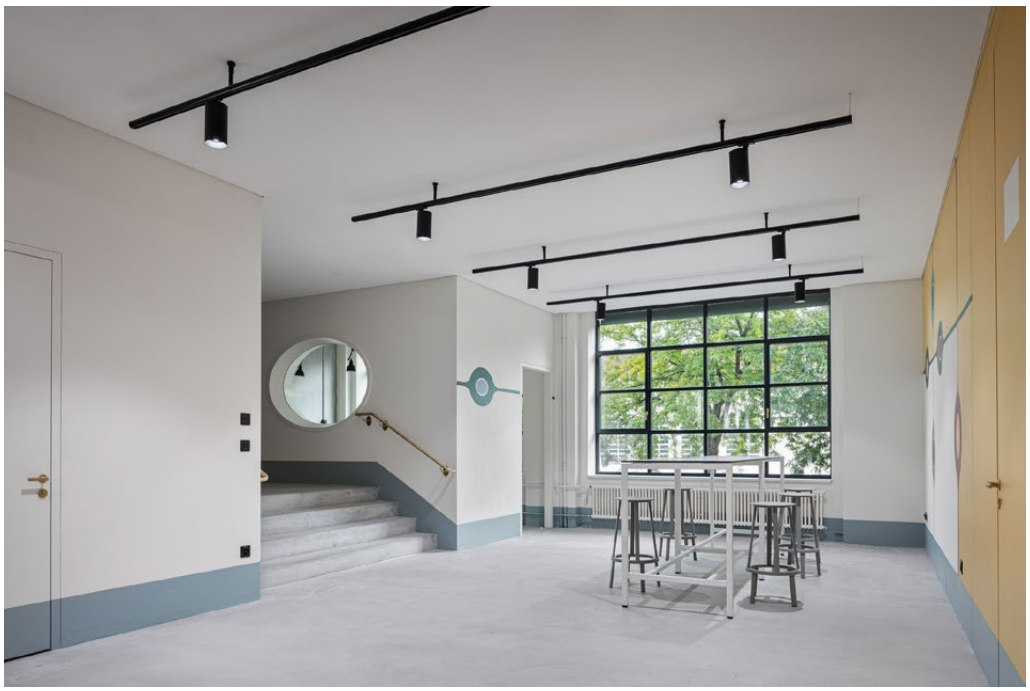
The Group & Ventures segment covers TX Group's majority interests in Doodle (98.5%) and Zattoo (58.9%) as well as interests in the fintech area. Group & Ventures also comprises TX Group property portfolio and central services departments. As of 2022, the latter in turn comprise Group Operations, Group Communications & Sustainability and Group Development.

Development of the Group

The Group has further advanced the flexibility and optimisation of its processes and systems, thus streamlining its cost base. This was also helped by stepping up activity levels at the service centre in Belgrade. The target, announced more than two years ago, of saving CHF 20 million at Group level by the end of 2023 continues to apply. There are ongoing efforts to simplify and digitise processes and, where this makes sense, to decentralise organisational units.

The Group's costs are below the previous year's level due to greater savings in the personnel area, despite staffing increases in Belgrade for all Group companies, consulting costs in the context of major projects, adjustments to provisions, higher energy costs for real estate management and the resumption of travel-related activities. The impact on EBIT is actually negative as the decline in offsetting arrangements (passing on reductions in personnel costs) outweighs the effective cost reduction.

As of January 2023, Sandro Macciacchini is responsible for Real Estate Management at Group level. This area is responsible for the future-oriented development of the attractive real estate portfolio, which includes three printing centres in prime locations. The development of a comprehensive strategy will be driven forward in 2023.



Originally built in 1928, the side wing on the Tamedia site is being thoroughly renovated at TX Group's headquarters on Zurich's Werdstrasse. Spring 2023 will see Tamedia relocate to the editorial rooms and their industrial charm.

Development in Ventures

The significant correction of tech equities in 2022 has also affected earlier stage startups. Valuations came down substantially for new investments, offering better entry levels. For existing investments, TX Ventures supported its portfolio companies to extend their respective runway by either implementing new cost efficiency programs and/or by attracting additional funding.

Fintech
TX Ventures was very active in the fintech ecosystem in 2022. It realised a successful exit of MoneyPark. Further, investments were made in Stableton (as a lead investor) and in CLST, while further supporting another financing round of neon and Selma. TX Ventures also announced the launch of a dedicated CHF 100M Fintech focused investment fund, in which TX Group is the sole investor.

Doodle
In 2022, Doodle concentrated on further enhancing its product offering. The switch to a new back-end arrangement has paved the way for future product improvements. Doodle has undergone rebranding and is now clearly positioning itself as a B2B software company. 2022 was also the first year when subscription income (+32% compared with the previous year) exceeded advertising income.

Zattoo
Zattoo looks back on a mixed 2022. While the pioneer in IPTV was able to add new customers in Switzerland, subscriber numbers in Germany stagnated due to fierce competition. On the B2B side, Zattoo significantly invested into its sales and marketing organisation in order to push its B2B revenues in 2023.

Corporate Governance

Group structure and shareholders

Group structure

The Group's operational structure is shown on page 5 of the Annual Report.

The scope of consolidation includes the following listed company:

Name:	TX Group AG (formerly Tamedia AG), Zurich
Location of registration:	SIX Swiss Exchange, Switzerland listed since 2 October 2000
Market capitalisation:	see section "Capital structure", page 22
Treasury shares (as of 31 December 2022):	0
Securities symbol:	TXGN
ISIN:	CH 0011178255
Symbol:	
– Bloomberg:	TXGN.SW
– Reuters:	TXGN.S

Group companies not listed on a stock exchange are shown in Note 4.2 of the consolidated financial statements (pages 106 to 108).

Significant shareholders

Significant shareholders and significant groups of shareholders and their holdings in TX Group, to the extent known to TX Group, are shown in the following table. The notices published during the reporting year can be found on the publication platform of the Disclosure Office.[1]

[1] https://www.six-exchange-regulation.com/en/home/publications/significant-shareholders.html

Principal shareholders

Name	2022 [1]	2021 [1]	2020 [1]
Dr. Severin Coninx, Bern	13.20%	13.20%	13.20%
Rena Maya Coninx Supino, Zurich	12.95%	12.95%	12.95%
Dr. Hans Heinrich Coninx, Küsnacht	11.93%[2]	11.93%[2]	11.93%[2]
Annette Coninx Kull, Wettswil a.A.	0.00%	0.00%	11.85%[3]
Fabia Schulthess, Zurich	5.53%	5.53%	0.00%
Andreas Schulthess, Wettswil a.A.	5.53%	5.53%	0.00%
Ellermann Lawena Stiftung, FL-Vaduz	6.87%	6.87%	6.87%
Ellermann Pyrit GmbH, Stuttgart, Germany	4.20%	4.20%	4.31%
Ellermann Rappenstein Stiftung, FL-Vaduz	5.86%	5.86%	5.86%
Other members of the shareholders' agreement	3.05%[4]	3.04%[4]	2.14%[4]
Total members of the shareholders' agreement	**69.11%**	**69.10%**	**69.10%**
Regula Hauser-Coninx, Weggis	**4.63%**	**4.63%**	**4.63%**
Tweedy Browne Company LLC	**4.59%**	**4.59%**	**4.66%**
Epicea AG, Bern	3.25%	3.25%[5]	0.00%
Medien- und Unternehmungsförderungsstiftung FERS, Bern	0.69%[7]	0.00%	0.00%
Montalto Holding AG, Zug	0.00%	0.00%	1.83%
Epicea Holding AG, Zug	0.00%	0.00%	1.42%
Franziska Reinhardt-Scherz, Muri b. Bern	0.00%	0.69%	0.69%[6]
Medien- und Unternehmungsförderungsstiftung FERS	**3.94%**	**3.94%**	**3.94%**

1 The disclosures as of 31 December relate to the total of 10.6 million registered shares issued.
2 Of which rights to usufruct in relation to 393,234 registered shares in the name of Martin Coninx (Männedorf), rights of usufruct in relation to 393,233 registered shares in the name of Claudia Isabella Coninx-Kaczynski (Zollikon) and rights to usufruct in relation to 393,233 registered shares in the name of Christoph Coninx (Oetwil an der Limmat).
3 Of which rights to usufruct in relation to 586,021 registered shares in the name of Fabia Schulthess (Zurich) and rights to usufruct in relation to 586,022 registered shares in the name of Andreas Schulthess (Wettswil).
4 The other members of the shareholders' agreement are:
Beatrice Calcagni
Pietro Calcagni
Prof. Dr Anna Coninx Mona
Erbengemeinschaft Annette Coninx Kull
Caspar Coninx
Christoph Coninx
Claudia Isabella Coninx-Kaczynski
Franziska Nicolasina Coninx
Salome Coninx
Martin Coninx
Philipp Coninx
Luca Kaczynski
Tatjana Kaczynski
Antonia Kaestner
Clara Kaestner
Dr Franziska Kaestner-Richter
Moritz Kaestner
Antje Landshoff-Ellermann
Saskia Landshoff
Hanna Marti
Konstantin Richter
Sabine Richter-Ellermann
Dr Anna P. Supino Calcagni
Dr Pietro Supino
5 The shares held by Epicea Holding AG and Montalto Holding AG until 2020 are now owned by Epicea AG.
6 Until 2020, the shareholding was divided between Erwin (31,043 shares) and Franziska Reinhardt-Scherz (41,803 shares).
7 Due to a death, the shareholding of Franziska Reinhardt-Scherz (417,342 registered shares of TX Group AG or 3.94 per cent of the share capital) is now owned by Medien- und Unternehmungsförderungsstiftung FERS, Bern.

Principal shareholders are disclosed based on Art. 120 ff. of the Swiss Financial Market Infrastructure Act (FMIA) and the corresponding ordinances.

The following central features of the shareholders' agreement of the founding family are also published in this context:

- All shareholders who are members of the founding family (pool shareholders), with the exception of Regula Hauser-Coninx, are bound by the shareholders' agreement (pool agreement). The pool agreement entered into effect on the date of registration for a period of eight years and was extended in 2008 until 2017. In the course of 2015, the founding family of TX Group extended early and indefinitely their shareholders' pooling agreement, which was due to expire in 2017.
- The pooling agreement serves, among other things, to coordinate the exercise of voting rights within the pool members with regard to their representation on the Board of Directors.

- It also governs how pool shareholders exercise their voting rights in conjunction with other topics requiring shareholder approval, such as determining dividends.
- Other matters to be voted on at the Annual General Meeting will be announced to the pool shareholders prior to such meeting. If pool shareholders representing two-thirds of the votes represented at a meeting of the pool shareholders approve such an item, the pool shareholders must vote unanimously on such item at the general meeting. Otherwise, the pool shareholders are unrestricted in the exercise of their voting rights.
- The agreement does not relate to matters which lie within the responsibility of the Board of Directors or Group Management of TX Group or that of its subsidiaries.
- The agreement includes a right of first refusal for all parties to the shareholders' agreement in the event that a pool shareholder wishes to transfer his/her shares to an independent third party (either with or without compensation). Should this be the case, said shareholder must first offer his/her shares to the pool members. The other pool shareholders have the right to purchase such shares at the current market price less a 20 per cent discount.
- Pool shareholders represent a group of shareholders who act in compliance with the requirements of Art. 121 FMIA. Any future exchange of shares amongst the current pool shareholders will not result in an obligation to announce and make public any such change. If, however, the entire pool should sell shares and as such the percentage of pooled shares should fall below the legal thresholds (e.g. below 66⅔ per cent or below 50 per cent), the pool shall be required to inform the Swiss Stock Exchange and TX Group. An obligation to notify shall also exist if a new member is added to the pool or one pool member no longer holds any shares.

The shareholders united under the shareholders' agreement, consisting of members of the founding family, held 69.10 per cent of TX Group registered shares on the balance sheet date, of which 67.00 per cent were subject to the provisions stipulated in the shareholders' agreement.

Cross-shareholdings

During the current financial year, there were no cross-shareholdings based on either share capital holdings or on voting rights.

Capital structure

Capital structure and change in capital structure

Capital structure

in CHF mn	2022	2021	2020
Ordinary share capital	106.00	106.00	106.00
Ordinary increase in capital	–	–	–
Conditional share capital	–	–	–
Conditional increase in capital	–	–	–
Participation certificates	–	–	–
Dividend-right certificates	–	–	–
Convertible bonds	–	–	–

Additional information concerning changes in equity can be found in the statement of changes in equity on page 66 of the consolidated financial statements.

Registered shares

number		2022	2021	2020
Nominal value	in CHF	10	10	10
Voting rights per share		1	1	1
Number of issued shares		10 600 000	10 600 000	10 600 000
Number of shares entitled to dividends		10 600 000	10 593 008	10 594 291
Total number of voting rights		10 600 000	10 593 008	10 594 291
Number of outstanding shares (weighted average)		10 598 201	10 596 897	10 596 897
Number of treasury shares (as of balance sheet due date)		–	6 992	5 709

There are no differences in dividend rights or other priority rights with the exception of those described in the section "Limitations on transferability and nominee registrations" below.

Details with regard to market capitalisation can be found in the information for investors on page 61.

Limitations on transferability and nominee registrations

Upon request, purchasers of registered shares shall be registered as shareholders with voting rights if they specifically declare that they have purchased such shares in their own name and for their own account.

The Board of Directors may deny registration of the purchaser as a shareholder or beneficiary with voting rights to the extent that the shares held by the shareholder would exceed 5 per cent of the total number of shares recorded in the commercial register. Legal entities and partnerships which are bound or affiliated in terms of capital and voting rights by a common management or in any other form, as well as individuals, legal entities and partnerships acting in concert or with a view to circumventing the provision at hand, shall be considered to be one entity.

Shareholders who were registered in the share register as of 14 September 2000 or purchasers who are family members of such shareholders shall be exempt from this restriction on registration.

During the reporting year, no exceptions to the said regulations were granted.

The Board of Directors may register nominees in the share register with voting rights of up to a maximum of 3 per cent of the share capital registered in the commercial register. Nominees are persons who, when applying for registration, do not specifically declare that they hold the shares for their own account. The Board of Directors may register nominees with more than 3 per cent of the registered share capital, granting them voting rights, insofar as the nominee in question has provided the company with the names, addresses and number of shares held by such persons for whom he/she holds 0.5 per cent or more of the registered share capital entered in the commercial register. The Board of Directors may enter into agreements with such nominees, which govern, among other items, the representation of the shareholders and their voting rights.

The Board of Directors may cancel the entries of shareholders or nominees in the share register retroactively to the date of entry should it be apparent after a hearing that such entries were made based on false information. The persons affected must be informed of said cancellation immediately.

Convertible bonds and options

Currently, there are no convertible bonds and options.

Board of Directors

Members of the Board of Directors

Information on the members of the Board of Directors and their other functions and business interests as at 31 December 2022 is provided below. Article 31 of the Articles of Incorporation[1] regulates the number of other functions permitted.

From left to right: Sverre Munck, Pietro Supino, Pascale Bruderer, Konstantin Richter, Martin Kall, Andreas Schulthess. Christoph Tonini does not appear in the picture.

[1] www.tx.group/articles-of-incorporation

Dr Pietro Supino
Switzerland and Italy, 1965

Position	Chairman of the Board of Directors and Publisher
Other functions	**Companies of TX Group** – Goldbach Group, Chairman of the Board of Directors – 20 Minuten, Chairman of the Board of Directors – Tamedia, Chairman of the Board of Directors – JobCloud, Member of the Board of Directors – SMG Swiss Marketplace Group, Member of the Board of Directors – Edita in Luxembourg, Member of the Board of Directors – Heute.at in Austria, Member of the Board of Directors **Outside TX Group** – Gruppo Editoriale (GEDI), publisher of the daily newspapers La Repubblica, La Stampa and Il Secolo XIX, Member of the Board of Directors – Swiss Media Association, honorary President – SwissMediaForum AG, Member of the Board of Directors – OneLog AG, Member of the Board of Directors
Career	– Family Office Bank Private Client Partners, Founding Partner (1998-2007) – Bär & Karrer AG, Attorney at Law (1996-1998) – McKinsey & Company Inc., Management Consultant (1994-1995)
Education	– Columbia University Graduate School of Journalism in New York (2006) / Member of the Board of Visitors since 2012 – Admitted to the Zurich bar (1992) – Doctorate from the University of St. Gallen (1989-1994) – Master's from the London School of Economics and Political Science (1992-1993) – Studied Law and Economics at the University of St. Gallen (1985-1989)

Pietro Supino is a member of the founding family, which is linked by a shareholders' agreement and jointly holds a majority stake in TX Group AG.

Martin Kall
Switzerland and Germany, 1961

Position	Vice Chairman of the Board of Directors and Lead Director as well as Chairman of the Compensation Committee
Other functions	**Companies of TX Group** – Goldbach, Member of the Board of Directors – 20 Minuten, Member of the Board of Directors **Outside TX Group** – Prevanto AG, Chairman of the Board of Directors
Career	– TX Group AG (formerly Tamedia AG), Chief Executive Officer (2002-2012) – Ringier AG, Head of European Publishing and Swiss Magazines and Member of Group Management (1997-2002) – Bertelsmann Group, finishing as CEO of Bertelsmann Fachinformation GmbH (1989-1996)
Education	– Master of Business Administration from Harvard Business School (1987-1989) – Degree in Economics from the Albert Ludwig University of Freiburg im Breisgau, studied Economics and History in Freiburg and at the London School of Economics and Political Science (1981-1987)

Pascale Bruderer
Switzerland, 1977

Position	Member of the Board of Directors and Member of the Compensation Committee
Other functions	**Companies of TX Group** – Various Tamedia companies, Member of the Board of Directors **Outside TX Group** – IT start-up Crossiety, Partner and Executive Member of the Board of Directors – Start-up Swiss Stablecoin AG, Founder and Chairwoman of the Board of Directors – BernExpo AG, Member of the Board of Directors – Galenica Group, Member of the Board of Directors – Schwab Foundation for Social Entrepreneurship, Member of the Board – UniBE Foundation, Member of the Board
Career	– Former National Councillor, President of the National Council and Member of the Council of States (ended her political career in 2019 in favour of a move into business)
Education	– lic. phil. Master's degree in Political Science from the University of Zurich (2005)

Sverre Munck
Norway, 1953

Position	Member of the Board of Directors and Chairman of the Audit Committee
Other functions	**Companies of TX Group** – Various Tamedia companies, Member of the Board of Directors **Outside TX Group** – Oslo Science Park, Chairman of the Board of Directors
Career	– Schibsted ASA, in various management positions (1994-2013) – Loki AS, Member of the Management Board (1987-1994) – McKinsey & Company Inc., Consultant (1984-1987) – Norwegian Ministry of Finance (1983-1984)
Education	– Received his PhD from Stanford University (1983) – Studied Economics at Yale University

Konstantin Richter
Germany, 1971

Position	Member of the Board of Directors and Member of the Audit Committee
Other functions	**Companies of TX Group** – Goldbach Group, Member of the Board of Directors – Various Tamedia companies, Member of the Board of Directors **Outside TX Group** – North & South magazine (New Zealand), Publisher – Freelance author and journalist for Die Zeit (Hamburg) and Die Welt (Berlin), contributing writer for the US news portal Politico
Career	– Rogner & Bernhard publishing company in Hamburg and Berlin, Co-Managing Director (2004-2005) – Wall Street Journal in Brussels, Staff Reporter (1999-2001) – Columbia Journalism Review in New York, Editorial Assistant (1997-1998)
Education	– Master's degree from the Columbia University Graduate School of Journalism in New York (1996-1997) – BA in English Literature and Philosophy from Edinburgh University (1992-1996)
Awards	– German Reporter Prize for an article in Die Zeit (2011)
Publications	– Author of the books "Bettermann" (2007), "Kafka war jung und brauchte das Geld" (2011) and "Die Kanzlerin – Eine Fiktion" (2017)

Konstantin Richter is a member of the founding family, which is linked by a shareholders' agreement and jointly holds a majority stake in TX Group AG.

Andreas Schulthess*
Switzerland, 1970

Position	Member of the Board of Directors and Member of the Compensation Committee
Other functions	**Companies of TX Group** – 20 Minuten, Member of the Board of Directors
Career	– Training as a gunsmith at Waffen Bürchler/ Waffenhaus Diana (2019-2022) – Swiss Re Ltd, Head HR Switzerland (2015-2018) – Family foundation, supporting various HR projects (2011-2015) – Swiss Life Schweiz AG, Head of Human Resources (2005-2011) – Applied International Informatics and Cap Gemini (Switzerland) Ltd, IT Business Consultant (specialising in new technologies and e-business) (2000-2002)
Education	– Swiss Federal Vocational Diploma in Gunsmithing (2019-2022) – Further training as a coach (2002-2004) – Master of Advanced Studies in Human Resources Management at Zurich University of Applied Sciences (2004-2006) – Master's degree in economics at the University of Zurich (1993-1999)

*Retires from the Board of Directors at the Annual General Meeting.

Andreas Schulthess is a member of the founding family, which is linked by a shareholders' agreement and jointly holds a majority stake in TX Group AG.

Christoph Tonini*
Switzerland and Italy, 1969

Position	Member of the Board of Directors and Member of the Audit Committee
Other functions	**Companies of TX Group** – Goldbach Group, Member of the Board of Directors – Goldbach Media AG, Member of the Board of Directors **Outside TX Group** – Migros-Genossenschafts-Bund, Member of the Board of Directors – Zürichsee Medien AG, Member of the Board of Directors – Radio Zürichsee AG, Member of the Board of Directors – Mühlemann & Popp Online Media AG, Member of the Board of Directors – Properti AG, Member of the Board of Directors – Dimabay GmbH, Chairman of the Advisory Board – Right to Play children's charity, Member of the Board of Trustees
Career	**TX Group** – Tamedia, Chief Executive Officer (2013-2020), Deputy Chief Executive Officer (2007-2013) – Tamedia, Head of Digital and 20 Minuten (2008-2012) – Tamedia, Head of the Newspapers Switzerland and Media Switzerland divisions (2005-2007) – Tamedia, Head of Finance (2003), as well as responsibility for the Services division from 2004 **Previous functions** – Ringier AG, in various positions (1998-2003), most recently as CEO in Hungary and Romania
Education	– Master of Business Administration at the University of St. Gallen (2001-2003) – Engineering degree at the Swiss Engineering School for Printing and Packaging (esig) in Lausanne (1990-1993)

*Retires from the Board of Directors at the Annual General Meeting.

Election and term of office

The Board of Directors comprises at least five members who are individually elected by the Annual General Meeting for a term of office of one financial year. Their term of office expires on the date of the Annual General Meeting for the last financial year of their tenure. If elections to replace directors are held during the designated term, the newly elected directors shall serve the remaining tenure of their predecessors. The Annual General Meeting also elects the Chairman of the Board of Directors. Otherwise, the Board of Directors constitutes itself.

Internal organisation

The composition of the Board of Directors and the affiliation of its individual members to the committees are shown in the table below.

Name	Function	Member since	Term of office [1]	Audit Committee	Compensation Committee
Pietro Supino	Chairman	1991	2023		
Martin Kall	Vice-Chairman / Lead Director	2013	2023		C
Pascale Bruderer	Member	2020	2023		M
Sverre Munck	Member	2018	2023	C	
Konstantin Richter	Member	2004	2023	M	
Andreas Schulthess	Member	2019	2023		M
Christoph Tonini	Member	2020	2023	M	

C: Committee chairman
M: Member

1 The terms of office of all members of the Board of Directors expire at the next Annual General Meeting on 14 April 2023.

Lead Director

In accordance with the Swiss Code of Best Practice for Corporate Governance (point 18), the Internal Governance Rules of TX Group stipulate that a non-executive member of the Board of Directors is to be nominated as Lead Director if the roles of Chairman of the Board of Directors and Chief Executive Officer are held by the same person. Under the leadership of the Lead Director, the Board of Directors shall, if necessary, consult each other at the beginning of a meeting in the absence of the Chairman.

Competencies

The Board of Directors is responsible for defining the Group's strategy. It reviews the Company's fundamental plans and objectives and identifies external risks and opportunities. The risks are explained in note 3.4 of the consolidated financial statements (pages 97 to 102). The competencies and responsibilities of the Board of Directors as well as its competence towards the Group Management are regulated in the Organisational Regulations, which can be found at www.tx.group[1].

The Board of Directors is also responsible for supervising and monitoring the Group Management. The Group Management informs the Board of Directors about the course of business and the planned activities of the Group at its regular and at its extraordinary meetings. These meetings are attended by the Chairman of the Executive Board as well as other members of Group Management and managers of the concerning business. The entire Board of Directors is informed by means of monthly written reports about the consolidated monthly financial statements, the course of business of the individual business units and other relevant matters. Every quarter, the entire Board of Directors is informed in writing about the development of the market share, and every six months, the annual and semi-annual financial statements are explained in a report. In addition, the Board of Directors also receives the minutes of meetings held by Group Management as well as those held by the two committees of the Board of Directors. The Chairman of the Group Management also informs the Chairman of the Board of Directors and/or the Lead Director on an ongoing basis about events of particular importance.

1 www.tx.group/articles-of-incorporation

Passing resolutions

The Board of Directors constitutes a quorum when the majority of its members are present. It takes its decisions by a majority of the votes cast. In the event of a tied vote, the Chairman has the casting vote. There are no statutory quorums for resolutions. Resolutions may also be passed by circular vote.

Meetings

The Board of Directors meets as often as business requires or if a meeting is requested by a member, but at least four times a year. In the reporting year, the Board of Directors and its committees held the following meetings.

	Number of meetings	Average duration (hours)
Directors	6[1]	7:00
Compensation Committee	3[2]	2:10
Audit Committee	4[3]	2:15

1 Of which a 3-day retreat and 2 video conferences
2 Of which 1 video conference
3 Of which three video conferences

Committees

In addition to the committees described below, the Board of Directors may form other committees for specific functions. Members are appointed to committees in conjunction with the constitution of the Board of Directors and according to the same procedure. Generally, these committees do not pass any binding resolutions, but instead report to the Board of Directors as a whole, submit proposals for resolutions and guidelines when appropriate and provide Group Management with the necessary support for the implementation of such.

The following permanent committees currently exist:
- Compensation Committee
- Audit Committee

The committees must be made up of members of the Board of Directors and make their agendas and meeting minutes available to the entire Board of Directors. The Chairman of each committee informs the Board of Directors as a whole orally as to the results of such meetings.

Compensation Committee

The Compensation Committee addresses human resources matters in general and is responsible in particular for preparing nominations of members of the highest management level for whom the Board of Directors has direct responsibility. It also deals with the qualification and compensation of members of this management group and the general compensation system, including profit participation.

The committee consist of at least three members. If the number of members of the Compensation Committee falls below the minimum threshold of three, the Chairman shall nominate the missing member(s) from amongst the members of the Board of Directors, who will serve until the end of the next Annual General Meeting. The Chief Executive Officer is invited to attend meetings. The Compensation Committee does not sit at set intervals, but meets as required to prepare business for the Board of Directors. The meetings held in the reporting year are listed in the overview in the Meetings section.

Audit Committee

The Audit Committee oversees the financial reporting, compliance with accounting and reporting standards and with the rules for listing on the SIX Swiss Exchange, risk management and financial corporate communication as well as any extraordinary accounting matters. Risk management includes sharing information on specific risks such as market risks, financial risks and personnel risks from the members of staff responsible. An overarching risk management report is prepared annually for the attention of Group Management, the Audit Committee and the Board of Directors. This central risk management report serves to monitor all current risks and review the processes in place for addressing risks.

The Audit Committee also represents the Board of Directors as liaison with the external statutory auditors and monitors and assesses the auditors' performance and impartiality on an ongoing basis. For this purpose, the Audit Committee examines and discusses the proposed audit schedule and the audit results with the statutory auditors (reports required by law prepared by the statutory auditors and reports pertaining to any significant findings from the interim and final audits). Moreover, the committee is informed orally by the statutory auditors, the Chief Financial Officer and other management members from the finance division regarding the progress of the audit work.

The Audit Committee reviews and evaluates the independence, qualifications, performance and effectiveness of the statutory auditors once a year. It also discusses the statutory auditors' independence from Group Management and the company with them and monitors the rotation system for the lead auditor. In addition, the Audit Committee examines the compatibility of non-audit services with the statutory auditors' independence. The fees for the audit of the consolidated financial statements and the individual financial statements are approved in advance by the Audit Committee. Every year, the Audit Committee submits a proposal for appointing the statutory auditors to the Board of Directors, which then puts it before the Annual General Meeting.

The Audit Committee comprises at least three members. The Chairman of the Board of Directors may not be a member of this committee. Meetings are held regularly, at least four times a year, and generally the Chief Financial Officer is in attendance (as a representative of Group Management) as well as the statutory auditors. For specific matters, the Audit Committee calls in outside experts when needed. Its meetings are aligned with the preparation and approval of the semi-annual and annual financial statements. The meetings held in the reporting year are listed in the overview in the Meetings section. These were attended by the Chief Financial Officer and the representative of the external statutory auditors.

Group Management

Members of Group Management

Information on the members of the Board of Directors and their other functions and business interests as at 31 December 2022 is provided below. Article 31 of the Articles of Incorporation[1] regulates the number of other functions permitted.

From left to right: Daniel Mönch, Pietro Supino, Ursula Nötzli und Sandro Macciacchini

[1] www.tx.group/articles-of-incorporation

Dr Pietro Supino

Dr Pietro Supino is Chairman of the Group Management as well as Chairman of the Board of Directors and publisher. Information of his other functions and business interest as at 31 December 2022 can be found in the chapter of the Board of Directors on page 25.

Dr Sandro Macciacchini

Switzerland, 1966

Position	Chief Operating Officer, at TX Group (formerly Tamedia) since 2000
Career	**TX Group** – Chief Financial Officer (CFO) and Head of Human Resources (2020-2021) – Tamedia (now TX Group), Chief Financial Officer (CFO) and Head of Human Resources (2017-2019) – Tamedia (now TX Group), Chief Financial Officer (CFO) (2008-2019) – Tamedia (now TX Group), Head of Legal Services (2005-2007) – Tamedia (now TX Group), Legal Advisor (2000-2005) **Previous functions** – Swiss Media Association, Legal Advisor and Member of the Management Board (1997-2000) – Widmer & Partner, Attorney at Law (1996-1997)
Education	– Corporate Governance course for board members at the Swiss Board School in St. Gallen (2020) – Further training in strategy, leadership and general management at MAB Swiss Executive School in St. Gallen (2017) – Master of Advanced Studies Corporate Finance at Lucerne University of Applied Sciences and Arts (2008-2009) – Doctorate at the University of Zurich (2003) – doctoral dissertation on media law – Ringier AG, in various positions (1998-2003), most recently as CEO in Hungary and Romania
Other functions	– Vice President Pension Fund of TX Group AG – President of the Supervisory Board TX Services Belgrade d.o.o.

Daniel Mönch

Germany, 1986

Position	Chief Strategy Officer, at TX Group (formerly Tamedia) since 2015
Career	**TX Group** – Head of Corporate Development and M&A (2020-2021) – Tamedia (now TX Group), Senior Project Manager in Corporate Development (2015-2020) **Previous functions** – Horváth & Partners, Business Consultant in the CFO Strategy and Finance Transformation division (2011-2015)
Education	– Executive Master of Business Administration in Business Engineering at the University of St. Gallen (2019-2020) – Business Administration at the University of Ulm (2006-2011) and the University of South Florida (Tampa/USA) (2009-2010)
Other functions	– Zattoo AG, Member of the Board of Directors – Doodle AG, Member of the Board of Directors

Dr Ursula Nötzli
Switzerland, 1974

Position	Chief Communications & Sustainability Officer, at TX Group since 2021
Career	**TX Group** – Head of Communications and Investor Relations (2021) **Previous functions** – ABB Schweiz AG, Head of Communications (2020-2021) – Credit Suisse AG, Head of Group Content and Social Media and senior positions in Global External Asset Management (2013-2020) – GAM Holding AG, senior positions in Swiss & Global Asset Management AG (2008-2013) – Tamedia Finanz und Wirtschaft AG, Business Editor (2008) – Neue Zürcher Zeitung AG, Business Editor (2001-2006) – Deloitte Consulting AG, Consultant (1999-2000)
Education	– Doctorate at the University of St. Gallen (2002-2007) – doctoral dissertation on corporate governance in Swiss family businesses – Master of Business Administration at the University of St. Gallen (1994-1999)
Other functions	– Swiss Media Association, Member of the Executive Committee – Childhood cancer research foundation Stiftung Kinderkrebsforschung Schweiz, Member of the Board of Trustees

Management contracts

During the year under review, there were no management contracts between TX Group and companies or private individuals stipulating the transfer of management responsibilities by TX Group.

Compensation, shareholdings and loans

Information on compensation, shareholdings and loans granted to the Board of Directors and Group Management can be found in the Compensation Report on pages 38 to 44.

Shareholders' participation rights

Restrictions on voting rights and representation

A shareholder may directly or indirectly exercise or cause to have exercised voting rights associated with his/her own shares or shares he/she represents up to a maximum of 5 per cent of the total number of shares registered in the commercial register. To this end, legal entities and partnerships which are bound or affiliated in terms of capital and voting rights by a common management or in any other way, as well as individuals, legal entities and partnerships acting in concert or with a view to circumventing the provision at hand, shall be considered to be one entity.

Institutional investor proxies within the meaning of Art. 689c of the Swiss Code of Obligations (custodian proxies, company officers and independent proxies) are exempt from this restriction on voting rights as long as the provisions of the Articles of Incorporation referred to in the previous paragraph have been adhered to by the owner(s).

Shareholders registered with more than 5 per cent of the voting rights in the share register are exempt from the aforementioned restriction of voting power.

Statutory quorums

According to the Articles of Incorporation of TX Group AG, the Annual General Meeting passes resolutions and conducts elections based on an absolute majority of the represented voting rights. For the following resolutions, a minimum two-thirds majority of the represented voting rights and an absolute majority of the represented share capital are required: changes in the company's purpose; introduction of voting shares; restrictions on transferability of registered shares; approved or conditional capital increases; capital increases from shareholders' equity, in return for non-monetary contributions or for the purpose of acquisition of assets or granting special advantages; restriction or cancellation of subscription rights; transfer of the company's registered office and dissolution of the company without liquidation.

Convening the General Meeting

The General Meeting is held annually within six months of the end of the company's financial year. Extraordinary general meetings are convened as needed. Likewise, in addition to the statutory auditors, one or more shareholders, who combined represent at least 10 per cent of the company's share capital, may demand in writing that a general meeting be called indicating the subject matter to be discussed and proposals to be made.

The General Meeting is called by the Board of Directors no later than 20 days prior to the scheduled date of the meeting. The shareholders are notified via TX Group's normal publications (see further information in section "Information policy" on page 37).

Agenda

Shareholders who together represent shares with a nominal value of CHF 1,000,000 may request that a matter for discussion be included on the agenda. The application for an item to be added to the agenda must be submitted in writing at least 60 days prior to the General Meeting with an indication of the subject to be discussed.

Registration in the share register

All shareholders registered with voting rights in the share register are entitled to take part and have voting power at the General Meeting. For organisational reasons, no further registrations will be made after 20 days before the General Meeting. Shareholders who sell their shares prior to the General Meeting no longer have any voting rights.

Changes of control and defensive measures

In accordance with the Swiss Stock Exchange Act, whoever, whether directly, indirectly or acting in concert with third parties, acquires equity securities of a listed Swiss company, which, when added to the equity securities already owned, exceed a threshold of 33.3 per cent of the overall voting rights of a target company, whether or not said voting rights may be exercised, must make a bid to the remaining shareholders to acquire all of the company's equity securities listed on the stock market. Before publicly offering its equity securities, the company may lay down in its Articles of Incorporation that a purchaser is not required to make a public sales offer of this kind (opting-out). TX Group AG's Articles of Incorporation do not provide for any such opting-out. Similarly, there are no clauses governing changes of control.

Statutory auditors

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

The statutory auditors are appointed by the General Meeting for a period of one year.

PricewaterhouseCoopers AG has served as auditor for the consolidated financial statements since the financial year 2016. The separate financial statement of TX Group AG has been audited by PricewaterhouseCoopers AG since 2016. Patrick Balkanyi assumed the role of lead auditor for the first time for the financial year 2016.

Auditor's fees

The fees for the audit of the consolidated financial statements and the separate financial statements total CHF 0.8 million (previous year: CHF 1.0 million), of which CHF 0.8 million relate to expenditures for the audit conducted by PricewaterhouseCoopers AG.

Additional fees

The total amount of fees paid to PricewaterhouseCoopers AG and/or its affiliated persons for additional services in the financial area, advisory services in the tax and legal area as well as in the areas of compensation and customer service amounted to CHF 1.1 million. Of this amount, CHF 0.9 million was incurred by a subsidiary that was audited by another auditing company. This was mainly for a consulting project in connection with the implementation of a purpose, vision and mission statement including a code of conduct for employees. In the previous year, fees of CHF 0.6 million were incurred for additional services in the financial area, consulting services in the IT area and strategy consulting.

Supervisory and control instruments vis-à-vis the auditors

The nature of the supervisory and control instruments used by the Board of Directors to assess the external statutory auditors and their participation in Audit Committee meetings is described in the section "Board of Directors – Audit Committee". The system of rotation governing the tenure of the lead auditor is seven years at the most, in compliance with the impartiality guidelines set down by EXPERTsuisse, the Swiss Expert Association for Audit, Tax and Fiduciary. A regular rotation of the statutory auditors is not foreseen.

Information policy

TX Group follows an open and timely information policy that treats all target groups in the capital market equally. Detailed annual and semi-annual reports are published. The consolidated financial statements are prepared in accordance with IFRS standards (International Financial Reporting Standards) (see "Consolidation and measurement principles", pages 67 to 115).

An agenda including the date of the General Meeting and the date of publication of the half-year report can be found on page 61.

TX Group AG's Articles of Incorporation can be viewed online at www.tx.group[1].

As a listed company, TX Group is also obliged to inform the public of any price-sensitive information (ad hoc publicity, Art. 53 Listing Rules). In addition to information on the financial developments, TX Group also provides information regularly on current changes and developments.

For more detailed information on the company, visit the website www.tx.group. The official publication used for public announcements made by the company and announcements required by law is the Swiss Official Gazette of Commerce.

This Annual Report is available in German and English. The German version is the authoritative version.

Contact person for specific questions about TX Group:

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Chief Communications & Sustainability Officer
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Tel.: +41 (0) 76 462 52 45
E-mail: investor.relations@tx.group

Embargo periods for share trading

Any trade involving shares of TX Group AG is prohibited for all bodies and employees of TX Group AG and the subsidiaries it controls during the standard embargo on share trading. Trade involving shares of TX Group AG is deemed to include the purchase or sale, as well as the amendment or cancellation of any related order, of shares of TX Group AG, associated derivatives or other financial instruments.

In each case, the standard embargo starts ten trading days prior to publication of the half-year results and annual results of TX Group AG and lasts in each case until the end of the first trading day following publication of the aforementioned results.

In each case, the employer shall provide advance notice of when exactly the standard trading embargo is due to start and of its duration.

[1] www.tx.group/articles-of-incorporation

Compensation Report

Content and method of determining compensation and shareholding programmes

Scope

The disclosures comprise the compensation for the Board of Directors and Group Management. The compensation and shareholdings awarded to the Board of Directors and Group Management are determined by the Board of Directors and submitted to the Annual General Meeting for approval. The Compensation Committee (further information on the Compensation Committee can be found in the "Corporate Governance" section) assists the Board of Directors in defining the compensation system. Compensation paid to members of Group Management is approved by the Board of Directors, within the framework of the compensation policy and principles defined by the Board of Directors and based on recommendations from the Chief Executive Officer. Any significant amendments to existing compensation models are made with the help of external consultants. The compensation principles are based on Articles 26 to 30 of the Articles of Incorporation[1] of TX Group.

Levels of responsibility

	CBD [1]	CC [2]	BD [3]	AGM [4]
Compensation policy and principles	–	proposes	approves	–
Total compensation of the Board of Directors and Group Management	–	proposes	reviews	approves
Individual compensation of members of the Board of Directors	–	proposes	approves	–
CBD compensation	–	proposes	approves	–
Individual compensation of members of Group Management	proposes	reviews	approves	–
Compensation Report	–	proposes	approves	–

1 Chairman of the Board of Directors and Chairman of the Group Executive Board
2 Compensation Committee
3 Board of Directors
4 Annual General Meeting

Compensation policy and principles

The objectives of the TX Group compensation policy are to attract and keep qualified employees, help employees attain above-average performance and ensure that the Group can maintain a competitive compensation system. The compensation programmes in place at the Group achieve these objectives. TX Group utilises a grading system for all positions in order to ensure that salaries are transparent, fair and competitive. The gradings are reviewed at regular intervals. Compensation is also influenced by how TX Group is performing as a business, the competition and the market for comparable roles. If necessary, benchmarks are defined in cooperation with specialised consulting firms and then utilised to design compensation components.

Compensation of members of the Board of Directors

Fees for the members of the Board of Directors and the members of the Board committees are fixed. The aim in not having a variable salary component is to ensure that the members of the Board of Directors can act without their own interests in mind when making decisions concerning the compensation system and profit participation system for Group Management.

[1] www.tx.group/articles-of-incorporation

Chairman of the Board of Directors and Publisher of TX Group

The role of Chairman of the Board of Directors and Publisher is a full-time one. He is also Chairman of the Boards of Directors of the main Group companies, which each have their own CEO and are managed by their Management Boards, as well as a member of the Boards of Directors at the main interests. The Chairman only undertakes external mandates in the interests of the company, with any fees going to the company. The Chairman is the only member of the Board of Directors who is issued an employment contract. The notice period is one year.

Compensation of members of Group Management

Compensation paid to the members of Group Management is made up of a basic salary and a variable component comprising both management profit participation and profit participation for Group Management.

Overview of compensation components

	Purpose	Basis	Type of compensation
Basic salary	Attraction and retention	Position, qualification, experience	Monthly cash payment
Management[1] profit participation (STI)	Promotion of an entrepreneurial approach	Group financial targets and strategic and other targets	Annual cash payment
Group Management[1] profit participation (LTI)	Participation in the course of business with its opportunities and risks	Group result	50% annual cash payment and 50% conversion into shares after 3 years

1 See explanations on management profit participation (STI) and Group Management profit participation (LTI) on the following page.

Basic salary

The basic salary is individually determined on the basis of the scope of each position and its associated responsibilities, as well as the experience and qualifications of the Group Management member in question. Within the framework of the annual review, the basic salary is adjusted on the basis of personal performance and achievement, the level of the previous salary, the given competitive position, comparable market salaries and the financial viability of the company.

Management profit participation (STI)

The purpose of the management profit participation system is to allow Group Management members to benefit from the business performance of TX Group by encouraging them to adopt a business-minded attitude and align their thoughts and actions with the company's strategy.

Management profit participation is structured as follows
- 80.0 per cent linked to the quantitative targets of the Group
- 20.0 per cent linked to strategic targets and other objectives and targets

in CHF			Targets			
	Example of basic salary	Management profit participation as a % of annual salary	80% share Group quantitative targets Target achievement	20% share strategic targets Target achievement	Pay-out rate	Example of management profit participation
	250 000	22.5%	100%	100%	100%	56 250

The calculation of management profit participation is based on the quantitative targets defined by the Board of Directors for the respective financial year. The Board of Directors of the Group may also take into account significant extraordinary effects when calculating target achievement.

The amount of management profit participation depends on target achievement, with no upper limit in place. The expected target is normally defined and communicated by the Group Board of Directors before the beginning of the respective financial year.

The Group Board of Directors determines at its own discretion the strategic and other targets and objectives as well as target achievement, which may not exceed 120 per cent.

In the 2022 financial year, 80 per cent (previous year: 158 per cent) of the expected value was achieved.

Group Management profit participation (LTI)

The current profit participation programme applies to the years 2021 to 2023. Members of Group Management are entitled to participate as of their second year of service. Payment is made if the profit margin (net income margin) of TX Group reaches or exceeds 8.0 per cent. A profit participation, which will be determined at the time, will be paid out of any amount exceeding the profit margin of 8.0 per cent, with 50 per cent being paid in cash and the remaining 50 per cent in shares.

The cash amount is paid out after the publication of the consolidated financial statements of TX Group. The shares are allocated in the accounting year in which entitlement is acquired. The number of shares to be allocated is determined based on the average share price over the last 30 days before 31 December of the respective financial year. The shares are only transferred if the beneficiary has not given notice of termination of employment prior to 31 December of the third year after the accounting year in which entitlement to the share allocation was acquired.

For the 2022 financial year, the Group Management was granted a profit participation of CHF 0.07 million, with CHF 0.035 million being for the shares allocated.

As part of the profit participation programme, 927 treasury shares were issued in 2022 for the 2018 financial year to the members of Group Management. Measured in terms of market value on the allocation date, the total value of these shares was CHF 0.1 million.

Contracts for members of Group Management

Employment contracts for members of Group Management are for an indefinite period, with a notice period of one year for both the members of Group Management and the company. Such contracts contain no agreements relating to severance payments in the event that a Group Management member should leave the company or that a "change of control" should take place.

Pension benefits and insurance, expenses and non-monetary benefits

Members of the Group Management are insured against old age, death and disability in accordance with the prevailing social insurance legislation. They are affiliated to a pension fund. The benefits are designed to cover the insured and their dependants in respect of retirement and the risks of disability and death, and exceed the legal requirements under the Swiss Federal Act on Occupational Old Age, Survivors' and Invalidity Pension Plans (BVG). The members of the Group Management participate in the pension fund that is available to all employees in Switzerland. This consists of a basic plan and a supplementary plan. Annual income of up to CHF 860,400 are insured through this supplementary pension solution. The contributions are depending on the age of the individual in question and are paid in equally by the employer and the employee. In the supplementary plan, the employer pays a slightly higher contribution. However, employees can choose between different contribution scales, whereby the employer's savings contributions remain the same.

Members of the Board of Directors and the Group Management receive an expenses allowance each month, which covers all expenses below CHF 50. Beyond that, the currently valid rules on expenses for all employees apply. TX Group does not provide company cars to the members of Group Management. The same rules as for all other employees apply with respect to additional non-monetary benefits voluntarily provided by the company, such as free newspaper or magazine subscriptions or long-service awards.

Loans to officers and directors of the company

As of the balance sheet date, there were no outstanding loans to active and former members of the Board of Directors or Group Management.

Compensation of the Board of Directors and Group Management

The compensation shown reflects the expenditures recognised in the income statement during the reporting year (irrespective of the dates on which these were paid). Included among the active members of the Board of Directors and Management Board are those individuals who completed their period of tenure during the year. No compensation was paid to former members or related parties of the Board of Directors or Group Management.

Total compensation paid to the Board of Directors and Group Management

in CHF 000	Directors [1]	Group Management	Total
2022			
Number of members as of balance sheet date	7.0	4.0	**11.0**
Annual average of members	7.3[2]	4.0[3]	**11.3**
Fees / basic salaries	2 090	1 112	**3 202**
Profit participation for managers and share of profits for Group Management paid in cash	–	240	**240**
Share of profits for Group Management paid in shares 2022[4]	–	35[5]	**35**
Pension and social security contributions	226	266	**492**
Expense reimbursements	114	68	**181**
Non-monetary benefits	–	–	**–**
Other compensation	–	–	**–**
Total	**2 429**	**1 721**	**4 151**

2021	Directors	Group Management	Total
Number of members as of balance sheet date	8.0	3.0	**11.0**
Annual average of members	8.0	3.0	**11.0**
Fees / basic salaries	2 165	933	**3 098**
Profit participation for managers and share of profits for Group Management paid in cash	–	751	**751**
Share of profits for Group Management paid in shares 2021[4]	–	300[5]	**300**
Pension and social security contributions	227	293	**520**
Expense reimbursements	123	45	**168**
Non-monetary benefits	–	6	**6**
Other compensation	–	–	**–**
Total	**2 514**	**2 328**	**4 843**

1 The Board of Directors currently comprises the full-time Chairman/publisher and non-executive members.
2 For the determination of the annual average number of members, entries and exits are the relevant criteria:
– Pierre Lamunière until 8 April 2022
3 For the determination of the annual average number of members, entries and exits are the relevant criteria:
– Sam Hügli until 31 December 2021
– Daniel Mönch from 1 January 2022
– Ursula Nötzli from 1 January 2022
4 See information on the share of profits for Group Management.
5 For the purpose of disclosure in the compensation report, share-based payments are taken into account at the time of their allocation. In contrast, the amount accrued in the reporting year is shown in note 1.3 of the consolidated financial statements.

Compensation paid to the Board of Directors[1]

in CHF 000	Fees / [1] basic salaries	Profit participation for managers and share of profits for Group Management	Pension and social security contributions	Expense reimbursements	Non-monetary benefits and other compensation	**Total**
2022						
Pietro Supino	1 464	–	210	39	–	**1 713**
Martin Kall	100	–	–	12	–	**112**
Pascale Bruderer	100	–	–	12	–	**112**
Pierre Lamunière	25	–	1	3	–	**29**
Sverre Munck	100	–	–	12	–	**112**
Konstantin Richter	100	–	7	12	–	**119**
Andreas Schulthess	100	–	7	12	–	**119**
Christoph Tonini	100	–	–	12	–	**112**
Total	**2 090**	**–**	**226**	**114**	**–**	**2 429**
2021						
Pietro Supino	1 464	–	207	39	–	**1 710**
Martin Kall	100	–	–	12	–	**112**
Pascale Bruderer	100	–	–	12	–	**112**
Pierre Lamunière	100	–	5	12	–	**117**
Sverre Munck	100	–	–	12	–	**112**
Konstantin Richter	100	–	8	12	–	**120**
Andreas Schulthess	100	–	8	12	–	**120**
Christoph Tonini	100	–	–	12	–	**112**
Total	**2 165**	**–**	**227**	**123**	**–**	**2 514**

1 The functions of the members of the Board of Directors are disclosed in the corporate governance section.

Additional fees and compensation

In the reporting year, TX Group paid compensation for rent for office premises in the amount of CHF 0.7 million to Groupe Edipresse, over which Pierre Lamunière exerts a significant influence (up to Pierre Lamunière's retirement from the Board of Directors; for 12 months in the previous year in the amount of CHF 3.0 million).

Shares owned by members of the Board of Directors

	2022		**2021**	
No. of shares	Shares owned	Total shares [1] owned including those held by related parties	Shares owned	Total shares [1] owned including those held by related parties
Pietro Supino	33 338	1 439 160	33 338	1 439 160
Pascale Bruderer	–	–	–	–
Martin Kall	–	–	–	–
Pierre Lamunière	–	–	3 000	4 804
Sverre Munck	–	–	–	–
Konstantin Richter	28 229	737 795	28 229	738 365
Andreas Schulthess	586 222	1 256 633	586 222	1 256 633
Christoph Tonini	37 698	37 698	37 698	37 698

1 Including rights of usufruct and benefits

Compensation paid to Group Management

in CHF 000	Fees / basic salaries	Profit participation for managers and share of profits for Group Management	Pension and social security contributions	Expense reimbursements	Non-monetary benefits and other compensation	**Total**
2022						
Pietro Supino [1]	–	–	–	–	–	**–**
Sandro Macciacchini	561	177	152	23		**914**
Daniel Mönch	276	49	54	23		**401**
Ursula Nötzli	276	49	60	23		**407**
Total	**1 112**	**276**	**266**	**68**	**–**	**1 721**
2021						
Pietro Supino [1]	–	–	–	–	–	**–**
Samuel Hügli	472	495	140	23	6	**1 134**
Sandro Macciacchini	461	556	153	23	–	**1 194**
Total	**933**	**1 051**	**293**	**45**	**6**	**2 328**

1 The compensation paid to Pietro Supino is reported under compensation paid to the Board of Directors.

Share-based component of Group Management profit participation

number	**2022**	**2021**
As of 1 January	4 789	4 959
Entitlements of former members of Group Management no longer taken into account	(2 446)	–
Exercised	(927)	(2 156)
Forfeited	–	–
Allocated	341	1 986
As of 31 December	**1 757**	**4 789**
of which exercisable	423	–

in CHF/ number of shares	Allocation date	Blocked until	Fair value as of grant date	Fair value as of balance sheet date	Outstanding entitlements 2022	Outstanding entitlements 2021
	31.12.2018	31.12.2021	105.5	149.4	–	1 957
	31.12.2019	31.12.2022	93.7	149.4	423	846
	31.12.2020	31.12.2023	–	149.4	–	–
	31.12.2021	31.12.2024	156.4	149.4	993	1 986
	31.12.2022	31.12.2025	149.4	149.4	341	–

Shareholdings of Group Management

No. of shares	**2022** Shares owned	**2022** Total shares owned including those held by related parties	**2021** Shares owned	**2021** Total shares owned including those held by related parties
Pietro Supino [1]	–	–	–	–
Samuel Hügli	–	–	1 835	1 835
Sandro Macciacchini	1 120	1 120	2 480	2 480
Daniel Mönch	–	–	–	–
Ursula Nötzli	–	400	–	–

1 The shares held by Pietro Supino are reported under shareholdings of the Board of Directors.

Report of the statutory auditor

to the General Meeting of TX Group AG

Zurich

Report on the audit of the compensation report

Opinion

We have audited the compensation report of TX Group AG (the Company) for the year ended 31 December 2022. The audit was limited to the information on compensation, loans and advances pursuant to Art. 14 to 16 of the Ordinance against Excessive Remuneration in Listed Companies Limited by Shares (Ordinance) in the tables on pages 38 - 44 of the compensation report.

In our opinion, the information on compensation, loans and advances in the compensation report (pages 38 - 44) complies with Swiss law and article 14 to 16 of the Ordinance.

Basis for opinion

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

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

Other information

The Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the tables on pages 38 - 44 in the compensation report, the consolidated financial statements, the financial statements and our auditor's reports thereon.

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

In connection with our audit of the compensation report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the audited financial information in the compensation report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Board of Directors' responsibilities for the compensation report

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

Auditor's responsibilities for the audit of the compensation report

Our objectives are to obtain reasonable assurance about whether the information on compensation, loans and advances pursuant to article 14 to 16 of the Ordinance is free from material misstatement, whether due to fraud or error, and to

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

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

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

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

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

PricewaterhouseCoopers AG

Patrick Balkanyi	Kevin Müller
Licensed audit expert Auditor in charge	Licensed audit expert

Zurich, 24 February 2023

Financial reporting

Alternative key performance figures

TX Group uses the following alternative key performance figures:
- Operating income before depreciation and amortisation (EBITDA)
- Operating income before effects of business combinations (EBIT b. PPA)
- Cash flow after investing activities in property, plant and equipment and intangible assets (FCF b. M&A)
- Consolidated normalised income statement (key figures in the consolidated normalised income statement are referred to as adjusted, e.g. EBIT adj.).

Detailed information on how the alternative key performance figures are derived can be found at www.tx.group/en/investor-relations/alternative-performance-figures.

The figures shown are rounded in every table. As the calculations are made with a higher level of numerical accuracy, it is possible that small rounding differences may occur.

Normalised consolidated income statement

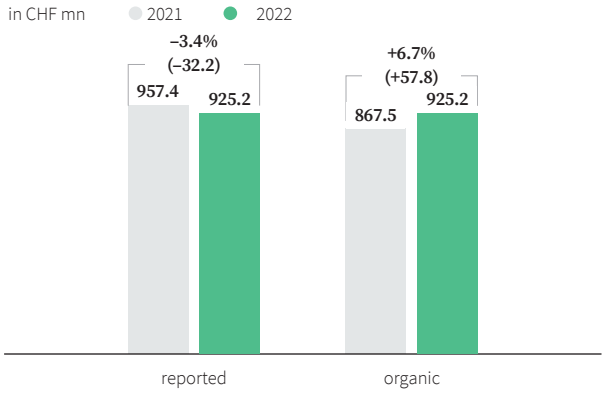
		2022			2021		
in CHF mn	Comment	Income statement	One-off effects	Adjusted net income	Income statement	One-off effects	Adjusted net income
Advertising revenue		252.2	–	252.2	260.6	–	260.6
Classifieds & services revenue		246.8	–	246.8	285.4	–	285.4
Commercialization revenue		83.9	–	83.9	79.9	–	79.9
Subscriptions & single sales revenue		231.0	–	231.0	239.1	–	239.1
Printing & logistics revenue		81.0	–	81.0	67.3	–	67.3
Other operating revenue		27.1	–	27.1	23.4	–	23.4
Other income	1	3.1	(2.5)	0.7	1.6	(0.8)	0.9
Revenues		**925.2**	**(2.5)**	**922.8**	**957.4**	**(0.8)**	**956.6**
Cost of material and services	2	(165.4)	–	(165.4)	(143.8)	(0.3)	(144.1)
Personnel expense		(409.2)	–	(409.2)	(447.8)	–	(447.8)
Other operating expense	3	(209.7)	4.3	(205.5)	(202.5)	(3.1)	(205.6)
Share of net result of associates / joint ventures	4	(17.1)	42.4	25.3	14.3	4.6	18.9
Operating income / (loss) before depreciation and amortisation (EBITDA)		**123.8**	**44.2**	**168.0**	**177.7**	**0.4**	**178.1**
Depreciation and amortisation		(67.8)	–	(67.8)	(49.7)	–	(49.7)
Operating income / (loss) before effects of business combinations (EBIT b. PPA)		**56.0**	**44.2**	**100.1**	**127.9**	**0.4**	**128.3**
Depreciation and amortisation resulting from business combinations	5	(50.1)	50.1	–	(64.7)	64.7	–
Operating income / (loss) (EBIT)		**5.9**	**94.3**	**100.1**	**63.3**	**65.1**	**128.3**
Financial income	6	25.3	(2.2)	23.1	798.7	(790.3)	8.4
Financial expense	7	(23.0)	0.9	(22.1)	(9.1)	–	(9.1)
Income / (loss) before taxes (EBT)		**8.2**	**92.9**	**101.1**	**852.8**	**(725.2)**	**127.6**
Income taxes	8	(12.8)	(8.8)	(21.7)	(20.1)	(5.5)	(25.6)
Net income / (loss) (EAT)		**(4.6)**	**84.1**	**79.5**	**832.7**	**(730.7)**	**102.0**

1 The normalisation 2022 concerns all incoming payments from the 2016 and earlier accounting periods that could not be allocated to an invoice and could not be repaid. These were released to income (Tamedia and Group & Ventures segments). Normalisation 2021 relates to hardship payments for NEO ADVERTISING SA (Goldbach segment).
2 The 2021 normalisation concerns the extraordinary federal contributions towards financing the basic services of the national news agency Keystone-SDA to support the media (Tamedia segment).
3 The normalisation in 2022 relates to the full repayment of CHF 3.1 million of the extraordinary support received from the Swiss Confederation in 2021 for the reduced delivery of subscribed daily and weekly newspapers (Press Promotion, Tamedia segment). In addition, CHF 1.1 million was normalised in 2022 for the value adjustment and sale of old receivables (Group & Ventures segments).
4 The 2022 normalisation concerns the share of depreciation, amortisation and impairment resulting from business combinations of the associate SMG Swiss Marketplace Group AG of CHF 33.7 million (TX Markets segment, after deferred tax) and impairment of associates (Ultimate Media B&M GmbH/AHVV Verlags GmbH [20 Minuten segment] in the amount of CHF 7.8 million and LZ Linth Zeitung AG and KEYSTONE-SDA-ATS [Tamedia segment] in the amounts of CHF 0.7 million and CHF 0.1 million respectively). The 2021 normalisation concerns the impairment of goodwill for the associate BTMX P/S of CHF 1.7 million (20 Minuten segment) and the share of depreciation and amortisation resulting from business combinations of the associate SMG Swiss Marketplace Group AG of CHF 2.9 million (TX Markets segment, after deferred tax).
5 Depreciation and amortisation from business combinations are normalised in full. Allocation to the segments is carried out according to "Segment information".
6 Normalisation 2022 relates to the gain on disposal from the sale of 0.09% of the shares in SMG Swiss Marketplace Group AG to General Atlantic SC B.V. (Group & Ventures segment). Normalisation 2021 relates to the compensation from legal proceedings in connection with Trendsales ApS in the amount of CHF 11.8 million, in which TX Group AG acted as plaintiff (Group & Ventures segment) and the disposal profit from the integration of the shares of TX Markets AG into the joint venture SMG Swiss Marketplace Group AG in the amount of CHF 778.5 million (TX Markets segment).
7 The 2022 normalisation concerns the dilutive effect of two increases in capital and the associated reductions in shareholdings due to employee shareholding programmes at SMG Swiss Marketplace Group AG of CHF 1.2 million (Group & Ventures segment) and the disposal profit from the sale of Goldbach companies that were no longer operational of CHF 0.3 million (Goldbach segment).
8 The tax effects on the special effects are normalised accordingly.

Revenues

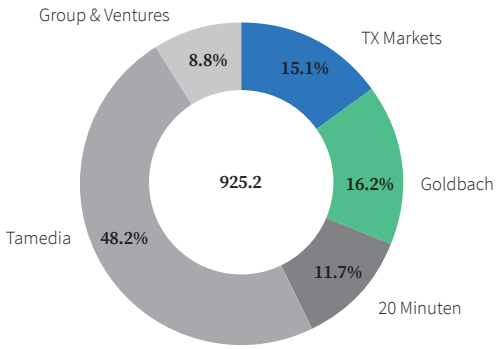
Growth

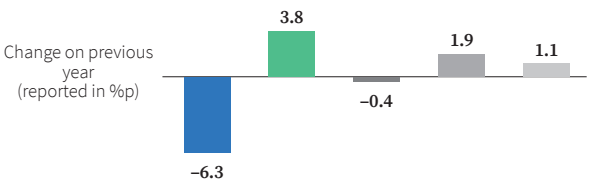
In consolidated terms, there was a –3.4 per cent decline in revenues, which is mainly attributable to the integration of TX Markets companies into the Swiss Marketplace Group (SMG) as of November 2021. Positive developments on the job market (JobCloud), growth in out-of-home advertising (Neo Advertising) and higher print revenues on account of the increase in the price of paper resulted in organic revenue growth of 6.7 per cent.



Revenues by segment

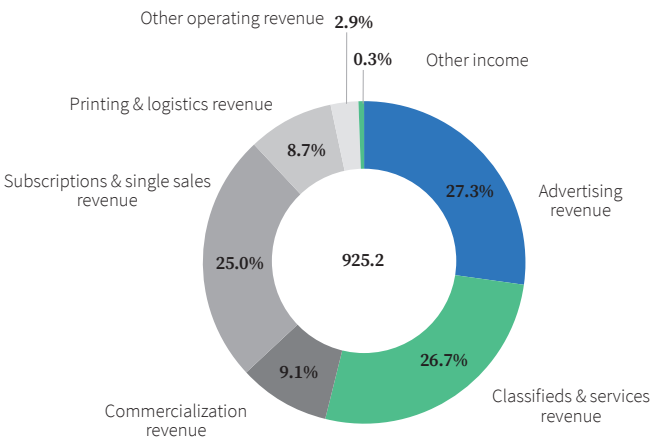
About half of revenues are earned by the Tamedia segment. Compared with the previous year, the share associated with the TX Markets segment fell by 6.3 percentage points due to the deconsolidation of TX Markets companies. The share associated with the Goldbach segment increased thanks to the growth in the area of out-of-home advertising.

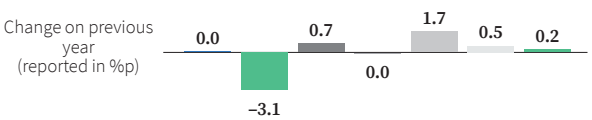




Revenues by category

With each accounting for a good quarter of overall revenues, advertising revenues, revenues from classifieds & services, and revenues from subscriptions and single sales are the most important revenue sources. The share associated with classifieds & services is down on the previous year due to the deconsolidation of TX Markets companies.



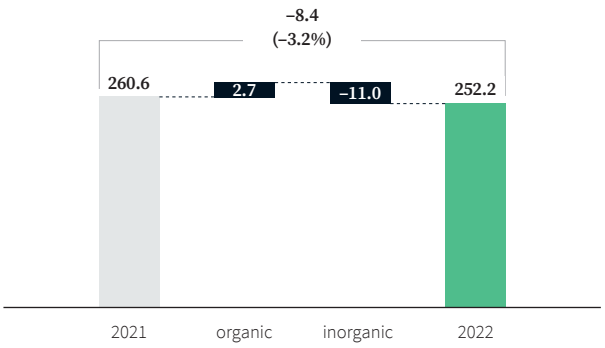


Organic growth by catergory

Advertising revenue

Despite the decline experienced by the Tamedia and 20 Minuten segments, advertising revenues grew organically due to the increase in out-of-home advertising as a result of inventory gains. The inorganic decline is a result of the deconsolidation of TX Markets platforms.

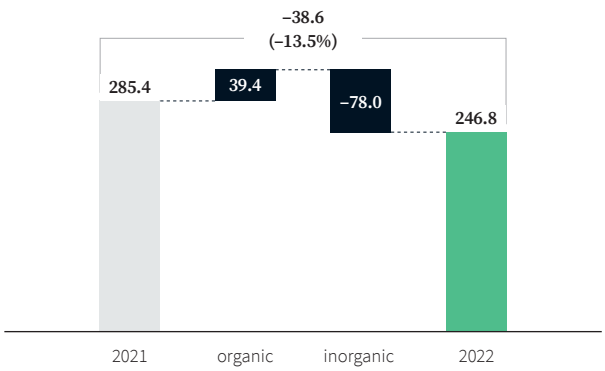
in CHF mn



Classifieds & services revenue

Revenues from classifieds & services experienced significant organic growth thanks to the job market. There was also an increase in revenues at Tamedia and TX Ventures. The inorganic decline is a result of the deconsolidation of TX Markets platforms.

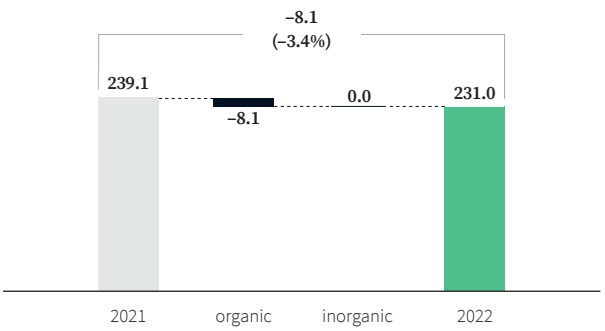
in CHF mn



Subscriptions & single sales revenue

Revenues from subscriptions and single sales decreased by 3.4 per cent. The trend of revenues from the sale of printed newspapers and magazines decreasing, while the sale of digital subscriptions is increasing, continued to apply in 2022 as well.

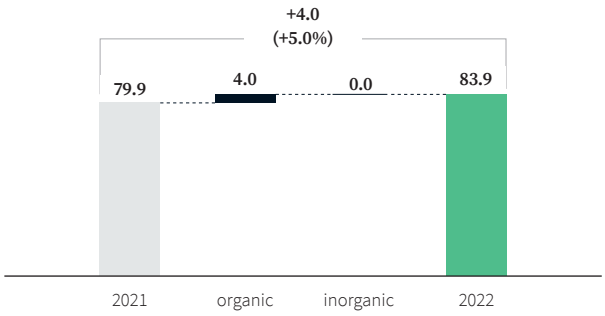
in CHF mn



Commercialization revenue

Revenues from commercialisation are earned in the Goldbach segment alone and increased by 5 per cent in the reporting year.

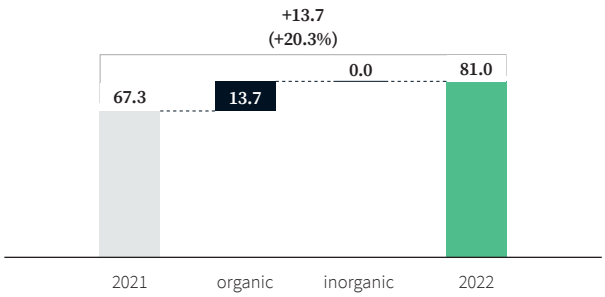
in CHF mn



Printing & logistics operations revenue

With the price of paper significantly up on the previous year, revenues from printing & logistics operations increased accordingly. Excluding revenues from paper, there was a 2.7 per cent or CHF 1.5 million decline.

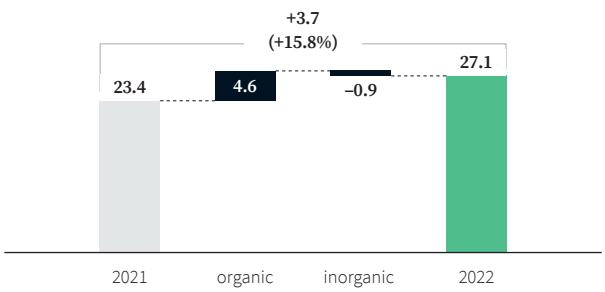
in CHF mn



Other operating revenue

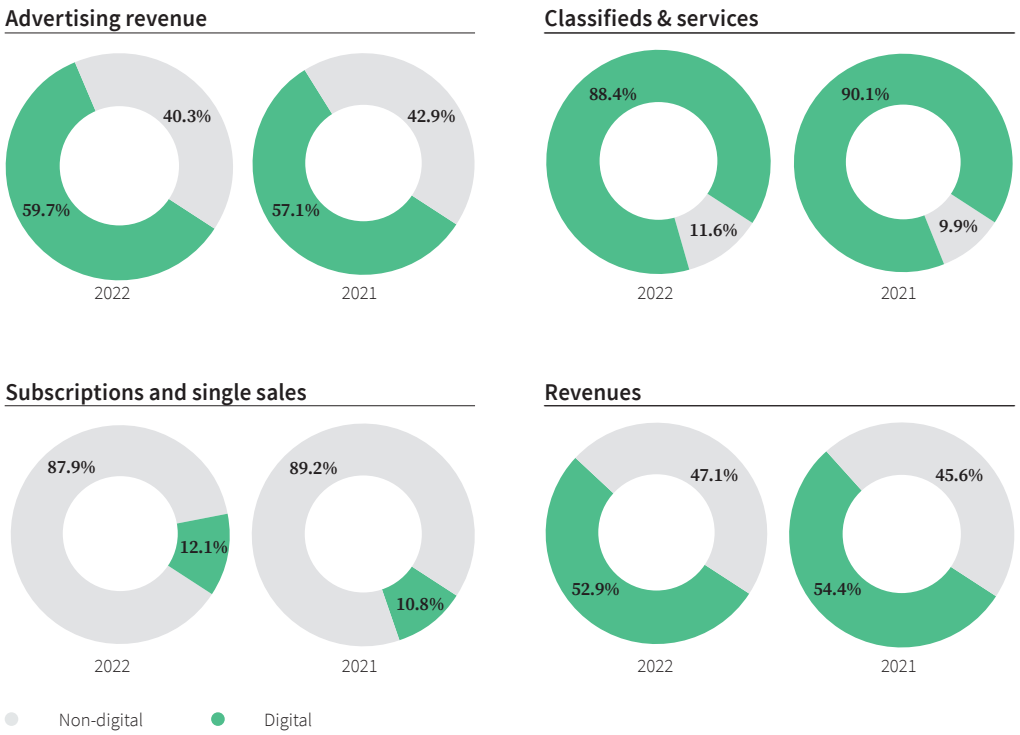
Other operating revenue is up, particularly on account of higher revenues from external rental arrangements and services from Group Operations to third parties.

in CHF mn



Digitalisation

Despite the integration of the digital TX Markets platforms into SMG, the digital revenue still accounts for over half of overall revenues at 53 per cent. Digital growth continued in 2022 as well in terms of advertising revenues and revenues from subscription sales.



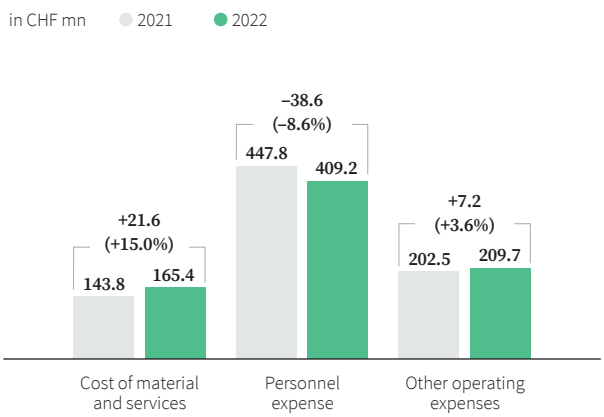
The digital share of advertising revenues and the digital share of revenues from classifieds & services include all revenues that were not generated in relation to a print product. In the digital share of revenue from subscriptions and single sales, exclusively digital-only subscriptions are considered - dual subscriptions are considered part of the non-digital share. By definition, revenue from commercialisation and intermediary activities and print and logistics revenues are fully digital respectively non-digital. Revenue from barter transactions, intersegment revenue, and the two positions other operating revenue and other income are not included in the calculation of the key figure.

Changes in costs and extraordinary effects

The increase in the costs of material and services is mainly caused by increases in the price of paper (CHF 24.8 million). Rising energy prices are increasing the costs of material by an additional CHF 1.3 million. External services (Tamedia and TX Ventures) and IT costs (Goldbach and TX Markets) are up by CHF 2.9 million and CHF 2.5 million. A change to the group of consolidated companies (SMG) led to a reduction in the costs of IT and external services (freelancers) in the amount of CHF 11.0 million.

Personnel expenses fell by CHF 38.6 million from the previous year. Excluding the effects of the change to the group of consolidated companies (SMG), personnel expenses rose by CHF 4.3 million. This was mainly due to lower compensation for short time work in the reporting year, as compared with the previous year.

Other operating expenses are up CHF 7.2 million on the previous year. Of this, CHF 3.1 million relate to repayment of the extraordinary support received at federal level in 2021 for the reduced supply of subscription daily and weekly newspapers (press subsidies), while CHF 1.1 million relate to the valuation allowance and the sale of old receivables. Both are one-off effects. The elimination of marketing costs due to the change in the scope of consolidation is mostly offset by increased expenses in all segments in the current year. With Covid measures being lifted, there was also a CHF 2.9 million increase in travel and representation costs. The lease-related inventory associated with the growing out-of-home business accounts for CHF 2.9 million.



Profitability and net income / (loss)

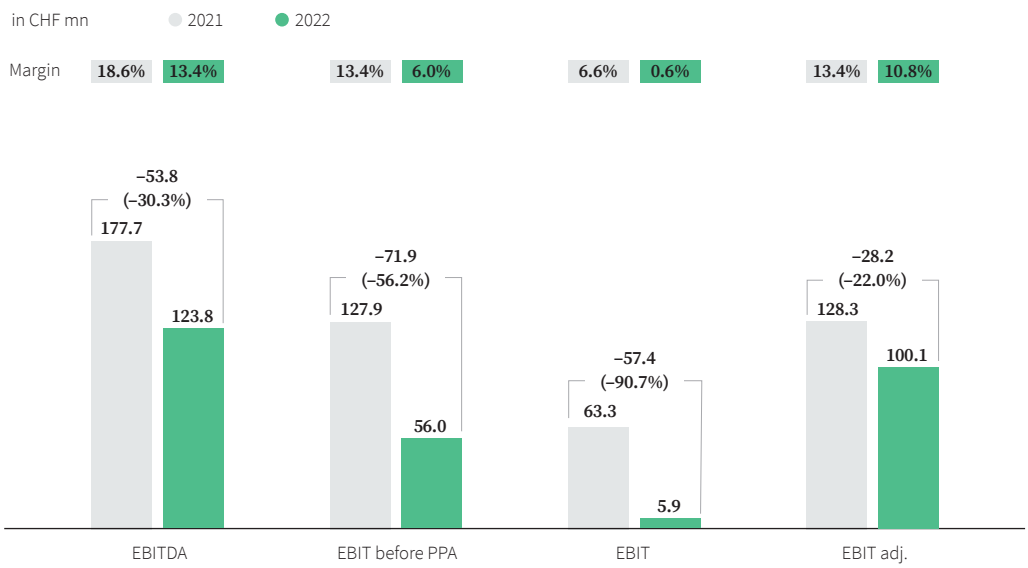
Net operating income (loss) and margin

EBITDA, EBIT before PPA, EBIT and the margin are significantly down on the previous year, despite the highly positive developments in the job market. The deconsolidation of TX Markets units meant a double-digit (in millions) loss of contribution towards net income, while the Swiss Marketplace Group actually made a negative contribution in terms of its share of net income / (loss). This negative share of net income / (loss) associated with SMG is partly due to the high levels of depreciation and amortisation from business combinations as well as the impairments made this year. In addition, higher paper prices, additional investments in the out-of-home advertising area and the uncertain economic environment also had a negative impact on profitability.

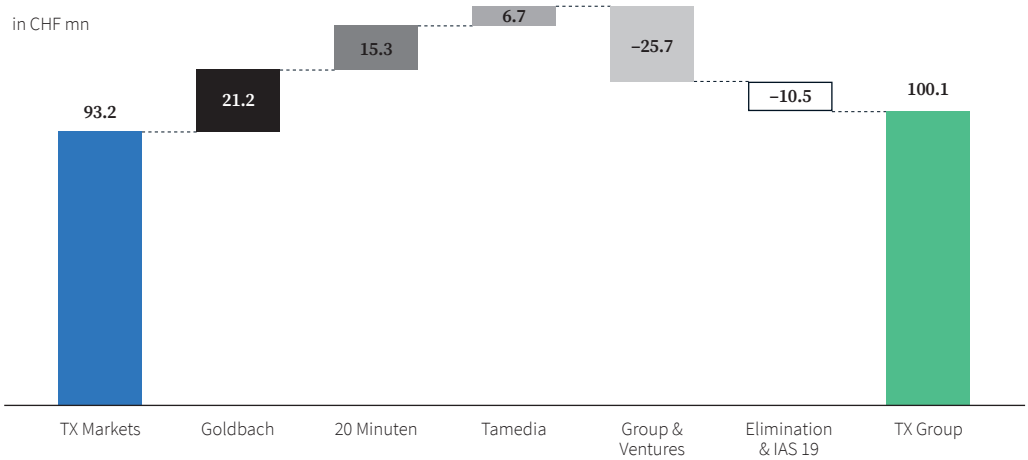
Normalised EBIT adj. amounts to CHF 100.1 million, which corresponds to a decline of 22 per cent. The normalisation of depreciation and amortisation from business combinations represents the biggest impact at CHF 50.1 million (previous year: CHF 64.7 million). The reporting period also saw a normalisation in the amount of CHF 42.4 million (previous year: CHF 4.6 million) performed in relation to the share of net result of associates/joint ventures in connection with the proportionate amortisation and impairments from business combinations at SMG in the amount of CHF 33.7 million as well as impairments at other associates. Normalisations in 2022 also include full repayment of the CHF 3.1 million of extraordinary support (press subsidies) received at federal level in 2021, the valuation allowance and the sale of old receivables (CHF 1.1 million) as well as incoming payments which cannot be allocated from the 2016 accounting period and earlier (CHF 2.5 million).

The normalised consolidated income statement contains further details on normalisations.

With TX Markets, Goldbach, 20 Minuten and Tamedia, all core segments continue to make a significant contribution to EBIT adj. Group & Ventures and IAS19 have a reducing effect.



EBIT adj. by segment



Financial Result

The decline in the financial result from CHF 789.6 million to CHF 2.3 million is mainly attributable to the effect of CHF 778.5 million recognised in the previous year, which was achieved in the course of integrating the shares in TX Markets AG into the new joint venture SMG Swiss Marketplace Group AG. A further one-off effect in the previous year related to the CHF 11.8 million compensation from legal proceedings connected with Trendsales ApS. In the current financial year, net interest income increased by CHF 4.3 million net on account of higher loan receivables.

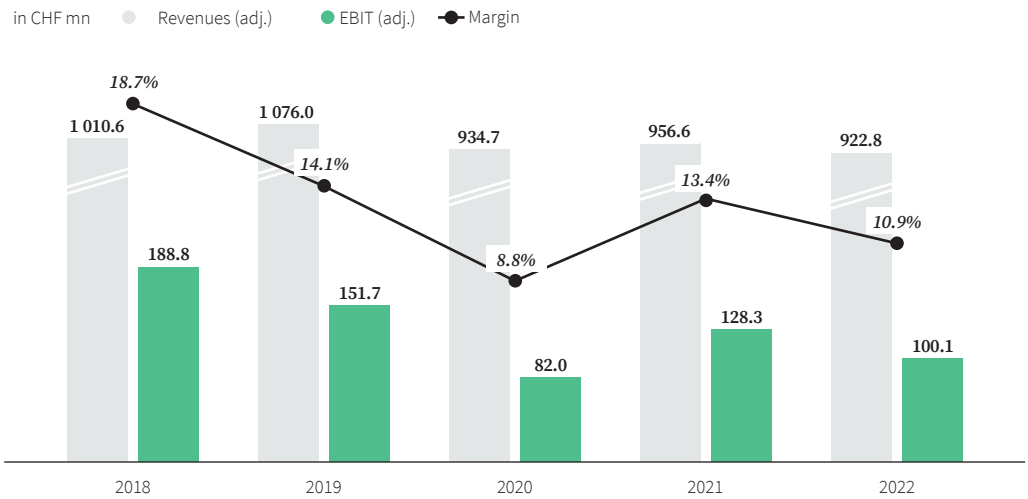
Taxes

The effective tax rate rose from 2.4 per cent to 156.7 per cent. The difference compared with the expected weighted tax rate of 25.2 per cent was mainly due to the impact of participation exemption and other non-taxable income as well as the tax effects on investments. The latter include tax-neutral changes in value arising from the reassessment of investments in associates / joint ventures and the impact resulting from write-downs and reversals of write-downs on investment book values under commercial law (without any deferred tax consequences) and increasedtax expenses for 2022.

Medium-term financial developments normalised

Given the deconsolidation of TX Markets companies, 2022 cannot be directly compared with previous years.

The general decline in the margin can be explained by the transformation of the media sector. The sluggish advertising market, the Covid crisis and the rising price of paper were also a drag on profitability.



Investments

Total investments amount to CHF 131.0 million in the 2022 financial year (previous year: CHF 82.1 million). Just like the previous year, most of the CHF 22.6 million invested in property, plant and equipment were spent on conversion work involving premises at the Werdareal site in Zurich and on procurement of advertising inventories in the out-of-home business by Neo Advertising. Around CHF 10.6 million were invested in intangible assets (previous year: CHF 14.0 million). These related in particular to IT software (e.g. in platforms) which can be capitalised and the recognition of own work capitalised at JobCloud. CHF 96.3 million were invested in financial assets (previous year: CHF 41.8 million). These include investments involving time deposits (CHF 70.0 million) as well as investments in various fintech companies such as Stableton Financial AG, Everon AG and Selma Finance Oy.

Financing

Net debt

At the end of 2022, net liquidity amounted to CHF 140.1 million (previous year: CHF 302.8 million). Compared with the previous year, this equates to a 54 per cent decline. The main driver was the significant increase in lease liabilities by a total of CHF 109.0 million. The increase is solely due to the additional leasing of analogue and digital advertising spaces at Neo Advertising. Furthermore, the investment of time deposits (CHF 70.0 million) and the resumption of dividend payments (CHF 78.4 million) had a reducing effect. With net liquidity being positive, no debt factor can be calculated.

in CHF mn		2022	2021	Change
Current financial liabilities		30.0	19.9	50.6%
of which financial liabilities from leases		29.3	13.8	111.9%
Non-current financial liabilities		146.2	113.7	28.6%
of which financial liabilities from leases		135.0	41.4	225.8%
Cash and cash equivalents		316.3	436.5	–27.5%
Net liquidity / (net debt) [1]		**140.1**	**302.8**	**–53.7%**
Cash flow from / (used in) operating activities		110.1	160.6	–31.4%
Debt factor [2]	x	**–**	**–**	**n.a.**

1 Current and non-current financial liabilities less cash and cash equivalents.
2 Net debt to cash flow from / (used in) operating activities

Cashflow

in CHF mn	2022	2021	Change
Net income / (loss) (EAT)	(4.6)	832.7	–100.6%
Cash flow from / (used in) operating activities	110.1	160.6	–31.4%
Cash flow from / (used in) investing activities	(77.7)	66.2	–217.3%
of which investments in property, plant and equipment and intangible assets	(30.5)	(30.4)	0.3%
Cash flow after investing activities (FCF)	32.4	226.8	–85.7%
Cash flow after investing activities in property, plant and equipment and intangible assets (FCF b. M&A)	**79.6**	**130.1**	**–38.8%**
Cash flow from / (used in) financing activities	(151.5)	(65.6)	130.9%
Change in cash and cash equivalents	(120.2)	160.3	–175.0%

Cash flow from (used in) operating activities

Cash flow from (used in) operating activities reduced by CHF 50.5 million from the previous year to CHF 110.1 million. The reduction is attributable in particular to the lower net operating income (EBITDA excluding the share of net income / (loss) of associates / joint ventures of CHF –22.4 million), the change in net current assets (CHF –11.3 million) and the higher income taxes paid (CHF –13.0 million).

Free cash flow and free cash flow before the effects of business combinations

The significant reduction in the free cash flow is mainly attributable to M&A activities, which include the net income for corporate acquisitions and sales of CHF 123.7 million in the previous year. This was attributable in particular to the sale of 10 per cent of the shares of TX Markets to General Atlantic SC B.V., with half of the purchase price being paid in cash (CHF 135.0 million). In the current year, net income from corporate transactions amounts to CHF –1.5 million. 2022 also saw investments in time deposits in the amount of CHF 70 million, while around CHF 20 million were invested in bond funds in the previous year.

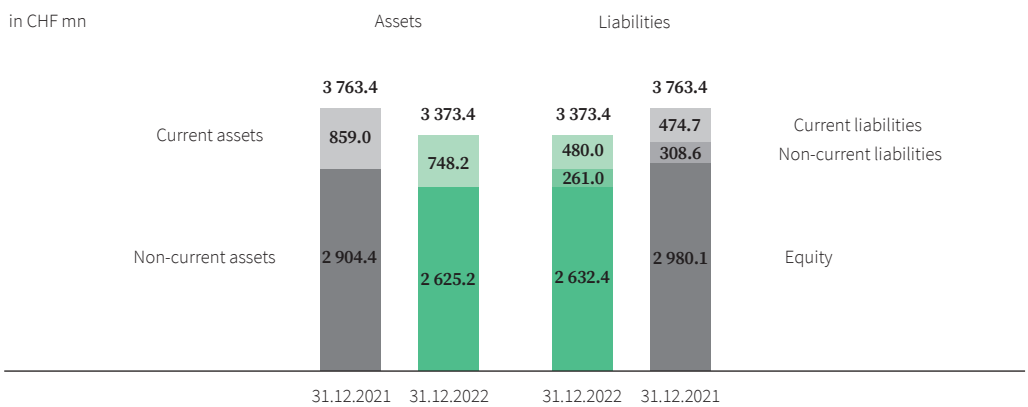
The free cash flow before the effects of business combinations (free cash flow before M&A) would have remained stable without the impact of the much lower cash flow from / (used in) operating activities. At CHF 30.5 million, net investments in property, plant and equipment and intangible assets are largely the same as the CHF 30.4 million in the previous year.

Cash flow from / (used in) financing activities

Cash flow from / (used in) financing activities amounts to CHF –151.5 million (previous year: CHF –65.6 million). The significantly higher cash outflows, as compared with the previous year, are attributable in particular to dividends being paid again (CHF –78.4 million) to TX Group shareholders and the extra CHF 9.2 million paid to holders of non-controlling interests in JobCloud AG and the Goldbach Group. Rental payments increased by CHF 13.8 million to CHF 31.1 million as a result of new or modified leases.

Balance sheet

Total assets decreased to CHF 3,373.4 million as of the end of 2022 (previous year: CHF 3,763.4 million). Cash and cash equivalents amounted to CHF 316.3 million (previous year: CHF 436.5 million). Equity decreased to CHF 2,632.4 million from CHF 2,980.1 million in the previous year. Besides the net loss (EAT) in the amount of CHF –4.6 million (previous year: CHF 832.7 million), the reduction in equity is attributable to the amount, recognised directly in equity, for the revaluation of employee benefits plan assets / obligations by a net CHF –235.0 million (previous year: CHF 193.0 million, after deferred taxes in each case) and to the significantly higher dividends paid in the amount of CHF –119.1 million (previous year: CHF –31.5 million). Other significant impacts on the balance sheet include the special dividend from SMG Swiss Marketplace Group AG in the amount of CHF 89.8 million, which was recognised in the previous year as current financial receivables, the significant increase in property, plant and equipment by CHF 126.9 million due to new leases in the out-of-home business and the reduction in deferred taxes (net) by around CHF 66.7 million. The rest of the balance sheet remained largely unchanged from the previous year.



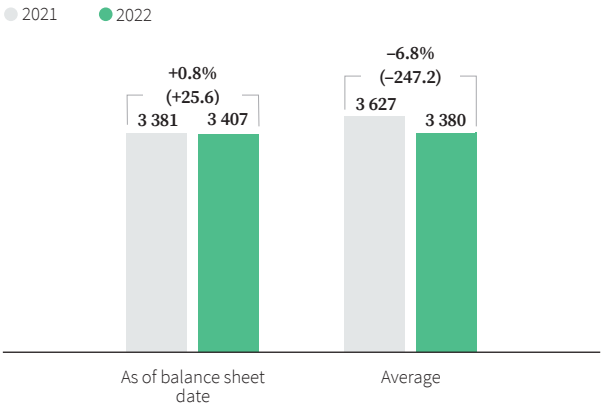
		2022	2021
Equity ratio [1]	x	78.0%	79.2%
Quick ratio [2]	x	154.3%	180.1%
Asset coverage ratio II [3]	x	110.2%	113.2%
Net current assets [4]	in CHF mn	268.2	384.3
Debt factor [5]	x	–	–

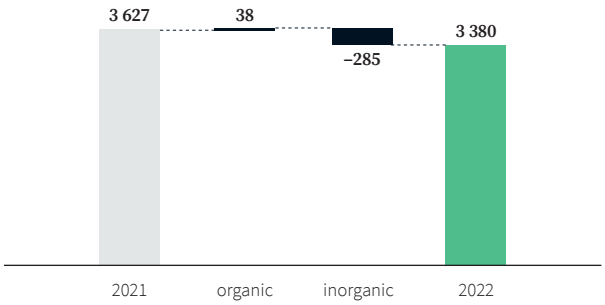
1 Equity to total assets
2 Current assets less inventories to current liabilities
3 Equity and long-term debt to fixed assets.
4 Current assets less current liabilities.
5 Net debt to cash flow from / (used in) operating activities

Personnel

Changes in FTE

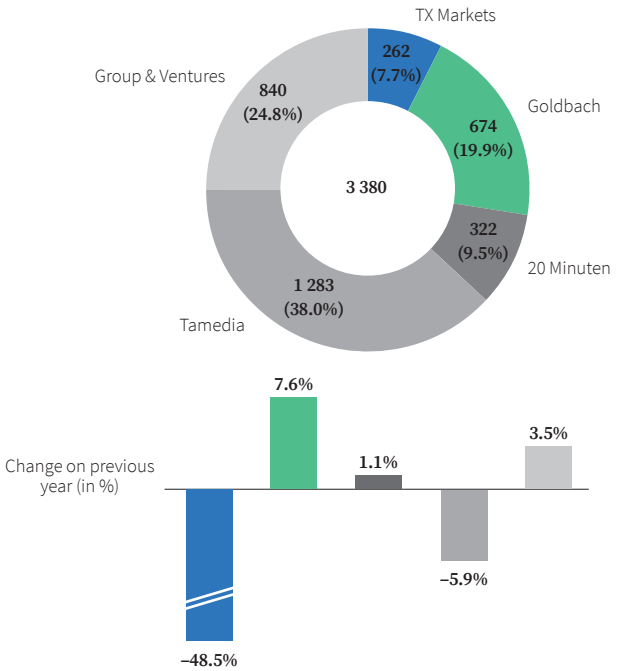
Full time Equivalents (FTE) have increased by 0.8 per cent as of the balance sheet date, although the average for the year is down by 6.8 per cent. The main reason is the transfer of TX Markets companies to Swiss Marketplace Group AG as of November 2021.





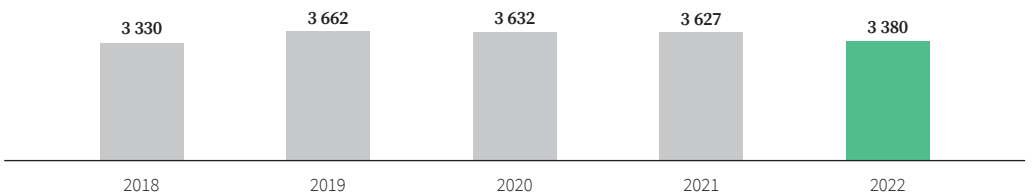
FTE by segment

While the Goldbach and TX Markets segments saw FTE grow (organically), FTE for the 20 Minuten segment remains stable. FTE for the Tamedia segment decreased. The growth in the Group & Ventures segment is attributable to additional personnel at Ventures and TX Services in Belgrade.



Medium-term trend in terms of FTE

FTE are stable, with changes particularly attributable to transactions.



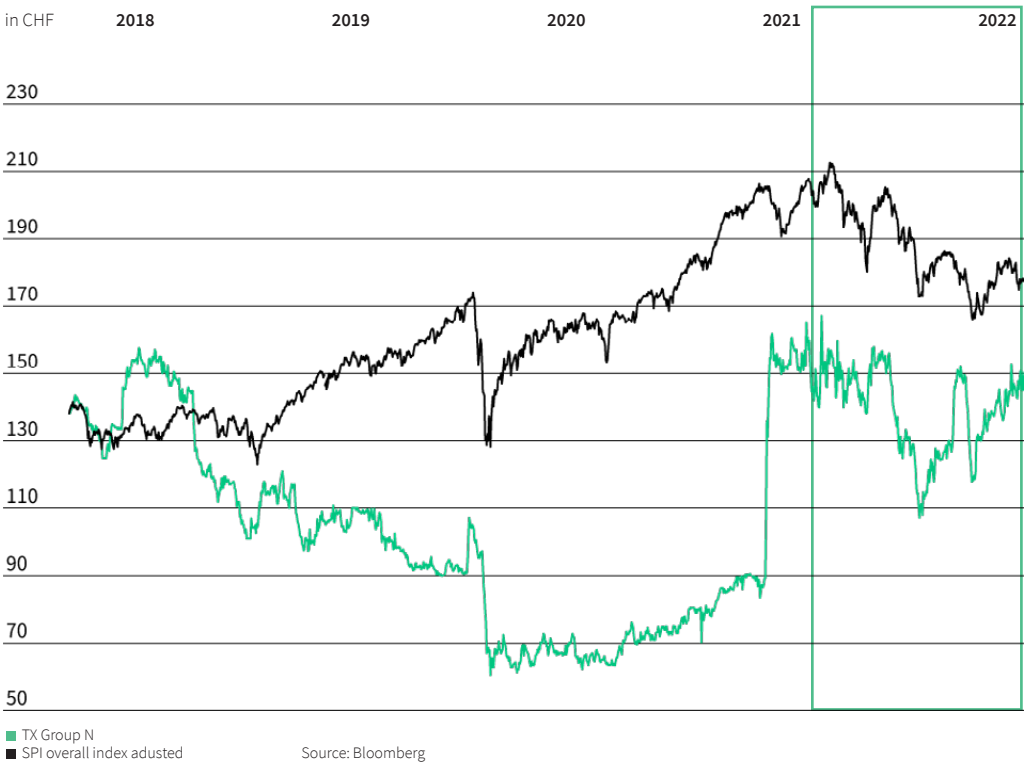
Multi-year comparison

		2022	2021	2020	2019	2018
Income statement						
Revenues	CHF mn	925.2	957.4	935.8	1 079.5	1 010.6
Growth		–3.4%	2.3%	–13.3%	6.8%	3.7%
Operating income / (loss) before depreciation and amortisation (EBITDA)	CHF mn	123.8	177.7	130.6	196.8	205.9
Growth		–30.3%	36.0%	–33.6%	–4.4%	–16.0%
Margin [1]		13.4%	18.6%	14.0%	18.2%	20.4%
Operating income / (loss) before the effects of business combinations (EBIT b. PPA)	CHF mn	56.0	127.9	83.3	155.2	179.5
Growth		–56.2%	53.5%	–46.3%	–13.5%	–16.9%
Margin [1]		6.0%	13.4%	8.9%	14.4%	17.8%
Operating income / (loss) (EBIT)	CHF mn	5.9	63.3	(70.9)	70.4	131.6
Growth		–90.7%	–189.3%	–200.6%	–46.5%	–27.2%
Margin [1]		0.6%	6.6%	–7.6%	6.5%	13.0%
Net income / (loss) (EAT)	CHF mn	(4.6)	832.7	(94.6)	97.8	129.5
Growth		–100.6%	–979.8%	–196.8%	–24.5%	–23.9%
Margin [1]		–0.5%	87.0%	–10.1%	9.1%	12.8%
Segment share of total revenues with third parties						
TX Markets		15.1%	21.4%	21.3%	–	–
Goldbach		16.2%	12.4%	11.5%	–	–
20 Minuten		11.7%	12.1%	11.1%	–	–
Tamedia		48.2%	46.3%	47.9%	–	–
Group & Ventures		8.8%	7.8%	8.2%	–	–
Employee key data						
Number of employees (FTE) [2]	Number	3 380	3 627	3 632	3 662	3 330
Revenue per employee	CHF 000	273.7	264.0	257.6	294.8	303.5
Balance sheet						
Current assets	CHF mn	748.2	859.0	606.1	627.5	686.7
Non-current assets	CHF mn	2 625.2	2 904.4	2 145.6	2 328.0	2 261.7
Total assets	CHF mn	3 373.4	3 763.4	2 751.6	2 955.5	2 948.4
Liabilities	CHF mn	741.0	783.3	755.2	779.8	846.8
Equity	CHF mn	2 632.4	2 980.1	1 996.4	2 175.7	2 101.7
Cash flow						
Cash flow from / (used in) operating activities	CHF mn	110.1	160.6	128.1	169.2	187.7
Cash flow from / (used in) investing activities	CHF mn	(77.7)	66.2	(11.8)	202.6	(233.6)
Cash flow after investing activities in property, plant and equipment and intangible assets (FCF b. M&A)	CHF mn	79.6	130.1	94.5	146.8	161.5
Cash flow after investing activities (FCF)	CHF mn	32.4	226.8	116.3	371.8	(45.9)
Cash flow from / (used in) financing activities	CHF mn	(151.5)	(65.6)	(131.4)	(225.9)	68.8
Change in cash and cash equivalents	CHF mn	(120.2)	160.3	(15.0)	145.3	22.5
Financial key data						
Equity ratio [3]		78.0%	79.2%	72.6%	73.6%	71.3%
Return on equity [4]		–0.2%	27.9%	4.5%	4.5%	6.2%
Net liquidity / (net debt) [5]		140.1	302.8	182.9	206.9	(13.0)
Debt factor [6]	x	–	–	–	–	0.1
Key figures per share						
Net income / (loss) per share (undiluted)	CHF	(4.19)	75.68	(10.61)	6.11	9.12
Dividends per share	CHF	4.50 [7]	7.4	–	3.5	4.5
Dividend yield [8]		3.0%	4.7%	0.0%	3.7%	4.3%
Price / earnings ratio [8]	x	(35.7)	2.1	(6.7)	15.3	11.6
Share price	CHF	149.40	156.40	70.80	93.70	105.50
Market capitalisation	CHF mn	1 583.6	1 656.9	750.1	992.8	1 117.8

1 As a percentage of revenue
2 Average number of employees, excluding employees in associates / joint ventures
3 Equity to total assets
4 Net income / (loss) including non-controlling interests to shareholders' equity as of 31.12.
5 Current and non-current financial liabilities.
6 Net debt to cash flow from / (used in) operating activities
7 Proposed by the Board of Directors.
8 Based on year-end price

Information for investors

Share price performance from 29 December 2017 to 30 December 2022



Share price

in CHF	2022	2021	2020	2019	2018
High	159.40	167.20	107.20	121.00	157.50
Low	107.20	70.30	60.40	89.80	101.00
Year-end	149.40	156.40	70.80	93.70	105.50

Market capitalisation

in CHF mn	2022	2021	2020	2019	2018
High	1 690	1 772	1 136	1 283	1 670
Low	1 136	745	640	952	1 071
Year-end	1 584	1 657	750	993	1 118

Financial calendar

Annual General Meeting:	14 April 2023
Half-year report:	29 August 2023

Key figures per share

in CHF		2022	2021	2020	2019	2018
Net income / (loss) per share (undiluted)		(4.19)	75.68	(10.61)	6.11	9.12
Net income / (loss) per share (diluted)		(4.19)	75.64	(10.61)	6.10	9.08
EBIT / (loss) per share		0.55	5.97	(6.69)	6.65	12.44
EBITDA / (loss) per share		11.68	16.77	12.34	18.57	19.45
Free cash flow per share		3.06	21.40	10.99	35.08	(4.33)
Shareholders' equity per share [1]		219.64	252.83	160.48	173.44	166.48
Dividends per share		4.50 [2]	7.40	–	3.50	4.50
Dividend pay-out rate [3]		–1027.9%	9.4%	0.0%	37.9%	36.7%
Dividend yield [4]		3.0%	4.7%	0.0%	3.7%	4.3%
Price / earnings ratio [4]	x	(35.7)	2.1	(6.7)	15.3	11.6
Price to EBIT ratio [4]	x	269.2	26.2	(10.6)	14.1	8.5
Price to EBITDA ratio [4]	x	12.8	9.3	5.7	5.0	5.4
Price to revenues ratio [4]	x	1.7	1.7	0.8	0.9	1.1
Price to free cash flow ratio [4]	x	48.8	7.3	6.4	2.7	(24.3)
Price to equity ratio [4]	x	0.7	0.6	0.4	0.5	0.6

1 Equity, attributable to TX Group AG shareholders
2 Proposed by the Board of Directors
3 Based on net income / (loss).
4 Based on year-end price.

Capital structure

The share capital of CHF 106 million is divided into 10,600,000 registered shares at nominal value of CHF 10 each. There is no authorised or conditional capital. The company holds treasury shares for profit participation plans as per Notes 3.2 in the consolidated financial statements.

A binding shareholders' agreement is in place for 67.00 per cent of the shares. The signatories to the agreement currently own 69.10 per cent of the shares.

Appropriation of profit

The TX Group's distribution policy is based on free cash flow. Normally, 35 to 45 per cent of free cash flow b. M&A is distributed after dividends to minorities and repayment of lease liabilities.

Investor Relations

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Consolidated financial statements

Consolidated statement of comprehensive income

in CHF mn	Note	2022	2021
Advertising revenue	1.1	252.2	260.6
Classifieds & services revenue	1.1	246.8	285.4
Commercialization revenue	1.1	83.9	79.9
Subscriptions & single sales revenue	1.1	231.0	239.1
Printing & logistics revenue	1.1	81.0	67.3
Other operating revenue	1.1	27.1	23.4
Other income	1.1	3.1	1.6
Revenues		**925.2**	**957.4**
Cost of material and services	1.2	(165.4)	(143.8)
Personnel expense	1.3	(409.2)	(447.8)
Other operating expense	1.4	(209.7)	(202.5)
Share of net result of associates / joint ventures	4.4	(17.1)	14.3
Operating income / (loss) before depreciation and amortisation (EBITDA)		**123.8**	**177.7**
Depreciation and amortisation		(67.8)	(49.7)
Operating income / (loss) before effects of business combinations (EBIT b. PPA)		**56.0**	**127.9**
Depreciation and amortisation resulting from business combinations		(50.1)	(64.7)
Operating income / (loss) (EBIT)		**5.9**	**63.3**
Financial income	1.5	25.3	798.7[1]
Financial expense	1.5	(23.0)	(9.1)
Income / (loss) before taxes (EBT)		**8.2**	**852.8**
Income taxes	1.6	(12.8)	(20.1)
Net income / (loss) (EAT)		**(4.6)**	**832.7**
of which attributable to TX Group AG shareholders		(44.4)	802.0
of which attributable to non-controlling shareholders		39.7	30.7
Other comprehensive income / (loss)			
Value fluctuation of hedges	3.4	1.7	(2.0)
Currency translation differences		(2.4)	(2.2)
Income tax effects		(0.4)	0.4
To be reclassified via the income statement in future periods		**(1.0)**	**(3.8)**
Actuarial gains / (losses) IAS 19	2.9	(286.3)	235.1
Share of other comprehensive income / (loss) of associates / joint ventures	4.4	4.4	(4.1)
Other investments / Equity instruments at fair value	3.4	7.8	4.2
Income tax effects		51.3	(42.0)
Not to be reclassified via the income statement in future periods		**(222.8)**	**193.2**
Other comprehensive income / (loss)		**(223.8)**	**189.4**
Net income / (loss) (EAT)		(4.6)	832.7
Other comprehensive income / (loss)		(223.8)	189.4
Total comprehensive income / (loss)		**(228.5)**	**1 022.1**
of which attributable to TX Group AG shareholders		(272.9)	989.4
of which attributable to non-controlling shareholders		44.5	32.7

1 Includes the disposal profit from the integration of the shares of TX Markets AG into the joint venture SMG Swiss Marketplace Group AG in the amount of CHF 778.5 million.

Earnings (EAT) per share

in CHF	Note	2022	2021
Net income / (loss) (EAT) per share (undiluted)	3.3	(4.19)	75.68
Net income / loss (EAT) per share (diluted)	3.3	(4.19)	75.64

Consolidated balance sheet

in CHF mn	Note	31.12.2022	31.12.2021
Cash and cash equivalents		316.3	436.5
Current financial assets	2.2	89.1	20.0
Trade accounts receivable	2.1	239.9	228.5
Current financial receivables	2.2	39.4	123.0
Current tax receivables		4.5	5.3
Other current receivables		17.1	12.9
Accrued income and prepaid expenses		34.6	28.9
Inventories		7.4	3.9
Current assets		**748.2**	**859.0**
Property, plant and equipment	2.3	403.4	302.1
Investments in associates / joint ventures	4.4	866.1	900.6
Employee benefit plan assets	2.9	31.7	348.1
Non-current financial assets	2.2	208.0	193.5
Deferred tax assets	1.6	10.5	2.4
Intangible assets	2.4/2.5	1 105.6	1 157.7
Non-current assets		**2 625.2**	**2 904.4**
Total assets		**3 373.4**	**3 763.4**
Current financial liabilities	2.6	30.0	19.9
Trade accounts payable		75.8	66.0
Current tax liabilities		15.3	14.3
Other current liabilities	2.1	33.9	31.2
Deferred revenues from contracts with customers	2.1	228.5	235.9
Other deferred revenues and accrued liabilities	2.1	93.1	103.7
Current provisions	2.8	3.4	3.6
Current liabilities		**480.0**	**474.7**
Non-current financial liabilities	2.6	146.2	113.7
Employee benefit obligations	2.9	7.0	27.5
Deferred tax liabilities	1.6	97.6	156.1
Non-current provisions	2.8	10.2	11.2
Non-current liabilities		**261.0**	**308.6**
Liabilities		**741.0**	**783.3**
Share capital	3.2	106.0	106.0
Treasury shares	3.2	–	(0.7)
Reserves		2 221.8	2 573.9
Equity, attributable to TX Group AG shareholders		**2 327.8**	**2 679.2**
Equity, attributable to non-controlling interests		304.6	301.0
Equity		**2 632.4**	**2 980.1**
Total liabilities and shareholders' equity		**3 373.4**	**3 763.4**

Consolidated statement of cash flows

in CHF mn	Note	2022	2021
Indirect method			
Net income / (loss) (EAT)		(4.6)	832.7
Amortisation, depreciation and impairment		117.9	114.4
Share of net result of associates / joint ventures	4.4	17.1	(14.3)
Financial result	1.5	(2.3)	(789.6)
Income taxes	1.6	12.8	20.1
Profit on the sale of property, plant and equipment and intangible assets		0.1	2.2
Other non-cash income / (loss)	2.1	11.1	10.9
Change in net working capital	2.1	(30.5)	(19.2)
Change in non-current provisions	2.8	(1.1)	(1.0)
Dividends from associates / joint ventures	4.4	18.1	6.9
Interest received	1.5	0.7	1.5
Interest paid	1.5	(1.3)	(0.8)
Other cash-effective financial result	1.5	–	11.8
Income taxes paid	1.6	(28.0)	(15.0)
Cash flow from / (used in) operating activities		**110.1**	**160.6**
Investments in property, plant and equipment	2.3	(22.6)	(16.9)
Sale of property, plant and equipment	2.3	0.1	0.2
Investments in consolidated companies	4.1	–	(8.9)
Sale of consolidated companies	4.1	(0.2)	(12.4)
Investments in interests in associates / joint ventures	4.4	(1.5)	(0.5)
Sale of interests in associates / joint ventures	4.4	0.3	145.5
Investments in other financial assets	2.2	(96.3)	(41.8)
Sale of other finanical assets	2.2	50.5	14.7
Investments in intangible assets	2.4/2.5	(10.6)	(14.0)
Sale of intangible assets	2.4/2.5	2.6	0.2
Cash flow from / (used in) investing activities		**(77.7)**	**66.2**
Dividends paid to TX Group AG shareholders	3.2	(78.4)	–
Dividends paid to non-controlling interests		(40.7)	(31.5)
Proceeds of current financial liabilities	2.6	0.0	1.0
Repayment of current financial liabilities	2.6	(0.9)	(2.0)
Repayment of lease liabilities	2.7	(31.1)	(17.3)
Proceeds of non-current financial liabilities	2.6	0.4	4.8
Repayment of non-current financial liabilities	2.6	(0.3)	(10.4)
Change in treasury shares	3.2	(0.1)	(0.7)
Acquisition of non-controlling interests		(0.4)	(9.6)
Cash flow from / (used in) financing activities		**(151.5)**	**(65.6)**
Impact of currency translation		**(1.1)**	**(0.8)**
Change in cash and cash equivalents		**(120.2)**	**160.3**
Cash and cash equivalents as of 1 January		436.5	276.2
Cash and cash equivalents as of 31 December		316.3	436.5
Change in cash and cash equivalents		**(120.2)**	**160.3**

Consolidated statement of changes in equity

in CHF mn	Share capital	Treasury shares	Currency translation differences	Reserves	**Equity, attributable to TX Group AG shareholders**	Equity, attributable to non-controlling interests	**Equity**
As of 31 December 2020	**106.0**	**(0.3)**	**(2.9)**	**1 596.4**	**1 699.2**	**297.2**	**1 996.4**
Net income / (loss) (EAT)	**–**	–	–	802.0	**802.0**	30.7	**832.7**
Share of other comprehensive income / (loss) of associates / joint ventures	**–**	–	–	(4.1)	**(4.1)**	–	**(4.1)**
Value fluctuation of hedges	**–**	–	–	(2.0)	**(2.0)**	–	**(2.0)**
Actuarial gains / (losses) IAS 19	**–**	–	–	233.2	**233.2**	1.9	**235.1**
Other investments / Equity instruments at fair value	**–**	–	–	3.6	**3.6**	0.6	**4.2**
Currency translation differences	**–**	–	(1.8)	–	**(1.8)**	(0.3)	**(2.2)**
Income tax effects	**–**	–	–	(41.5)	**(41.5)**	(0.1)	**(41.7)**
Total comprehensive income / (loss)	**–**	**–**	**(1.8)**	**991.2**	**989.4**	**32.7**	**1 022.1**
Dividends paid	**–**	–	–	–	**–**	(31.5)	**(31.5)**
Change in the group of consolidated companies	**–**	–	–	–	**–**	4.2	**4.2**
Acquisition of non-controlling interests	**–**	–	–	(7.9)	**(7.9)**	(1.7)	**(9.6)**
Share-based payments	**–**	–	–	(1.1)	**(1.1)**	0.0	**(1.1)**
Change in treasury shares	**–**	(0.3)	–	–	**(0.3)**	–	**(0.3)**
As of 31 December 2021	**106.0**	**(0.7)**	**(4.7)**	**2 578.6**	**2 679.2**	**301.0**	**2 980.1**
Net income / (loss) (EAT)	–	–	–	(44.4)	**(44.4)**	39.7	**(4.6)**
Share of other comprehensive income / (loss) of associates / joint ventures	–	–	–	4.4	**4.4**	–	**4.4**
Value fluctuation of hedges	–	–	–	1.7	**1.7**	–	**1.7**
Actuarial gains / (losses) IAS 19	–	–	–	(292.1)	**(292.1)**	5.8	**(286.3)**
Other investments / Equity instruments at fair value	–	–	–	7.8	**7.8**	0.0	**7.8**
Currency translation differences	–	–	(2.3)	–	**(2.3)**	(0.1)	**(2.4)**
Income tax effects	–	–	–	52.0	**52.0**	(1.0)	**51.0**
Total comprehensive income / (loss)	**–**	**–**	**(2.3)**	**(270.6)**	**(272.9)**	**44.5**	**(228.5)**
Dividends paid	–	–	–	(78.4)	**(78.4)**	(40.7)	**(119.1)**
Acquisition of non-controlling interests	–	–	–	(0.3)	**(0.3)**	(0.1)	**(0.4)**
Share-based payments	–	–	–	(0.4)	**(0.4)**	–	**(0.4)**
Change in treasury shares	–	0.7	–	–	**0.7**	–	**0.7**
As of 31 December 2022	**106.0**	**0.0**	**(7.0)**	**2 228.8**	**2 327.8**	**304.6**	**2 632.4**

Notes to the consolidated financial statements

General information and changes in accounting policies

General information about TX Group

TX Group AG, headquartered in CH-8004 Zurich, Werdstrasse 21, is a public limited company subject to Swiss law and is listed on the SIX Swiss Exchange since 2 October 2000. TX Group is a leading media company in Switzerland with four largely self-contained companies that focus on specialised platforms/ marketplaces, advertising marketing, free media and paid media. The consolidated financial statements for 31 December 2022 cover TX Group AG as the holding company and its subsidiaries. TX Group Board of Directors approved these consolidated financial statements on 24 February 2023 and will present them to the Annual General Meeting for approval on 14 April 2023.

Basic of preparation

The consolidated financial statements of TX Group have been prepared in accordance with the International Financial Reporting Standards (IFRS) and in compliance with the Swiss company law. The consolidated financial statements are presented in Swiss francs (CHF), which is the functional currency of TX Group. The reporting period covers twelve months. Unless otherwise stated, all amounts are stated in millions of Swiss francs and rounded to one decimal place. The majority of calculations are made with a higher level of numerical accuracy. It is therefore possible that rounding differences may occur. The valuations are based on historical cost basis, unless a standard or interpretation requires another measurement basis for a particular line item in the consolidated financial statements. In this case, this shall be explicitly referenced in the accounting policies section. Accounting policies that are key to understanding the statements are set out in the specific notes.

Management assumptions and estimates

The preparation of the consolidated financial statements requires that Management makes estimates and assumptions, for which there is a certain degree of judgement. This impacts the amounts of the assets, liabilities and shareholder's equity, income and expenditures. These estimates and associated assumptions not only take past experiences into account, but also various other relevant factors. As they are subject to risks and uncertainties, the actual results may differ from these estimates. This affects the following items in particular:

- Income taxes – capitalisation of loss carryforwards (Note 1.6)
- Goodwill and intangible assets with an indefinite useful life – impairment testing (Note 2.5)
- Leases – determining terms (Note 2.7)
- Employee benefits – actuarial assumptions (Note 2.9)

Amendments to accounting policies

TX Group adopted the following new and revised standards and interpretations, which have no material impact on the results or financial position of the Group, for the first time in its 2022 consolidated financial statements.

- Amendments to IFRS 3 – "Recognition of certain liabilities and contingent liabilities arising in a business combination"
- Amendments to IAS 16 – "Proceeds before intended use"
- Amendments to IAS 37 – "Onerous contracts — Cost of fulfilling a contract"

The new and revised standards and interpretations to be applied from 2023 have not been applied in advance. No material impact on the consolidated financial statements is expected at the current time.

1 Operating performance

This section explains TX Group's operating performance. The segments correspond with the organisation and reporting structure of the Group. As well as the segment information, selected income and expenditure items are explained in greater detail.

1.1 Segment information

A decentralised organisational structure comprising four largely self-contained companies exists under the umbrella of TX Group. All investments in specialised platforms and marketplaces are integrated in the TX Markets segment, while advertising marketing is incorporated in the Goldbach segment. The 20 Minuten segment includes free media in Switzerland and abroad, while paid media are running under the name Tamedia. The Group's ventures and services are grouped within the Group & Ventures segment. Revenues in the consolidated income statement correspond to revenues (after eliminations and IAS 19 reconciliation) in segment reporting.

All material revenues are earned in Switzerland and all material non-current asset items are located in Switzerland.

in CHF mn	TX Markets	Goldbach	20 Minuten	Tamedia	Group & Ventures	Eliminations and reconciliations IAS 19	**Total**
2022							
Advertising revenue	–	46.5	103.1	90.2	12.4	–	**252.2**
Classifieds & services revenue	138.8	10.2	4.4	38.2	55.3	–	**246.8**
Commercialization revenue	–	83.9	–	–	–	–	**83.9**
Subscriptions & sales revenue	–	–	–	231.0	–	–	**231.0**
Printing & logistics revenue	–	–	–	81.0	–	–	**81.0**
Other operating revenue	0.5	8.6	0.9	4.1	13.0	–	**27.1**
Other income	–	0.5	0.2	1.5	1.0	–	**3.1**
Revenue intersegment	0.4	41.8	6.4	18.5	98.9	(166.1)	**(0.0)**
Revenues	**139.7**	**191.5**	**115.0**	**464.4**	**180.6**	**(166.1)**	**925.2**
Operating expense [1]	(62.8)	(141.5)	(101.2)	(460.8)	(173.5)	155.5	**(784.3)**
Share of net result of associates / joint ventures	(10.9)	0.0	(5.5)	1.3	(2.1)	–	**(17.1)**
Operating income / (loss) before depreciation and amortisation (EBITDA)	**66.1**	**50.1**	**8.3**	**4.9**	**5.0**	**(10.6)**	**123.8**
Margin [2]	47.3%	26.1%	7.2%	1.1%	2.8%	–	13.4%
Depreciation and amortisation	(6.6)	(28.9)	(0.9)	(0.6)	(30.8)	–	**(67.8)**
Operating income before effects of business combinations (EBIT b. PPA)	**59.5**	**21.2**	**7.4**	**4.3**	**(25.8)**	**(10.6)**	**56.0**
Margin [2]	42.6%	11.0%	6.5%	0.9%	–14.3%		6.0%
Depreciation and amortisation resulting from business combinations	(10.3)	(13.8)	(2.2)	(18.2)	(5.6)	–	**(50.1)**
Operating income / (loss) (EBIT)	**49.2**	**7.4**	**5.2**	**(13.9)**	**(31.4)**	**(10.6)**	**5.9**
Margin [2]	35.2%	3.8%	4.6%	–3.0%	–17.4%	–	0.6%
Number of employees (FTE) [3]	**262**	**674**	**322**	**1 283**	**840**		**3 380**

1 The employee benefit expense from IAS 19 is not part of the individual segments and is presented separately, together with the eliminations.
2 The margin relates to revenues.
3 Average number of employees, excluding employees in associates / joint ventures.

in CHF mn	TX Markets	Goldbach	20 Minuten	Tamedia	Group & Ventures	Eliminations and reconciliation IAS 19	**Total**
2021							
Advertising revenue	11.0	26.9	109.3	97.9	15.5	–	**260.6**
Classifieds & services revenue	192.8	0.2	4.4	34.4	53.6	–	**285.4**
Commercialization revenue	–	79.9	–	–	–	–	**79.9**
Subscriptions & single sales revenue	–	–	–	239.1	–	–	**239.1**
Printing & logistics revenue	–	–	–	67.3	–	–	**67.3**
Other operating revenue	0.9	10.6	2.2	4.4	5.3	–	**23.4**
Other income	0.0	1.3	0.1	0.1	0.1	–	**1.6**
Revenue intersegment	0.3	55.6	7.8	16.0	110.6	(190.4)	**–**
Revenues	**205.1**	**174.5**	**123.8**	**459.3**	**185.0**	**(190.4)**	**957.4**
Operating expense [1]	(124.7)	(129.6)	(106.6)	(440.3)	(173.7)	180.9	**(794.0)**
Share of net result of associates / joint ventures [4]	12.1	0.1	0.7	3.4	(1.0)	(1.0)	**14.3**
Operating income / (loss) before depreciation and amortisation (EBITDA)	**92.6**	**45.0**	**17.9**	**22.4**	**10.3**	**(10.5)**	**177.7**
Margin [2]	45.1%	25.8%	14.4%	4.9%	5.6%	–	18.6%
Depreciation and amortisation	(7.4)	(9.8)	(0.8)	(0.7)	(30.9)	–	**(49.7)**
Operating income before effects of business combinations (EBIT b. PPA)	**85.1**	**35.2**	**17.0**	**21.7**	**(20.6)**	**(10.5)**	**127.9**
Margin [2]	41.5%	20.2%	13.7%	4.7%	–11.1%		13.4%
Depreciation and amortisation resulting from business combinations	(19.7)	(15.9)	(2.2)	(21.2)	(5.6)	–	**(64.7)**
Operating income / (loss) (EBIT)	**65.4**	**19.3**	**14.8**	**0.4**	**(26.2)**	**(10.5)**	**63.3**
Margin [2]	31.9%	11.0%	12.0%	0.1%	–14.2%	–	6.6%
Number of employees (FTE) [3]	**508**	**626**	**319**	**1 363**	**812**		**3 627**

1 The employee benefit expense from IAS 19 is not part of the individual segments and is presented separately, together with the eliminations.
2 The margin relates to revenues.
3 Average number of employees, excluding employees in associates / joint ventures.
4 Until the end of 2021, the two companies 20 Minuten Advertising AG and Goldbach Publishing AG were held 51.0 per cent by Goldbach and 49.0 per cent by 20 Minuten and Tamedia respectively. Therefore, the companies were fully consolidated in the Goldbach segment. The 20 Minuten and Tamedia segments only showed the share they were entitled to share in the results of associated companies. These profit shares were eliminated in the reconciliation to the Group view. In 2022, 20 Minuten Advertising AG was merged into Goldbach Publishing AG. Publishing and the shares are now held 100 per cent by Goldbach.

Accounting policies

Segment reporting reflects the corporate structure and is in line with internal reporting. The accounting policies described also apply to segment reporting, whereas pension costs according to IAS 19 are shown separately, together with the eliminations. The revenues, expenses and net income of the various segments include offsetting between the business divisions. Such offsetting is carried out on an arm's length basis.

The following measurement principles apply to the recognition of revenues in accordance with IFRS 15:

- *Revenues are realised if TX Group has satisfied its performance obligation and control of the asset has been transferred to the purchaser or the services have been rendered.*
- *As regards activities where the power of disposal does not lie with TX Group or sums are collected in the interest of third parties, the revenues at the time of the brokerage activity are only shown in the amount of the relevant commission or the share of the revenues to which the Group is entitled. In these cases, TX Group commissioned a third party to render the service and acted as broker between supply and demand.*
- *Revenues are stated net of sales reductions and value-added tax, while losses on receivables are reported under other operating expenses. Variable considerations (for example refunded media revenue) are usually limited and are estimated based on the contractual agreement and on anticipated figures and internal forecasts. The non-cash exchange of the same services between companies in the same business segment (one example being the non-cash exchange of adverts between media companies) is defined as a "barter transaction" and recognised net, while revenues and expenditure from other barter transactions which pertain to different services are recognised gross and measured at fair value. Any consideration not yet received is accounted for on an accruals basis. Contracts with customers generally stipulate a payment terms of 30 days. As less than 12 months usually elapses between the service being provided and the*

customer paying, the simplified approach in accordance with IFRS 15 can be applied and no financing components need to be considered. There are no take-back and refund obligations or other similar obligations and guarantees.

- *Revenues from contracts with multiple performance obligations (multi-component contracts) are allocated based on the individual sales prices for the respective performance obligation. If no individual sales prices are available, revenues are allocated using allocation formulae which reflect the best-possible estimate of the individual sales prices.*
- *TX Group does not usually have any material assets from contracts with customers since its services have either already been invoiced or not yet rendered. In particular, no account is to be made of contractual assets from work in progress which do not yet give rise to an unconditional right to receive the consideration due to unsettled performance obligations. Costs arising in connection with the initiation or performance of a contract with the customer are capitalised if the costs can be directly attributed to the conclusion of the contract and if the costs (direct costs above the contractual reimbursement or indirect costs above a contractually stipulated margin) can be generated again. TX Group does not have any material capitalised costs in connection with the initiation or performance of a contract with customers. If the customer has already furnished the consideration before the goods or service is/are transferred, the contract is reported as deferred revenues and accrued liabilities from contracts with customers.*
- *TX Group breaks down revenues in the income statement according to its core competencies with regard to the type of service and goods: advertising revenue, classifieds & services revenue, commercialisation revenue, subscriptions & single sales revenue, printing & logistics operations revenue, other operating revenue and other income. Segment reporting is structured based on the market-specific business segments reported internally.*
- *Advertising revenue covers proceeds from the sale of commercial advertising space (for example commercial advertisements) in newspapers and magazines and advertising revenue within the digital business model known as display affiliate marketing. As well as income from radio advertising and social media, advertising revenues also includes revenues in the advertising market for the sale of outdoor advertising spaces if TX Group bears the inventory risk for these advertising spaces or is responsible for providing the service. In these cases, revenues from the sale of outdoor advertising space are recognised gross, as are direct expenses for renting the space. Proceeds from the advertising market generated through selling individual advertisements are realised on the date of publication or, in the digital area, the effective delivery of the advertisement.*
- *Classifieds & services revenue includes, amongst other things, proceeds from the sale of classified advertising, revenues from service subscriptions from TX Ventures companies, and editorial and publishing services. The proceeds from the sale of classified advertising are recognised over the contractually defined period associated with the provision of the advertising space or advert. The revenues from classifieds and services also cover proceeds from the sale of marketing services (strategy, consultancy, design and implementation of advertising campaigns), digital applications and formats.*
- *Commercialization revenue mainly comprise proceeds from the marketing and brokerage of advertising in TV, radio and display/video segments. Only the brokerage fees due to TX Group are recognised as revenues, as the service is provided by third parties and TX Group acts merely as the intermediary between supply and demand. Revenues from marketing and brokerage activity also comprise the fee for brokering out-of-home advertising (net revenues) if TX Group does not bear the inventory risk for the outdoor advertising spaces and is not responsible for providing the service. For all areas, the service is provided and the revenues recognised when the advertisement is broadcast/published. On the balance sheet date, media volumes not used by customers are calculated, valued and duly accrued.*
- *Subscriptions & single sales revenue cover proceeds from the sale of newspapers and magazines to subscribers, retailers and wholesalers. In the case of subscriptions, the service is provided over a period of time (the duration of the subscription). Revenues are therefore recognised over the course of the relevant subscription, which equates to the transfer of the service.*
- *Printing & logistics revenue include proceeds from newspaper printing. Proceeds are realised when printed products are delivered and recognised as revenues at this time.*

- *Other operating revenue mainly includes revenues from management fees and services, sales of out-of-home technology and digital services, income from buildings used for operational purposes and other revenue items which would not be material on their own. The various items incorporate various smaller sources of revenue. These include income from the staff restaurant, merchandise revenues, visualisation support for the marketing of property, and the sale of petrol.*
- *Other income includes income from asset disposals, income from evaluations of previously non-consolidated investments and other income items which would not be material on their own.*

1.2 Cost of materials and services

in CHF mn	2022	2021
Costs of material	61.6	35.1
Cost of services	102.6	107.0
Cost of merchandise	1.2	1.8
Total	**165.4**	**143.8**

The significant increase in material costs can be attributed to the doubling of the paper price over the course of 2022. Cost of services, which include directly attributable costs such as external staff, IT costs (hosting and licences) and media content expenses, remained largely stable.

1.3 Personnel expense

in CHF mn	2022	2021
Salaries and wages	326.8	363.2
Social security contributions	58.2	60.2
Employee benefit expense from IAS 19 [1]	10.6	9.5
Other personnel expenses	13.6	14.8
Total	**409.2**	**447.8**

1 The expense reported for IAS 19 includes the positions Current employer service costs, Effect of plan curtailments/settlements, Past service cost, Administration costs excl. Employer contributions (recognised under Social security) as set out in Note 2.9. The impact from interest payable and the anticipated returns on plan assets is recognised under Net financial result

Personnel expense remained mostly stable when the effects of the change to the group of consolidated companies (SMG companies with a contribution of CHF 42.7 million no longer included) are considered.

Board of Directors and Group Management compensation

The compensation shown reflects the expenditures recognised in the income statement during the reporting year (irrespective of the dates on which these were paid). Included among the active members of the Board of Directors and Management Board are those individuals who completed their period of tenure during the year.

in CHF 000	Directors [1]	Group Management	Total
2022			
Number of members as of balance sheet date	7.0	4.0	**11.0**
Annual average of members	7.3[2]	4.0[3]	**11.3**
Fees / basic salaries	2 090	1 112	**3 202**
Profit participation for managers and share of profits for Group Management paid in cash	–	240	**240**
Share of profits for Group Management paid in shares 2022 [4]	–	9[5]	**9**
Share of profits for Group Management paid in shares 2021 [4]	–	38	**38**
Share of profits for Group Management paid in shares 2020 [4]	–	–	**–**
Share of profits for Group Management paid in shares 2019 [4]	–	9	**9**
Pension and social security contributions	226	267	**493**
Expense reimbursements	114	68	**181**
Non-monetary benefits	–	–	**–**
Other compensation	–	–	**–**
Total	**2 429**	**1 743**	**4 172**
2021			
Number of members as of balance sheet date	8.0	3.0	**11.0**
Annual average of members	8.0	3.0	**11.0**
Fees / basic salaries	2 165	933	**3 098**
Profit participation for managers and share of profits for Group Management paid in cash	–	751	**751**
Share of profits for Group Management paid in shares 2021 [4]	–	188[5]	**188**
Share of profits for Group Management paid in shares 2020 [4]	–	–	**–**
Share of profits for Group Management paid in shares 2019 [4]	–	29	**29**
Share of profits for Group Management paid in shares 2018 [4]	–	51	**51**
Pension and social security contributions	227	291	**518**
Expense reimbursements	123	45	**168**
Non-monetary benefits	–	6	**6**
Other compensation	–	–	**–**
Total	**2 514**	**2 293**	**4 808**

1 The Board of Directors currently comprises the full-time Chairman/publisher and non-executive members.
2 For the determination of the annual average number of members, entries and exits are the relevant criteria:
– Pierre Lamunière until 8 April 2022
3 For the determination of the annual average number of members, entries and exits are the relevant criteria:
– Samuel Hügli until 31 December 2021
– Daniel Mönch from 1 January 2022
– Ursula Nötzli from 1 January 2022
4 See information on the share of profits for Group Management.
5 In Note 1.3 of the Consolidated Financial Statements, share-based payments are reported based on the values recognised in profit or loss in the reporting year. For the purposes of the Compensation Report, however, share-based payments are taken into account at the time of allocation.

Group Management profit participation programme (LTI)

The current profit participation programme applies to the years 2021 to 2023. Members of Group Management are entitled to participate as of their second year of service. Payment is made if the profit margin (net income margin) of TX Group reaches or exceeds 8.0 per cent. A profit participation, which will be determined at the time, will be paid out of any amount exceeding the profit margin of 8.0 per cent, with 50 per cent being paid in cash and the remaining 50 per cent in shares.

The cash amount is paid out after the publication of the consolidated financial statements of TX Group. The shares are allocated in the accounting year in which entitlement is acquired. The number of shares to be allocated is determined based on the average share price over the last 30 days before 31 December of the respective financial year. The shares are only transferred if the beneficiary has not given notice of termination of employment prior to 31 December of the third year after the accounting year in which entitlement to the share allocation was acquired.

For the 2022 financial year, the Board of Directors exercised its right and increased payment at its discretion. Group Management was granted a profit participation of CHF 0.06 million, with CHF 0.01 million being for the shares allocated. For the 2021 financial year, the Board of Directors exercised its right and increased payment at its discretion. Group Management was granted a profit participation of CHF 0.49 million, with CHF 0.19 million being for the shares allocated.

For the shares allocated in the 2021 and 2019 financial years, personnel expenses of CHF 0.04 million and CHF 0.01 million respectively were recognised in the current year. Group Management did not receive any profit participation payments for the 2020 financial year.

As part of the profit participation programme, 927 treasury shares were issued in 2022 for the 2018 financial year to the members of Group Management. Measured in terms of market value on the allocation date, the total value of these shares was CHF 0.1 million.

Share-based component of Group Management profit participation

number	2022	2021
As of 1 January	4 789	4 959
Entitlements of former members of Group Management no longer taken into account	(2 446)	–
Exercised	(927)	(2 156)
Forfeited	–	–
Allocated	341	1 986
As of 31 December	**1 757**	**4 789**
of which exercisable	423	–

in CHF/ number of shares	Allocation date	Blocked until	Fair value as of grant date	Fair value as of balance sheet date	Outstanding entitlements 2022	Outstanding entitlements 2021
	31.12.2018	31.12.2021	105.5	149.4	–	1 957
	31.12.2019	31.12.2022	93.7	149.4	423	846
	31.12.2020	31.12.2023	–	149.4	–	–
	31.12.2021	31.12.2024	156.4	149.4	993	1 986
	31.12.2022	31.12.2025	149.4	149.4	341	–

Accounting policies

The fair value of the share-based payments is calculated on the day of grant. The share-based payments are then recognised over the vesting period as personnel expense with an increase in equity. These are then settled by means of treasury shares, which are bought on the market for this purpose on an ongoing basis.

1.4 Other operating expense

in CHF mn	2022	2021
Distribution and sales expenses [1]	92.1	88.6
Advertising and public relations	57.2	58.0
Rent, lease payments and licences [1]	2.8	3.5
General operating expenses	55.7	49.7
Loss from asset disposals	0.1	2.2
Impairments on financial assets	1.8	0.4
Total	**209.7**	**202.5**
of which barter transactions	15.5	16.7

1 The rent for out-of-home advertising spaces is now disclosed under distribution and sales expenses. The previous year's figure has been reclassified accordingly.

1.5 Financial result

in CHF mn	2022	2021
Interest income	7.9	1.5
Currency exchange gains	13.6	6.3
Financial income from IAS 19	1.0	0.3
Gains from sale of investments	2.6	778.7
Other financial income	0.3	12.0
Financial income	**25.3**	**798.7**
Interest expense	(1.3)	(0.8)
Interest expense from leases	(2.6)	(0.9)
Currency exchange losses	(14.5)	(6.7)
Financial expense from IAS 19	(0.1)	(0.1)
Loss from the sale of investments	(1.2)	–
Other financial expense	(3.3)	(0.6)
Financial expense	**(23.0)**	**(9.1)**
Total	**2.3**	**789.6**

Interest income has increased by around CHF 6.4 million, which can be attributed to the increase in loans. In the current year, a disposal profit was achieved through the sale of 0.09 per cent of the shares in SMG Swiss Marketplace Group AG to General Atlantic SC B.V. of CHF 2.2 million, and of CHF 0.3 million through the disposal of the Goldbach Ost Group companies that were no longer operational. In the previous year, this was around CHF 778.5 million due to the integration of the 100 per cent stake in TX Markets AG (without the investment in JobCloud AG) into the new SMG Swiss Marketplace Group AG joint venture, and the subsequent recognition of the 41 per cent stake as an associated investment. This value arose from the difference between the market value of the recognised stake in SMG Swiss Marketplace Group AG and the equity transferred with the deconsolidation of TX Markets AG. Other financial income for 2021 included damages from legal proceedings in connection with Trendsales ApS in the amount of CHF 11.8 million, where TX Group AG was the plaintiff.

Interest expense attributable to leases has risen further due to the significantly increased liability from leases. The loss arising from the sale of investments is due to the dilutive effect of two capital increases and consequent reductions in investments due to employee share programmes at SMG Swiss Marketplace Group AG, amounting to CHF 1.2 million. The increase in other financial expenses is attributable to value adjustments of loans to associates and the valuation of money market investments in particular.

1.6 Income taxes

Income tax expense

in CHF mn	2022	2021
Current income taxes	28.0	32.0
Deferred income taxes	(15.2)	(11.9)
Total	**12.8**	**20.1**

Analysis of tax expense

in CHF mn	2022	2021
Income / (loss) before taxes (EBT)	8.2	852.8
Weighted average income tax rate	25.2%	19.5%
Expected tax expense (using weighted average tax rates)	**2.1**	**166.3**
Credits and income taxes incurred from previous periods	(0.7)	0.2
Use of previously unrecognised loss carryforwards	(0.6)	(0.4)
Unrecognised deferred tax assets on tax loss carryforwards	1.3	2.0
Expiry of capitalised tax loss carryforwards	–	1.1
Impact of Swiss participation exemption and other non-taxable items	2.5	(47.7)
Expenses not deductible from tax and income not credited to the income statement	–	0.0
Change in deferred taxes due to change in tax rates	(0.6)	0.0
Tax effects on investments	8.5	(101.4)
Other impacting items	0.2	(0.1)
Income taxes	**12.8**	**20.1**
Effective tax rate	156.7%	2.4%

The expected average tax rate equals the weighted average of the rates of the consolidated companies. Both positive and negative results for the individual companies feed into the calculation for the expected tax rate, taking into account the applicable tax rates in each case.

The effective tax rate changed from 2.4 per cent to 156.7 per cent. The difference compared with the expected tax rate was mainly due to the impact of participation exemption and other non-taxable income as well as the tax effects on investments.

The tax effects on investments include tax-neutral changes in value arising from the reassessment of investments in associates / joint ventures and the impact resulting from value allowances and reversals of value allowances on investments under commercial law (without any deferred tax consequences), and also increased tax expenses for 2022. In the previous year, the write-up in value of the TX Group's shares in the SMG Swiss Marketplace Group AG joint venture, which was reflected in the income statement through the financial result in the amount of CHF 778.5 million, was also included. The impact of participation exemption and other non-taxable income in 2022 is attributable to the elimination (without any deferred tax consequences) of accountable taxable sales proceeds. In 2021, the greatest impact was due to participation exemption and other non-taxable income from the sale of 10 per cent of the shares in SMG Swiss Marketplace Group AG.

Unrecognised deferred tax assets on tax loss carryforwards result from the estimate that, based on their income situation, the relevant companies do not fulfil the prerequisites for the realisation of losses.

On 8 October 2021, 136 countries agreed on a two-pillar concept for international tax reform (the OECD Inclusive Framework). The recommendations under the first pillar of the Inclusive Framework include a reallocation of part of the taxes to the market countries, while the second sets the objective of a global effective minimum tax rate of 15 per cent. The introduction of the OECD Inclusive Framework will lead to amendments to tax laws and rates for legal entities in various countries in the coming years. The impact of these amendments on the valuation of tax assets and liabilities depends, amongst other factors, on the type and timing of the amendments to the laws in the individual countries. TX Group could be subject to a top-up tax under the second pillar as it has subsidiaries in areas of Switzerland where the statutory tax rate is currently below 15 per cent. TX Group is therefore monitoring the progress of the legislative procedure in each country in which the Group operates. As of 31 December 2022, there was insufficient information to determine the potential quantitative impact.

Deferred tax assets and liabilities

in CHF mn	2022	2021
Property, plant and equipment	0.0	0.0
Employee benefit obligations	1.1	4.1
Intangible assets	0.0	0.0
Capitalised tax loss carryforwards	11.8	8.1
Provisions	–	0.3
Other balance sheet items	0.2	0.1
Total deferred tax assets, gross	**13.1**	**12.5**
Trade accounts receivable	(1.1)	(1.1)
Property, plant and equipment	(13.9)	(15.5)
Financial assets	(0.1)	(0.2)
Employee benefit plan assets	(5.8)	(62.3)
Intangible assets	(76.1)	(84.2)
Provisions	(2.7)	(2.7)
Other balance sheet items	(0.5)	(0.2)
Total deferred tax liabilities, gross	**(100.2)**	**(166.2)**
Total deferred taxes, net	**(87.0)**	**(153.7)**
of which deferred tax assets stated in the balance sheet	10.5	2.4
of which deferred tax liablities stated in the balance sheet	(97.6)	(156.1)

The change in deferred taxes is shown in the following table:

in CHF mn	2022	2021
As of 1 January	**(153.7)**	**(136.7)**
Change in group of consolidated companies	–	12.6
Deferred tax income	15.2	11.9
Taxes on other comprehensive income	51.0	(41.7)
Currency translation differences	0.6	0.1
As of 31 December	**(87.0)**	**(153.7)**

Tax loss carryforwards

in CHF mn	2022	2021
Capitalised tax loss carryforwards	**11.8**	**8.1**
Weighted average income tax rate	16.4%	17.1%
Corresponding to effective tax loss carryforwards	**(71.8)**	**(47.2)**
Due after 1 year	–	–
Due after 2 to 5 years	(18.5)	(8.8)
Due after more than 5 years	(53.3)	(38.4)

As of 31 December 2022, (net) deferred tax assets of CHF 3.3 million (previous year: CHF 5.6 million) had been capitalised for companies that suffered losses in this or the previous year. Of the non-capitalised loss carryforwards from 2021, loss carryforwards in the amount of CHF 37.9 million related to the liquidation of MetroXpress A/S in 2022.

in CHF mn	2022	2021
Non-capitalised tax loss carryforwards	**(23.8)**	**(87.9)**
Due after 1 year	–	(17.1)
Due after 2 to 5 years	–	(1.8)
Due after more than 5 years	(23.8)	(69.0)

Significant judgements or estimates

Uncertainties with regard to correct treatment of income tax may result in definitive tax assessments only being available several years after the reporting year. Before this assessment by the tax authorities, an income tax assessment must be performed at the time of the financial statements' publication. The uncertainty determined corresponds with either the expected value or the most likely value depending on which value best reflects the uncertainty.

Accounting policies

Current income taxes are recognised in the period to which they relate on the basis of the local net income / (loss) reported by the consolidated companies in the reporting year.

Deferred tax liabilities resulting from measurement differences between tax and consolidated values are calculated and recognised using the liability method. In the process, all temporary differences between the values included in the tax returns and those in the consolidated financial statements are taken into consideration. The tax rates used are the anticipated local tax rates. Depending on the underlying transaction, any change in deferred taxes is either recognised in the income statement in net income / (loss) or directly in other comprehensive income as equity.

Deferred tax loss carryforwards and deferred taxes arising from temporary differences are only capitalised if it is likely that gains will be realised in future that would allow the loss carryforwards or the deductible differences to be offset for tax purposes.

2 Assets and liabilities

This section provides information regarding the current and non-current asset and liability items relevant to TX Group. The explanations focus on the development of the net net working capital and non-current assets. This section also discusses the development of the financial liabilities, leases and provisions and contingent liabilities, as well as employee benefit obligations.

2.1 Net working capital

Trade accounts receivable

in CHF mn	2022	2021
Trade accounts receivable	251.8	239.7
Valuation allowances	(11.9)	(11.2)
Total	**239.9**	**228.5**

The due dates as of the balance sheet date are shown in the table below:

in CHF mn	2022	2021
not yet due	173.2	186.1
due in less than 30 days	46.3	29.4
due in 30 to 60 days	11.7	9.9
due in 60 to 90 days	5.3	2.3
due in 90 to 120 days	4.1	1.8
due in over 120 days	11.2	10.1
As of 31 December	**251.8**	**239.7**

The value adjustments on receivables have changed as follows:

in CHF mn	2022	2021
As of 1 January	**(11.2)**	**(12.8)**
Change in group of consolidated companies	–	0.8
Increase	(1.9)	(1.1)
Reversal	0.1	1.1
Used during the financial year	1.1	0.9
As of 31 December	**(11.9)**	**(11.2)**

Accounting policies

Receivables are measured at their nominal value. Bad debt provisions are charged to the income statement for doubtful receivables whose collection is uncertain. In regard to the general valuation risk, TX Group applies the simplified approach in accordance with IFRS 9 to measure anticipated loan losses, factoring in the need to make valuation allowances based on past experiences and anticipated losses from future default events for all trade accounts receivable.

Other current liabilities

in CHF mn	2022	2021
Liabilities to public authorities	11.7	12.4
Liabilities to insurance companies	2.5	2.8
Liabilities to employee benefit funds	1.5	1.0
Liabilities to employees	0.0	0.0
Advance payments from customers	11.6	10.1
Other current liabilities	6.4	4.9
Total	**33.9**	**31.2**

Deferred revenues and accrued liabilities

in CHF mn	2022	2021
Deferred subscription revenues	127.9	146.3
Deferred online revenues	71.4	64.1
Deferred revenues from commercialization revenue	29.3	25.5
Deferred personnel expenses	26.6	32.2
Other deferred revenues and accrued liabilities	66.5	71.5
Total	**321.6**	**339.6**
of which deferred revenues from contracts with customers	228.5	235.9
of which other accrued liabilities	93.1	103.7

Deferred revenues and accrued liabilities (total for deferred revenues from contracts with customers and other accrued liabilities) reduced by CHF 18.0 million from CHF 339.6 million to CHF 321.6 million. Total deferred revenue declined by CHF 7.4 million. At the same time, accruals relating to personnel decreased by CHF 5.5 million to CHF 26.6 million, mainly due to the lower accruals for employee performance bonuses. The reduction in other deferred revenues and accrued liabilities was primarily due to television channel shares in the Goldbach sub-group.

The revenues recognised in the reporting period and which were included in the balance of the contractual liabilities at the start of the period amount to CHF 206.1 million (previous year: CHF 194.7 million). There are no material revenues recognised in the reporting period from performance obligations which had been fulfilled either in full or in part during earlier periods (e.g. subsequent purchase price adjustments).

Cash flow statement

in CHF mn	2022	2021
Other non-cash income		
Employee benefit plans	9.6	9.3
Capital taxes	1.2	1.2
Share-based payments	0.4	(0.8)
Repurchase obligations/put options	–	0.6
Changes in shares of associates/joint ventures	(1.1)	–
Other	1.0	0.5
Total	**11.1**	**10.9**
Change in net current assets		
Trade accounts receivable	(11.4)	(23.8)
Other current receivables	(4.2)	(0.4)
Accrued income and prepaid expenses	(5.5)	1.2
Inventories	(3.6)	1.1
Trade accounts payable	9.8	(2.0)
Other current liabilities	2.4	(12.7)
Deferred revenues and accrued liabilities from contracts with customers	(7.4)	(9.2)
Other deferred revenues and accrued liabilities	(10.6)	26.1
Current provisions	(0.1)	0.5
Total	**(30.5)**	**(19.2)**

With regard to the change in the net working capital (not including non-current provisions), a total of CHF 0.1 million (previous year CHF –4.7 million) can be attributed to changes to the group of consolidated companies.

2.2 Financial assets and financial receivables

in CHF mn	2022	2021
Time deposit investments	70.0	–
Bond funds	18.7	20.0
Other current financial assets	0.3	–
Current financial assets	**89.1**	**20.0**
Receivables from loans	1.3	1.7
Other current financial assets	38.1	121.3
Current financial receivables	**39.4**	**123.0**
Other investments	34.5	37.5
Non-current loans to third parties	0.6	0.6
Non-current loans to associates / joint ventures / related parties	170.3	153.8
Other non-current financial assets	2.7	1.6
Non-current financial assets	**208.0**	**193.5**

The rise in current financial assets resulted mainly from investments in time deposits amounting to CHF 70.0 million.

Current financial receivables decreased mainly from SMG Swiss Marketplace Group AG. CHF 64.2 million was offset against loan liabilities, the remaining CHF 25.6 million was paid.

Non-current financial assets increased by CHF 14.5 million in the financial year. Compared to the previous year, the amount loaned to General Atlantic SC B.V. has risen by the capitalised interest and the purchase price for the additional shares it acquired in SMG Swiss Marketplace Group AG. The loan to SMG Swiss Marketplace Group AG was increased by a further CHF 5.3 million to CHF 20.5 million.

In the reporting year, investments were made in other new interests such as Caeleste AG, Everon AG and Stableton Financial AG, as well as in other existing interests such as Selma Finance Oy. In the reporting year, positive changes were made to measurements associated with Selma Finance Oy and Switzerlend AG, which were recorded in other comprehensive income. See also “Financial instruments” in Note 3.4.

Accounting policies

Current financial assets

Current financial assets include marketable securities, time, sight and demand deposits with an original maturity of more than three months but not more than twelve months, as well as current derivative financial instruments.

Publicly traded marketable securities are measured at quoted market prices as of the balance sheet date. Securities that are not publicly traded are measured at estimated fair value. Time, sight and demand deposits are measured at nominal value. Any realised and unrealised price differences for these items and for marketable securities are recognised in the income statement, with the exception of unrealised price differences for derivative financial instruments designated as accounting hedges.

Non-current financial assets

Non-current financial assets include other investments, non-current loans, non-current derivative financial instruments and other non-current financial assets.

Other investments (less than 20 per cent of the voting rights) are stated at fair value. If these are equity instruments, unrealised gains / losses – net after taxes – are recognised as other comprehensive income directly in equity until realised. If they are not equity instruments, they are treated at fair value and all changes in the measurement of assets are recognised in the net income / (loss).

Non-current loans are measured at amortised cost.

Non-current derivative financial instruments (fair value through profit and loss) are measured at fair value. Both realised and unrealised price differences are recognised in the income statement, with the exception of those for derivative financial instruments designated as cash flow hedges.

Other non-current financial assets ("fair value through other comprehensive income") are also measured at fair value. Unrealised gains – net after taxes – are recognised as other comprehensive income. Impairment losses are recognised in the income statement.

2.3 Property, plant and equipment

in CHF mn	Land	Buildings, installations and ancillary facilities	Technical equipment and machinery	Furnishings, motor vehicles and works of art	Advance payments and assets under construction	Right-of-use assets from leases	**Total**
Historical cost							
As of 1 January 2021	**65.9**	**309.5**	**262.7**	**18.3**	**4.2**	**92.8**	**753.4**
Disposals of consolidated companies	–	(0.5)	(0.7)	(0.3)	–	(3.9)	**(5.5)**
Additions	–	1.7	7.6	1.0	6.6	7.5	**24.4**
Disposals	–	(1.1)	(4.0)	(0.4)	(0.0)	(5.5)	**(11.0)**
Transfers	–	0.4	2.9	0.2	(3.5)	–	**–**
Currency effect	–	(0.0)	(0.1)	(0.0)	(0.0)	(0.2)	**(0.4)**
As of 31 December 2021	**65.9**	**310.0**	**268.5**	**18.7**	**7.3**	**90.7**	**761.1**
Additions	–	0.4	8.2	0.6	13.4	137.7	**160.3**
Disposals	–	(0.0)	(0.7)	(0.6)	(0.0)	(0.6)	**(1.9)**
Transfers	–	11.1	4.6	1.4	(17.0)	–	**(0.0)**
Currency effect	–	(0.0)	(0.1)	(0.1)	(0.0)	(0.3)	**(0.4)**
As of 31 December 2022	**65.9**	**321.4**	**280.4**	**20.0**	**3.7**	**227.6**	**919.0**
Accumulated depreciation, amortisation and impairment							
As of 1 January 2021	**–**	**181.3**	**210.3**	**12.9**	**–**	**25.7**	**430.1**
Disposals of consolidated companies	–	(0.1)	(0.6)	(0.1)	–	(1.8)	**(2.7)**
Depreciation and amortisation	–	9.1	13.1	1.5	–	16.2	**39.9**
Disposals	–	(1.0)	(3.8)	(0.2)	–	(3.3)	**(8.3)**
Currency effect	–	(0.0)	(0.0)	(0.0)	–	(0.1)	**(0.1)**
As of 31 December 2021	**–**	**189.3**	**219.0**	**14.0**	**–**	**36.8**	**459.0**
Depreciation and amortisation	–	9.2	15.2	1.6	–	32.5	**58.5**
Disposals	–	(0.0)	(0.5)	(0.6)	–	(0.5)	**(1.6)**
Currency effect	–	(0.0)	(0.0)	(0.0)	–	(0.1)	**(0.2)**
As of 31 December 2022	**–**	**198.5**	**233.6**	**14.9**	**–**	**68.6**	**515.6**
Net carrying value							
As of 31 December 2021	**65.9**	**120.7**	**49.5**	**4.8**	**7.3**	**53.9**	**302.1**
As of 31 December 2022	**65.9**	**122.9**	**46.8**	**5.1**	**3.7**	**159.0**	**403.4**

Additions total CHF 160.3 million (previous year CHF 24.4 million) and include, in particular, newly recognised right-of-use assets associated with leased properties in the amount of CHF 126.9 million in the out-of-home area, and investments in the digital advertising inventory of CHF 4.5 million (both NEO ADVERTISING SA). Advance payments and assets under construction include costs that can be capitalised in relation to the conversion of premises at the Werdareal site in Zurich amounting to CHF 3.7 million.

Accounting policies

Property, plant and equipment are measured at the higher of amortised cost less depreciation considered necessary for business reasons, with the exception of land and works of art, which are recognised at cost.

The right-of-use assets to be capitalised in connection with leases come under property, plant and equipment. Improvements to leased properties are capitalised and depreciated in line with the term of the lease. The costs of any maintenance and repairs that do not add value are charged directly to the income statement.

With the exception of additional impairment necessary for business reasons, depreciation is charged on a straight-line basis over uniform useful lives established within the Group. The following amortisation periods apply:

– *Buildings:*	*40 years*
– *Installations and ancillary facilities:*	*3–25 years*
– *Technical equipment and machinery:*	*3–25 years*
– *IT equipment:*	*3–5 years*
– *Furnishings:*	*5–10 years*
– *Motor vehicles:*	*4–10 years*
– *Right-of-use assets from leases:*	*Term of underlying lease asset*

Impairment tests are performed on property, plant and equipment if events or changes in circumstances indicate that the carrying amounts may be impaired. The determination of their impairment is based on estimates and assumptions made by Group Management and the Board of Directors. As a result, it is possible that the actual values realised may deviate from these estimates. If the carrying amount is higher than the recoverable amount, an impairment is made in the income statement to the value which appears to be recoverable based on the discounted, anticipated future income, or a higher net sales value.

2.4 Intangible assets

in CHF mn	Goodwill	Trademarks, customer bases and other legal rights	Capitalised software project costs	Other intangible assets, assets under construction	**Total**
Historical cost					
As of 1 January 2021	**1 012.8**	**1 002.2**	**73.1**	**4.9**	**2 093.1**
Additions of consolidated companies	3.0	5.4	4.0	–	**12.4**
Disposals of consolidated companies	(209.9)	(227.5)	(11.8)	–	**(449.2)**
Additions	0.5	2.4	8.8	2.3	**14.0**
Disposals	–	(10.9)	(30.0)	(0.1)	**(41.0)**
Transfers	–	–	7.0	(7.0)	**–**
Currency effect	(0.4)	(0.3)	(0.2)	0.0	**(0.8)**
As of 31 December 2021	**806.1**	**771.3**	**50.9**	**0.2**	**1 628.4**
Additions	–	–	7.2	3.4	**10.6**
Disposals	(0.4)	(41.3)	–	–	**(41.7)**
Transfers	–	0.0	–	–	**0.0**
Currency effect	(0.4)	(0.3)	(0.1)	–	**(0.8)**
As of 31 December 2022	**805.2**	**729.7**	**58.0**	**3.5**	**1 596.5**
Accumulated depreciation, amortisation and impairment					
As of 1 January 2021	**140.8**	**325.3**	**48.1**	**0.0**	**514.3**
Disposals of consolidated companies	–	(74.4)	(4.6)	–	**(79.0)**
Depreciation and amortisation	–	60.0	14.5	–	**74.5**
Disposals	–	(10.8)	(28.1)	–	**(38.9)**
Currency effect	–	(0.0)	(0.1)	–	**(0.2)**
As of 31 December 2021	**140.8**	**300.1**	**29.7**	**0.0**	**470.7**
Depreciation and amortisation	–	44.8	13.8	0.9	**59.5**
Disposals	(0.4)	(38.7)	–	–	**(39.1)**
Currency effect	–	(0.0)	(0.1)	(0.0)	**(0.1)**
As of 31 December 2022	**140.4**	**306.2**	**43.4**	**0.9**	**490.9**
Net carrying value					
As of 31 December 2021	**665.2**	**471.1**	**21.2**	**0.1**	**1 157.7**
As of 31 December 2022	**664.8**	**423.5**	**14.6**	**2.6**	**1 105.6**

Of the investments made in 2022 amounting to CHF 10.6 million (previous year CHF 14 million), a total of CHF 7.1 million is attributable to investments in IT software that can be capitalised and the recognition of own work capitalised at JobCloud AG. Disposals amounting to CHF 39.3 million, of a total of CHF 41.0 million, concerned fully amortised customer bases and publishing rights, which have been recorded through company acquisitions in the past.

Accounting policies

Acquired intangible assets are recognised at cost and amortised using the straight-line method over their expected useful life. Intangible assets with an indefinite useful life are tested annually for impairment and an annual review is carried out to determine whether the useful life is still indefinite. Own work for intangible assets is capitalised if the necessary conditions are met. Otherwise, it is charged to the income statement as

it arises. Trademarks/domains are classified as intangible assets with an indefinite useful life if they can be used and renewed at no material cost and for an indefinite time and such a possibility is envisaged. The following amortisation periods apply:

- *Goodwill: no amortisation*
- *Brand rights – Tamedia segment: 8–20 years*
- *Brand rights – other segments: no amortisation*
- *Customer bases: 5–20 years*
- *Capitalised software project costs: 3–5 years*

Impairment tests are performed on intangible assets with finite useful lives if events or changes in circumstances indicate that the carrying amounts may be impaired. The determination of their impairment is based on estimates and assumptions made by Group Management and the Board of Directors. As a result, it is possible that the actual values realised may deviate from these estimates. If the carrying amount is higher than the recoverable amount, an impairment is made in the income statement to the value which appears to be recoverable based on the discounted, anticipated future income, or a higher net sales value.

2.5 Goodwill and intangible assets with an indefinite useful life

in CHF mn	2022	2021
Goodwill per business division		
TX Markets	291.0	291.0
Goldbach	113.0	113.0
20 Minuten	146.9	147.2
Tamedia	91.2	91.2
Group & Ventures	22.8	22.9
Total	**664.8**	**665.2**

In addition to goodwill, intangible assets (trademarks/domains) with indefinite useful lives are found in the following business divisions:

in CHF mn	2022	2021
Intangible assets with indefinite useful lives per business segment		
TX Markets	91.0	91.0
Goldbach	39.0	39.2
20 Minuten	22.3	22.3
Tamedia	–	–
Group & Ventures	7.9	7.9
Total	**160.2**	**160.3**

Goodwill of CHF 291.0 million and intangible assets with indefinite useful lives of CHF 91.0 million apply to the largest cash-generating unit JobCloud. These were tested for impairment on the basis of the value in use, growth rate calculation, discount rate and other assumptions in the TX Markets segment.

The goodwill and intangible assets with indefinite useful lives were tested for impairment for each cash-generating unit on 31 December 2022. The cash-generating units are determined at a level below the segments, provided they are largely independent of other assets. Their values in use were calculated using the discounted cash flow method.

The calculations on which the business plans are based refer to the values generated in the current year, the budget figures for 2023 and the medium-term expectations for each of the business divisions. The budget figures include the latest estimates relating to changes in revenues and costs. The estimates relating to the changes in revenues take into account external market data (WEMF, Media Focus) and are based on the current reader or user figures. Future changes in these numbers are forecast individually. The business plans take account of business risks with differing assessments. The business plans cover a period of four years.

The growth rates for the following years were applied as follows:

	2022	2021
Growth rates		
TX Markets	1.1%	1.0%
Goldbach	1.1%	0.6%
20 Minuten	1.1%	0.0%
Tamedia	–0.8%	–4.8%
Group & Ventures	1.1%	1.0%

In the case of cash-generating units with positive growth, it is assumed that they will achieve long-term growth rates in line with the predicted future rate of inflation. For cash-generating units with negative growth, it is assumed that the negative growth rate will slow over the long term.

The discount rates applied (WACC) are shown in the following table.

	2022	2021
WACC before tax		
TX Markets	11.0%	8.9%
Goldbach	9.1–10.5%	8.3–9.9%
20 Minuten	9.0–13.0%	7.9–10.6%
Tamedia	9.4%	9.2%
Group & Ventures	13.2–13.3%	11.5–11.6%

The impairment testing at the end of 2022 did not show any impairment was needed for any cash-generating units. The test is performed once a year in each case and in the event of any signs of potential impairment. Additional impairment of goodwill and intangible assets with an indefinite useful life could result in future from changes in the fundamental data used for impairment testing.

Impairment of goodwill and intangible assets with an indefinite useful life could result from changes in the fundamental data used for impairment testing, such as an ongoing deterioration in the gross margin or a change in cost structure. The possible impact was investigated by means of sensitivity analyses with regard to changes considered possible for a key assumption.

The analysis shows that in the event of a decrease in the EBIT margin for the planning years of 3.6 per cent (rather than 16.0 per cent), combined with a 1.9 per cent higher discount rate after tax or a 2.4 per cent lower growth rate after the period covered by the business plan, the achievable amount for the cash-generating unit Goldbach would correspond with the carrying amount, meaning that there would no longer be overfunding. The achievable amount exceeds the current carrying amount by CHF 95.6 million. For the Tamedia and Zattoo units, the analysis shows that in the event of a 1.3 per cent decrease in the EBIT margin for the planning years (rather than 4.6 per cent or 4.2 per cent respectively), there would no longer be overfunding. The achievable amount exceeds the current carrying amount by CHF 66.2 million and CHF 15.4 million respectively.

For the other units, the sensitivity analyses show that no reasonably possible change to the key assumptions would lead to the achievable amount being reduced to the amount of the corresponding carrying amount.

Significant judgements or estimates

The allocation of the goodwill to the cash-generating units and the calculation of the achievable amount is at the discretion of the Management. This includes the estimate of future expectations for the business areas (cash flows), and the calculation of the discount factor and the growth rate based on historic data and current predictions.

Accounting policies

At the time of initial consolidation, the assets and liabilities of a company – or the net assets acquired – and the contingent liabilities are measured at fair value. Any positive difference between the consideration paid and the acquired net assets calculated according to these policies is recognised as goodwill in the year of

acquisition. The goodwill thus calculated is not amortised but is instead tested for impairment every year. If there is any indication of a possible goodwill impairment, its value is re-assessed and, if necessary, written off as an impairment. Any negative difference between the consideration paid and the net assets is recognised immediately in the income statement following a review.

In the event of disposal of consolidated companies, the difference between the sales price and other shares held, as well as transferred net assets, which could also include some remaining goodwill, is reported in the consolidated income statement as income from the sale of investments.

The position that a company or a product has within the market at the time a purchase agreement is entered into is reflected in the purchase price that is paid for this acquisition. This position is by definition not a separate component and therefore cannot be measured. It forms an integral component of the goodwill acquired.

2.6 Financial liabilities

in CHF mn	2022	2021
Current bank liabilities	0.3	4.7
Current financial liabilities from leases	29.3	13.8
Other current financial liabilities to third parties	0.4	0.4
Other current financial liabilities to associates / joint ventures	–	1.0
Other current financial liabilities to related parties	–	0.1
Current financial liabilities	**30.0**	**19.9**
Non-current financial liabilities from leases	135.0	41.4
Non-current loans to related parties	2.5	69.6
Other non-current financial liabilities to third parties	2.5	2.7
Non-current financial liabilities	**146.2**	**113.7**
Financial liabilities	**176.2**	**133.6**
Weighted average interest rate		
due within 1 year	n/a	2.0%
due within 1 to 5 years	2.1%	0.4%
due beyond 5 years	n/a	n/a

Financial liabilities increased by CHF 42.6 million from the previous year.

Current bank liabilities have reduced due to the settlement in the amount of CHF 3.0 million and the reduction in the liabilities associated with derivative financial instruments by CHF 1.4 million to CHF 0.3 million. As of the balance sheet date, there were lower liabilities relating to current accounts, which explains the decline in other current financial liabilities to associates/joint ventures.

Non-current loan liabilities vis-à-vis SMG Swiss Marketplace Group AG of CHF 64.2 million were able to be offset against existing receivables.

Both the current and non-current lease liabilities rose considerably by CHF 15.5 million and CHF 93.5 million respectively. This rise affects mainly the out-of-home advertising area as a result of new marketing contracts.

Change in net financial liabilities

in CHF mn	Cash and cash equivalents	Current financial assets	Current financial receivables	Current financial liabilities	Non-current financial liabilities	Net financial liabilities
As of 1 January 2021	**276.2**	**0.3**	**35.9**	**(19.3)**	**(73.9)**	**219.2**
Addition to/disposal of cash and cash equivalents and current financial assets	195.0	20.0	(3.9)	–	–	**211.2**
Proceeds of financial liabilities	5.8	–	–	(1.0)	(4.8)	**–**
Repayment of financial liabilities	(12.4)	–	–	2.0	10.4	**–**
Repayment of leasing liabilities	(17.3)	–	–	17.3	–	**–**
Additions of consolidated companies	2.3	–	–	–	–	**2.3**
Disposals of consolidated companies	(12.4)	–	–	–	–	**(12.4)**
Other non-cash changes	–	(0.3)	90.9	(19.0)	(45.2)	**26.4**
Transfers	–	–	–	0.1	(0.1)	**–**
Currency effect	(0.8)	–	–	–	–	**(0.8)**
As of 31 December 2021	**436.5**	**20.0**	**123.0**	**(19.9)**	**(113.7)**	**445.9**
As of 1 January 2022	**436.5**	**20.0**	**123.0**	**(19.9)**	**(113.7)**	**445.9**
Addition to/disposal of cash and cash equivalents and current financial assets	(87.0)	70.0	(18.8)	–	–	**(35.8)**
Proceeds of financial liabilities	0.4	–	–	(0.0)	(0.4)	**–**
Repayment of financial liabilities	(1.2)	–	–	0.9	0.3	**–**
Repayment of leasing liabilities	(31.1)	–	–	31.1	–	**–**
Additions of consolidated companies	–	–	–	–	–	**–**
Disposals of consolidated companies	(0.2)	–	–	–	–	**(0.2)**
Other non-cash changes	–	(0.9)	(64.9)	(26.6)	(48.2)	**(140.6)**
Transfers	–	–	–	(15.5)	15.5	**–**
Currency effect	(1.1)	–	–	–	–	**(1.1)**
As of 31 December 2022	**316.3**	**89.1**	**39.4**	**(30.0)**	**(146.6)**	**268.2**

The non-cash change in current financial receivables results from the offsetting of loan liabilities to SMG Swiss Marketplace Group AG in the amount of CHF 64.2 million. The non-cash changes in financial liabilities are mainly due to the higher liabilities from leasing contracts.

Accounting policies

Financial liabilities are initially recognised at the amount paid less transaction costs incurred, and then measured at amortised cost in subsequent periods. Any differences between the amount paid (less transaction costs) and the repayment value are calculated over the repayment period using the effective interest rate method and are recognised in the income statement.

The lease liabilities on the liabilities side in connection with leases come under financial liabilities.

Financial liabilities are classified as current except where the Group has an unlimited entitlement to defer payment of the liability to a date at least twelve months after the balance sheet date.

Borrowing costs that are incurred directly in conjunction with the purchase, construction or completion of an asset that requires a substantial period until being put to its intended use are capitalised as part of the costs of the asset in question. All other borrowing costs are charged to the income statement in the reporting period in which they are incurred.

2.7 Leases

There are currently leases in place for real estate, operating and office equipment (vehicles and IT) and for out-of-home advertising inventory. The leases for real estate and out-of-home advertising inventory have a residual term of between one and ten years. The residual terms of the operating and office equipment leases are between one and five years. Various rental agreements feature options to extend the rental period.

The capitalised right-of-use assets, the lease liabilities on the liabilities side, the effect in terms of depreciation and amortisation in the income statement and on the financial result as well as the impact on the statement of cash flows are set out in the individual notes. By way of summary, IFRS 16 "Leases" has the following impact on the consolidated financial statements:

in CHF mn	2022	2021
Balance sheet		
Right of use, leasing – real estate	75.2	64.9
Cumulative depreciation in right of use – real estate	(39.0)	(28.4)
Right of use, leasing – operating and office equipment	2.5	2.8
Cumulative depreciation in right of use – operating and office equipment	(1.9)	(1.9)
Right of use, leasing – out-of-home advertising inventory	149.9	23.0
Cumulative depreciation in right of use – out-of-home advertising inventory	(27.6)	(6.5)
Assets	**159.0**	**53.9**
Lease obligations	164.2	55.2
Liabilities	**164.2**	**55.2**

in CHF mn	2022	2021
Income statement		
Depreciation in right of use, leasing – real estate	(10.8)	(11.2)
Depreciation in right of use, leasing – operating and office equipment	(0.6)	(0.8)
Depreciation in right of use, leasing – out-of-home advertising inventory	(21.1)	(4.2)
Depreciation in right of use, leasing	**(32.5)**	**(16.2)**
Interest expense from leases	(2.6)	(0.9)
Financial income from net leasing	**(2.6)**	**(0.9)**

Short-term leases with terms of less than one year and low-value underlying assets do not have to be recognised and were recorded in the reporting year as lease expenses under other operating expenses in the amount of around CHF 1.7 million (short-term leases) and CHF 1.2 million (low-value underlying assets) (previous year: CHF 2.2 million and CHF 1.1 million).

In the reporting year, TX Group received no material rent concessions in connection with the coronavirus crisis. The revenue from subleasing in relation to capitalised right-of-use assets is not material, and there are no sale and leaseback transactions.

As of 31 December 2022, liabilities from signed leases yet to start totalled CHF 2.2 million (previous year: CHF 133.9 million). These liabilities are, as required under IFRS 16, recognised as a liability at the cash value at the time the lease begins.

Significant judgements or estimates

When determining the terms of leases, all facts and circumstances that represent an economic incentive to exercise extension options or not exercise termination options are considered. Extension and termination options are only factored into the contract term if it is sufficiently certain that these will be exercised. The assessment is revised if a significant event or a significant change in circumstances occurs that could influence the estimate used to this point, provided these are in the control of the lessee. These estimates are inherently uncertain and may not prove to be accurate.

Accounting policies

All leases with their associated rights and obligations are generally recorded in the balance sheet. Right-of-use assets are capitalised in the balance sheet under property, plant and equipment, while lease obligations are shown as current and non-current financial liabilities. Short-term leases with a term of less than one year and leases where the underlying asset is of low value do not have to be recognised. The payments for short-term leases (with a term of less than a year) and for low-value underlying assets (replacement value below CHF 5,000) are recorded as lease expenses under other operating expenses. Any assessment of the term of leases with extension options involves estimates and assumptions. These estimates are inherently uncertain and may not prove to be accurate.

The initial capitalisation of right-of-use assets and lease liabilities associated with a lease is performed on the basis of the fair value of the future lease payments (discounted). An incremental borrowing rate of interest is used to calculate the fair value of lease liabilities. In order to determine this value, due account is taken of the risk-free interest rate for specific lease terms, the collateral, the credit spread and the country-specific risk premium, with a uniform rate being applied to a portfolio of similar leases. Lease liabilities include firmly agreed lease payments. The first capitalisation of right-of-use assets is based on the fair value of lease obligations and includes any initial direct costs. Depreciation of right-of-use assets is linear and applies across the term of the lease. The lease payments reduce the lease liability on the liabilities side, and the interest added in relation to the lease liability is applied across the term of the lease and recognised in the income statement as financial expense.

2.8 Provisions and contingent liabilities

in CHF mn	Long service awards	Personnel provisions/ restructuring	Restoration costs + inherit-ed pollution	Litigation risks, other	**Total**
As of 1 January 2021	**11.7**	**2.0**	**0.6**	**1.4**	**15.6**
Disposals of consolidated companies	(0.3)	–	–	(0.0)	**(0.3)**
Increase	0.2	1.4	–	1.4	**2.9**
Reversal	(0.5)	(0.0)	–	(0.3)	**(0.7)**
Used during the financial year	(0.7)	(1.5)	–	(0.5)	**(2.6)**
Currency effect	–	–	–	(0.0)	**(0.0)**
As of 31 December 2021	**10.4**	**1.8**	**0.6**	**2.0**	**14.8**
due within 1 year	1.0	1.8	–	0.8	**3.6**
due within 1 to 5 years	9.4	–	0.6	1.2	**11.2**
As of 1 January 2022	**10.4**	**1.8**	**0.6**	**2.0**	**14.8**
Disposals of consolidated companies	–	–	–	(0.3)	**(0.3)**
Increase	0.2	2.0	–	1.2	**3.3**
Reversal	(0.6)	(1.0)	–	(0.2)	**(1.8)**
Used during the financial year	(0.7)	(0.9)	–	(0.7)	**(2.3)**
Currency effect	–	–	–	(0.0)	**(0.0)**
As of 31 December 2022	**9.2**	**2.0**	**0.6**	**1.9**	**13.7**
due within 1 year	0.9	2.0	–	0.6	**3.4**
due within 1 to 5 years	8.3	–	0.6	1.3	**10.2**

The reversal of provisions that are no longer required is now reflected directly in the account in which the expense was recognised and no longer under other income. The balance of CHF 1.0 million for the first half of the year was reclassified accordingly. The provisions reversed in the previous year were insignificant, so the previous year has not been adjusted.

Pending transactions

There are out-of-home advertising contracts with an obligation to provide future services intended to obtain a specific level of revenue in the amount of CHF 151.6 million (previous year: CHF 167.8 million). The Management estimates, like the previous year, that the agreed revenue targets will be achieved. Provisions would be formed for loss-generating contracts. The reduction compared to the previous year is attributable to expiring contracts.

In the current year, as in the previous year, there are no purchase agreements for the procurement of newsprint and magazine paper that relate to future delivery periods.

Sureties, subordinated claims and guarantee obligations to the benefit of third parties/related parties

As of the balance sheet date, there are sureties, subordinated claims and guarantee obligations to the benefit of related parties and third parties totalling CHF 15.4 million (previous year: CHF 16.1 million). There are no further sureties, subordinated claims or guarantee obligations.

Accounting policies

Provisions are only recognised if an obligation exists or appears probable based on a past event and when the amount of such obligation can be reliably estimated.

Possible obligations and those that cannot be reliably estimated are disclosed as contingent liabilities.

The provision for long-service awards is determined on the basis of actuarial principles. The personnel provisions consist mainly of costs that are still expected in conjunction with agreed restructuring measures. They primarily therefore cover provisions for various social plans. Provisions for restoration costs and inherited pollution include the estimated costs of restoring rented properties to their original state once they have been vacated, and guarantees for the removal of inherited pollution from properties sold. The due dates for restoration costs of rented premises are governed by the terms of the relevant agreements. The provisions for litigation risks relate to current cases. Other provisions include several different items, which, if considered individually, are not material in nature. The outflow of non-current provisions is expected within the next five years. The amount set aside for provisions and the point in time at which such will result in a cash outflow are based on best possible estimates and may deviate from actual circumstances in the future.

2.9 Employee benefits

TX Group has a range of defined benefit plans in Switzerland. These plans are managed in accordance with the legal requirements by autonomous, legally independent pension funds. The Board of Trustees, as the highest management body of these pension funds, is composed of an equal number of employee and employer representatives.

The plan participants are insured against the economic consequences of old age, disability and death, with the benefits governed by the respective plan policies on the basis of the contributions paid. Depending on the individual plan, the employer pays contributions of at least 50 per cent up to a maximum of 65 per cent to the pension funds.

The pension funds can change their financing system (contributions and future benefits). In the event of a funding deficit, determined in accordance with the legal requirements of Switzerland, and if other measures are unsuccessful, the pension funds may charge the employer deficit reduction contributions.

All insurance risks are borne by the pension funds. These risks can be broken down into demographic and financial risks, and are regularly assessed by the Board of Trustees, which is also responsible for asset management.

The management of the plan assets aims at securing the insured parties' benefit entitlements over the long term using the contributions paid by the employees and employer as stipulated in the plan policies. Criteria such as security, the generation of a return on investments that is in line with the market, risk distribution, efficiency and guarantee of the necessary cash and cash equivalents are all taken into account.

Risk capacity, calculated in accordance with recognised rules, is taken into account when determining the investment strategy. The structure of the plan assets takes particular account of the employee benefit obligations, including the plan's actual financial position and expected changes to the number of insured members. The plan assets are thus distributed across different asset classes, markets and currencies, while ensuring that there is sufficient market liquidity. The target return on plan assets is determined within the context of risk capacity, and should play a key role in financing the benefits promised.

Actuarial assumptions

in per cent	2022	2021
Discount rate as of 1 January	0.30	0.20
Discount rate as of 31 December	2.30	0.30
Expected salary increases	1.00	1.00
Expected pension increases	–	–
Mortality table	BVG2020 GT	BVG2020 GT
Date of most recent actuarial calculation	30.09.2022	30.09.2021

Amounts recognised in the balance sheet

in CHF mn	2022	2021
Employee benefit obligations as of 31 December	(1 334.0)	(1 661.8)
Employee benefit plan assets as of 31 December	1 720.9	1 982.4
Overfunding / (liabilities) as of 31 December	**386.8**	**320.6**
Adjustment of asset limit	(362.2)	–
Net plan assets / (net plan liabilities) as of 31 December	**24.7**	**320.6**
of which net plan assets	31.7	348.1
of which employee benefit obligations	(7.0)	(27.5)

At the end of 2021, there was a surplus of CHF 320.6 million, which was fully capitalised. As of 31 December 2022, there is an even larger surplus of CHF 386.8 million, of which only CHF 24.7 million could be capitalised. The main reason for this development is that the higher discount factor reduced the liabilities more than the plan assets declined due to the negative performance in 2022 and the surplus thus increased. At the same time, however, the available economic benefit has decreased so much that the asset ceiling takes effect and only a small part of the surplus can be capitalised. According to IFRIC 14, the amount of the economic benefit is the present value of the difference between the employer's current service cost and the employer's contributions plus any available employer contribution reserves.

Amounts recognised in the income statement

in CHF mn	2022	2021
Current employer service cost	(27.9)	(34.7)
Past (service cost) / income	0.3	3.2
Effect of plan curtailments / settlements	–	(0.5)
Interest cost for employee benefit obligations	(4.9)	(3.6)
Interest income on plan assets	5.9	3.8
Administration costs (excl. asset management costs)	(0.8)	(0.9)
Other effects	1.0	0.8
Company's net periodic pension cost	**(26.4)**	**(32.0)**
of which employee benefit expense and administration costs	(27.4)	(32.2)
of which net interest on net plan assets / (net plan liabilities)	0.9	0.2

In both years, the past service cost was mainly attributable to plan amendments due to the lowering of the technical interest rate. The plan amendments relate to various follow-on agreements with collective foundations. As in the previous year, the further effects concern the creation and partial reversal of accruals for the financing of various social plans, and in 2021 additionally the use of the employer contribution reserve for TX Group welfare fund to settle compensation for reduced working hours at a rate of 100 per cent.

Amounts recognised in other comprehensive income

in CHF mn	2022	2021
Actuarial gains / (losses) on employee benefit obligations	290.6	102.0
Gains / (losses) on plan assets, excluding interest	(214.8)	133.1
Change in asset limit, excluding net interest	(362.2)	–
Total	**(286.3)**	**235.1**

Composition of actuarial gains / (losses)

in CHF mn	2022	2021
Financial assumptions	291.0	20.9
Demographical assumptions	(3.9)	77.8
Adjustments due to experience	3.6	3.3
Total	**290.6**	**102.0**

Actuarial gains are even higher in 2022 than in the previous year. The effect from the changes in the financial assumptions is primarily due to the significantly higher interest rate level, as the discount rate has increased by around 2 per cent compared to the previous year. Accordingly, employee benefit obligations have reduced considerably.

Changes in employee benefit obligations

in CHF mn	2022	2021
Present value as of 1 January	(1 661.8)	(1 838.5)
Interest cost	(4.9)	(3.6)
Current employer service cost	(27.9)	(34.7)
Employee contributions	(18.5)	(20.7)
Benefits paid	93.6	91.8
Effect of plan curtailments/settlements	0.3	3.2
Change in group of consolidated companies	–	39.6
Administration costs (excl. asset management costs)	(0.8)	(0.9)
Other effects	(4.6)	–
Actuarial gains / (losses)	290.6	102.0
Present value as of 31 December	**(1 334.0)**	**(1 661.8)**
of which plan liabilities for current employees	(561.9)	(694.4)
of which plan liabilities for retired employees	(772.2)	(967.4)

Changes in plan assets

in CHF mn	2022	2021
Market value as of 1 January	1 982.4	1 933.4
Interest income on plan assets	5.9	3.8
Employer contributions	19.8	22.7
Employee contributions	18.5	20.7
Benefits paid	(93.6)	(91.8)
Effect of plan curtailments / settlements	–	(0.5)
Change in group of consolidated companies	–	(39.0)
Other effects	2.6	0.0
Gains / (losses) on plan assets, excluding interest	(214.8)	133.1
Market value as of 31 December	**1 720.9**	**1 982.4**

Allocation of plan assets

in CHF mn	2022	2021
Listed market prices		
Shares	562.9	713.2
Bonds	547.0	629.0
Real estate	242.6	273.3
Other	1.8	1.5
Total listed market prices	**1 354.3**	**1 631.2**
Non-listed market prices		
Cash and cash equivalents	8.5	14.2
Real estate	297.9	291.2
Other	60.1	60.0
Total non-listed market prices	**366.5**	**351.2**
Total assets at fair value	**1 720.9**	**1 982.4**
of which shares of TX Group AG	–	–
of which assets used by Group companies	–	–

Expected contributions for the coming year

in CHF mn	2022	2021
Employer contributions	19.7	20.1
Employee contributions	17.9	18.2

Maturity of employee benefit obligations

in years	2022	2021
Weighted average duration of employee benefit obligations in years	11.0	13.4

Sensitivity analysis

in CHF mn	2022	2021
Effects on employee benefit obligations as of 31 December in the event of		
Decrease in the discount rate by 0.25%	36.7	57.3
Increase of discount rate by 0.25%	(34.9)	(53.8)
Decrease in salary increases by 0.25%	(2.8)	(3.6)
Increase of salary by 0.25%	2.7	3.6
Increase of life expectancy by 1 year	44.3	69.2
Decrease in life expectancy by 1 year	(45.7)	(68.3)

Contributions to defined contribution plans

in CHF mn	2022	2021
Total	0.4	1.2

Liabilities to employee benefit funds

in CHF mn	2022	2021
Liabilities to TX Group employee benefit funds	0.2	0.1
Liabilities to other employee benefit funds	1.3	1.0
Total	**1.5**	**1.0**

Significant judgements or estimates

The calculation of the employee benefit obligations requires an estimate of future service periods, future salary and pension developments, interest on savings, the timing of contractual service payments and the employee share of the financing gap. This assessment takes into account previous experience and predicted future trends.

Accounting policies

TX Group has both defined contribution and defined benefit pension plans. Employee benefit plans are largely in line with the regulations and conditions prevailing in Switzerland. The majority of employees are insured against old age, disability and death under the autonomous employee benefit plans of TX Group. All other employees are insured under collective insurance contracts with insurance companies. Contributions to the employee benefit plans are made by both the employer and the employees pursuant to legal requirements and in accordance with the respective plan policies.

The pension plans of the Danish, German and Austrian companies are defined contribution plans under which contributions are paid to public pension plans. There are no other payment obligations. The contributions are recognised immediately as personnel expenses.

Every year, an independent actuary calculates the defined benefit obligation in accordance with the criteria stipulated by the IFRS, using the projected unit credit method. The obligations correspond to the present value of the anticipated future cash flows. The plan assets and income are calculated annually. Actuarial gains and losses are recognised immediately under other comprehensive income.

An economic benefit will result if the company can at some point in the future reduce its contributions. The amount that should become available to the company as a reduction of future contributions is defined as the present value of the difference between the service cost and the contributions laid down in the respective plan policies, and must be capitalised in compliance with the limitation imposed by IAS 19.64. The effects of the employer contribution reserves are also considered.

Of the pension cost, the current employee service cost and past service cost, plan settlements, etc. are reported as personnel expenses while the interest result is recognised in the financial result.

Any funding deficit of the defined benefit liability plans is recognised as an employee benefit liability. This is calculated by deducting the present value of the employee benefit obligation from the plan assets measured at fair value.

The calculations to determine the plan assets, employee benefit obligation and pension cost take into account long-term actuarial assumptions such as the discount rate, future salary increases, mortality rates and expected future pension increases, which can differ from the actual results and will have an impact on net assets, the financial position and earnings positions. As pension plans are long term in nature, these estimates should be seen to be subject to a significant element of uncertainty.

Contributions to defined contribution plans are recognised in the income statement.

3 Capital and risk management

The following section explains the most significant aspects of the Group's capital and risk management. TX Group strives to achieve a solid equity base that ensures the company's ongoing operation and retains the trust of a wide range of stakeholder groups. As such, the investors should be offered an appropriate return based on the risks accepted.

3.1 Capital management

The capital defined in conjunction with capital management corresponds to reported equity.

Capital management ensures that the necessary capital for operational activities can be made available from funds earned by the Group itself and that financial liabilities can usually be settled from the Group's own funds within a period of three to five years. The dividends paid to shareholders are adjusted as a means of managing capital. The aim is to pay dividends to shareholders in the range of 35 to 45 per cent of the free cashflow b. M&A following dividends to non-controlling interests and repayment of lease liabilities, and to report an equity ratio that is significantly higher than 50 per cent over the long term.

3.2 Share capital and treasury shares

Share capital

There are still 10,600,000 fully paid-up registered shares with a par value of CHF 10.00 each.
There is a shareholders' agreement for 67.0 per cent of the 10.6 million registered shares of TX Group AG. The members to the shareholders' agreement currently own 69.10 per cent of the shares.

On 8 April 2022, the shareholders approved the proposal of the Board of Directors that a dividend of CHF 7.40 per share be distributed for the 2021 financial year. For the 2022 financial year, the Board of Directors will recommend to the Annual General Meeting of 14 April 2023 that a dividend of CHF 4.50 should be paid. The recommended dividend comprises a special dividend in the amount of CHF 4.20 and a regular dividend in the amount of CHF 0.30 per share.

Disclosures on the major shareholders of TX Group AG in accordance with the terms of the Swiss Code of Obligations Art. 663c are provided in Note 17 to the financial statement of TX Group AG.

Treasury shares

		2022	2021
Number of treasury shares			
As of 1 January		5 709	4 426
Additions		1 140	5 709
Disposals		(6 849)	(4 426)
As of 31 December		**–**	**5 709**
Initial value of treasury shares	in CHF mn		
As of 1 January		0.7	0.3
Additions		0.1	0.7
Disposals		(0.8)	(0.3)
As of 31 December		**–**	**0.7**
Market value		**–**	**0.9**
Paid/received prices	in CHF		
Additions (weighted average)		125.55	117.04
min.		110.29	77.13
max.		138.23	162.43
Disposals (weighted average)		118.77	73.89
min.		106.34	73.89
max.		155.21	73.89

The year-end price of treasury shares was CHF 149.4, compared to CHF 156.4 at the end of the previous year.

As part of the profit participation programme for Group Management (see also Note 1.3), 6,849 treasury shares with a total value of CHF 0.8 million were transferred. In total, 1,140 additional treasury shares were purchased in the 2022 financial year. As of the reporting date, no treasury shares were held.

3.3 Earnings per share

		2022	2021
Weighted average number of shares outstanding during the year			
Number of issued shares		10 600 000	10 600 000
Number of treasury shares (weighted average)		1 799	3 103
Number of outstanding shares (weighted average)		**10 598 201**	**10 596 897**
Undiluted			
Net income / (loss) attributable to shareholders	in CHF 000	(44 371)	801 958
Weighted average of outstanding shares applicable for this calculation		10 598 201	10 596 897
Net income / (loss) per share	in CHF	**(4.19)**	**75.68**
Diluted			
Net income / (loss) attributable to shareholders	in CHF 000	(44 371)	801 958
Weighted average of outstanding shares applicable for this calculation		10 598 201	10 602 228
Net income / (loss) per share	in CHF	**(4.19)**	**75.64**

The dilution takes into account the possible impact of share-based payments to the Group Management of TX Group AG. These shares should only to be considered as having a diluting effect if the earnings per share are reduced accordingly.

3.4 Financial risk management

The Audit Committee at TX Group AG monitors risk management at the company and approves the consolidated risk report. Risk management is broken down into risk spheres, which are dealt with centrally within TX Group or locally within the companies. The risk officers designated by the Group management board identify, assess and manage risks with targeted measures throughout a periodic, systematic process. TX Group's annual risk report covers risks at TX Group level as well as the risks associated with the companies under its (sole) control. The companies not under its control (SMG and JobCloud) have their own risk management systems that are independent of TX Group.

The current situation in the market environment, geopolitical tensions, the effects of interest rate rises and the impact of the looming energy crisis are key drivers of market risks. Changes in the behaviour of media consumers and advertising customers, as well as loss of market share to domestic and foreign competition, represent the greatest market-specific challenges.

Market risks

The market risks are assessed for Goldbach, 20 Minuten, Tamedia and TX Ventures on an individual basis and managed with various measures.

At Goldbach, various actions are being taken in the area of TV to address the changing ways in which younger people are consuming media. These include the launch of innovative forms of advertising such as replay ads, and the development of streaming offerings financed through advertising. The risk of a severe decline in print consumption is being mitigated through alliances with other publishers and the expansion of third-party marketing. The digitalisation of media purchasing represents a further risk. Players with their own technical distribution structures are increasing pressure. This risk is being countered through stricter control of distribution by using and investing in new technologies. Within the advertising business, international platforms continue to grow and removing third-party cookies increases the risk of losing market share. Advertising targeted to specific target groups based on a universal Swiss advertising ID should counteract this risk. Goldbach is also focusing on out-of-home advertising, where its strong footing in the domestic market represents a strategic advantage.

20 Minuten is yet to (significantly) recoup the decline in the advertising and user market caused by the pandemic despite the return of commuters. The shift in advertising expenditure from print to digital continues. At the same time, the rapid changes in media consumption among the young target group carry risks that are being addressed with the "social media first" strategy. Relevant news and entertainment formats are produced with storytelling specifically designed for, and broadcast on, social media, and adapted for the app, website and newspaper. Further measures are being taken to mitigate the effects of the removal of third-party cookies on the advertising sector. The potential damage has so far been largely limited through the introduction of a login and additional identifier.

For Tamedia, the further decrease in print subscription and advertising revenues, the decline in the print advertising market and the lack of digital revenue growth in the user market pose significant risks. Advertising offerings are being optimised with new digital formats and the input of specialists. There is a consistent focus on mobile content, improving product usability and automated guidance of customers in the registration and purchasing process, which is leading to gains in the digital user market. This is intended to mitigate the losses in the print reader market. The increase in the price of paper due to the Europe-wide shortage of used paper and high energy prices are also proving to be a significant challenge for Tamedia. The negotiation strategy for paper purchases is being modified accordingly, with the aim of improving planning ability. In terms of third-party customer business at printing centres, the focus is on maintaining close relationships with customers and on constantly optimising the cost structure.

For TX Ventures, the risks to the majority interests are highlighted. At Zattoo, the largest client relationship makes up a significant share of the B2B revenues. As its loss represents a risk, this share should be reduced. The restructuring of the sales organisation should also ensure that significant planned growth can be achieved in B2B sales.

Apart from any market risks, there is also management of risks in the areas of Human Resources, Finance, Legal and Technology. Ongoing investments are being made in security measures with a view to combating technical issues affecting IT systems and rising cybercrime. These can prove particularly worthwhile in the event of cyberattacks. TX Group has therefore entered into partnerships with leading providers to help it incorporate the very latest protection.

The impairment testing did not show any impairment was needed (see also Note 2.5).

Currency risks

Risks relating to exchange rate fluctuations may result in particular from the purchase of paper or investments. Currency risks are hedged centrally, by means of cash flow hedges, and thus minimised to the extent that such action is considered expedient.

At present, currency risks result mainly from purchases made in foreign currency and whose revenues are generated predominantly in CHF, as well as investments in other companies that are managed in a foreign currency. The equivalent value of purchases in foreign currency amounted to CHF 82.2 million in 2022 (previous year: CHF 91.0 million). The risks applied for the most part to transactions in euro and were hedged for paper purchases in 2023 in the amount of CHF 32.1 million (hedging in 2021 for paper purchases in 2022 amounted to CHF 37.1 million). The above purchases in foreign currency do not include those made by foreign Goldbach Group companies since the latter's purchases are not exposed to any material currency risk on account of revenues also being accrued in euro. Nothing is done to hedge the foreign currency risk associated with investments. Details of the hedges for 2022 using forward exchange transactions can be found in the sections below. Details of the system for recognising these cash flow hedges can be found in the measurement principles.

The effects on net income before taxes of a possible change in the exchange rates of 5 per cent on the items in the balance sheet in euro, Serbian dinars, US dollars, Danish krone and British pounds amounted to CHF –0.0 million as of the end of 2022 (previous year: CHF –0.9 million).

Interest rate risks

Interest rate risk is managed centrally. Short-term interest rate risks are generally not hedged. As of the balance sheet date, there were no hedges of long-term interest rate risks.

The risk resulting from changes in market interest rates mainly relates to current and non-current financial liabilities.

The following table provides details of the items that are subject to interest rate risks and shows the impact of a possible change in interest rates on the Group's net income before taxes.

in CHF mn	2022 Variable interest rate	2022 Fixed interest rate	2021 Variable interest rate	2021 Fixed interest rate
Assets				
Cash and cash equivalents	316.3	–	436.5	–
Loan receivables	–	170.8	–	154.3
Other financial receivables	130.7	–	–	–
Liabilities				
Bank liabilities and loans	1.5	1.4	–	4.7
Loan liabilities	5.8	–	2.9	66.7
Impact on net income / (loss) before taxes of a change of +/– 0.1%	+/– 0.4		+/– 0.4	

Credit risks

Trade accounts receivable are constantly monitored using standardised processes that are also supported by external debt collection partners. Standard guidelines are used to make the necessary value adjustments. The threat of cluster risks is minimised by the large number and broad distribution of receivables from customers across all market segments. Quantitative information on credit risk resulting from operations can be found in Note 2.1 “Net working capital” for trade accounts receivable.

The credit risk to which cash and cash equivalents and other financial assets are exposed relates to counterparty defaults, in which case the maximum risk is the carrying amount. Cash and cash equivalents are mostly held at three big Swiss banks, of which the credit default risk is rated as low based on the current Standard & Poor’s credit ratings. The loan to General Atlantic SC B.V. is secured by a pledge of the shares held in SMG Swiss Marketplace Group AG.

Liquidity risk

The risk of not having access to sufficient liquidity to settle liabilities is covered by a liquidity plan, which is continuously updated. The liquidity plan takes both day-to-day operations and accounts receivable and liabilities into account.

In order to optimise the available financial resources, liquidity management and long-term financing are undertaken centrally. This means that capital can be procured cost-effectively and ensures that the liquidity available matches the payment obligations.

The due dates of financial liabilities are shown in the overview below:

in CHF mn	Not yet due/ at call	up to 3 months	4 to 12 months	1 to 5 years	over 5 years	**Total**
2022						
Financial liabilities	0.1	9.4	22.9	117.5	35.0	**184.9**
of which derivative financial instruments	–	0.1	0.2	–	–	**0.3**
of which leasing liabilities	–	9.3	22.2	105.6	35.0	**172.1**
Trade accounts payable	75.8	–	–	–	–	**75.8**
Other liabilities	6.4	–	–	–	–	**6.4**
Total	**82.4**	**9.4**	**22.9**	**117.5**	**35.0**	**267.1**
2021						
Financial liabilities	4.1	5.1	11.7	102.7	13.2	**136.8**
of which derivative financial instruments	–	0.4	1.3	–	–	**1.7**
of which leasing liabilities	–	4.6	9.9	30.0	13.2	**57.7**
Trade accounts payable	66.0	–	–	–	–	**66.0**
Other liabilities	4.9	–	–	–	–	**4.9**
Total	**75.1**	**5.1**	**11.7**	**102.7**	**13.2**	**207.8**

Forward currency contracts

in CHF mn	**2022**	**2021**
Contract volume	32.1	37.1
Fair value, due	0.0	(1.7)
due within 1 year	0.0	(1.7)
due within 1 to 5 years	–	–
due beyond 5 years	–	–
Details of cash flow hedges		
Cash flow hedges recognised directly in other comprehensive income / (loss)	0.0	(1.3)
Used for hedging as planned	2.8	0.1
Recognised directly in the income statement	–	–

Depending on their maturity dates, the fair values of these derivative financial instruments are reported under current or non-current financial receivables or liabilities as appropriate.

Financial instruments

in CHF mn	Category	2022 Carrying amount	2022 Market value	2021 Carrying amount	2021 Market value
Cash and cash equivalents	1	316.3	316.3	436.5	436.5
Current financial assets		89.1	89.1	20.0	20.0
of which securities	4	88.7	88.7	20.0	20.0
of which forward exchange transactions	3	0.3	0.3	–	–
Trade accounts receivable	2	239.9	239.9	228.5	228.5
Current financial receivables	2	39.4	39.4	123.0	123.0
Other non-current financial assets		208.0	191.7	193.5	184.9
of which other investments – equity instruments	3	34.2	34.2	37.4	37.4
of which other investments – no equity instruments	4	0.3	0.3	0.2	0.2
of which loans	2	170.8	157.4	154.3	145.7
of which other non-current financial assets - no equity instruments	2	2.7	2.7	1.6	1.6
Current financial liabilities		0.7	0.7	6.1	6.1
of which forward exchange transactions	5	0.3	0.3	1.7	1.7
of which other current financial liabilities	6	0.4	0.4	4.4	4.4
Trade accounts payable	6	75.8	75.8	66.0	66.0
Other current liabilities	6	6.4	6.4	4.9	4.9
Non-current financial liabilities		11.3	11.2	72.3	72.2
of which bank liabilities and loans	6	8.7	8.6	69.6	69.5
of which purchase price obligations	7	–	–	1.1	1.1
of which obligations to purchase own equity instruments	7	0.6	0.6	0.5	0.5
of which other non-current financial liabilities	7	1.9	1.9	1.2	1.2
Categorisation of financial instruments as per IFRS 9					
Cash and cash equivalents – at amortised cost	1	316.3	316.3	436.5	436.5
Loans and receivables - at amortised costs	2	452.8	439.3	507.5	498.9
Financial assets – at fair value with value adjustments in other comprehensive income	3	34.5	34.5	37.4	37.4
Financial assets – at fair value with value adjustments in profit or loss	4	89.0	89.0	20.2	20.2
Financial liabilities - at fair value with value adjustments in other comprehensive income	5	(0.3)	(0.3)	(1.7)	(1.7)
Financial liabilities - at amortised costs	6	(91.4)	(91.3)	(144.9)	(144.9)
Financial liabilities – at fair value with value adjustments in profit or loss	7	(2.5)	(2.5)	(2.7)	(2.7)

TX Group uses the following measurement hierarchy for determining the fair value of financial instruments:

- Level 1: Listed prices on active markets for identical assets and liabilities.
- Level 2: Fair values calculated on the basis of observable market data. Either listed prices on non-active markets or non-listed prices are used. Such market values may also be derived from prices indirectly.
- Level 3: Fair values that are not calculated on the basis of observable market data.

The forward exchange transactions included under current financial assets are the only financial instruments that are classified as Level 2 in the fair value hierarchy. As of 31 December, these amount to CHF 0.0 million net (previous year: CHF –1.7 million) and, not therefore being material, no further disclosure is made in respect of them.

Among other things, equity instruments associated with other financial assets and any purchase prices due are classified as Level 3 in the fair value hierarchy. Investments are mainly made during the start-up phase when no observable market prices are available. A suitable alternative valuation method is therefore applied in order to determine the fair value of the investments. This can include the price paid by third parties during financing rounds, a calculation based on the discounted cash flow (DCF) method, or the market price as determined with the help of multiples. Input factors are things like contract details during the financing rounds, including the price paid by third parties, or business plans that contain the latest estimates in respect of trends for revenues and costs. As regards the most important other investment, in quantitative terms, in Joveo Inc., which is recorded in the balance sheet with a value of

CHF 9.9 million as of 31 December 2022, the valuation was performed on a DCF basis during the second half of 2022. Any remaining other investments (including their sensitivity) are deemed not to be material for TX Group. The valuations of other investments are reviewed on a half-yearly basis. The change in respect of other investments in the reporting year can be seen in the table below:

in CHF mn	2022	2021
Other investments – as of 1.1.	**37.5**	**32.9**
Additions	10.0	10.2
Disposals	(20.9)	–
Transfer to associates	–	(9.8)
Changes recognised directly in other comprehensive income / (loss)	7.8	4.2
Changes recognised in reported net income / (loss)	0.1	–
Other investments – as of 31.12.	**34.5**	**37.5**

All other financial instruments valued at fair value are classified as Level 1 in the fair value hierarchy. There were no transfers between the three levels.

Accounting policies

Forward contracts and options with financial institutions are not entered into on a speculative basis, but selectively and exclusively for the purpose of mitigating the specific foreign currency and interest rate risks associated with business transactions. Foreign currency derivatives are measured according to the settlement of the hedged items as fair value hedges or as cash flow hedges, either in conjunction with the underlying transactions or separately at fair value as of the balance sheet date.

Derivative financial instruments, such as interest rate swaps, foreign currency transactions and certain derivative financial instruments embedded in basic agreements are recognised in the balance sheet at fair value, either as current or non-current financial assets or liabilities. The changes in fair value are recognised in the annual results or under other comprehensive income directly, depending on the purpose for which the respective derivative financial instrument is used.

In the case of fair value hedges, the change in fair value of the effective share (of the derivative financial instrument and the underlying transaction) is recognised immediately in the income statement. Changes in fair value of the effective share of derivative financial instruments classed as cash flow hedges and qualifying for treatment as such are recognised as other comprehensive income until the underlying transactions can be recognised in the income statement.

Changes in the fair value of derivative financial instruments that are not considered to be accounting hedges (as understood by the definition given above) or that do not qualify as such are recognised in the income statement as components of financial income or expenses. This also applies to fair value hedges and cash flow hedges as described above as soon as such financial instruments cease to qualify as accounting hedges.

Contractual obligations to purchase the Group's own equity instruments (such as put options on non-controlling interests) result in the recognition of a financial liability, which is recognised at the present value of the exercise amount in the income statement. The fair value of the financial liability is regularly reviewed and any deviation from first-time recognition is recognised in the financial result.

4 Group structure and other disclosures

The following explains the structure of TX Group and provides information on its subsidiaries, joint ventures and associates. It also explains any significant changes to the group of consolidated companies and the corresponding impact on the consolidated financial statements. This section additionally contains information that has not been disclosed in the sections above.

4.1 Changes to the group of consolidated companies

Changes to the group of consolidated companies 2022

20 Minuten Advertising AG merged with Goldbach Publishing AG with retroactive effect from 1 January 2022. The companies from the Goldbach Ost Group that were no longer operational were also disposed of. The company TX Services, Unipessoal Lda in Portugal was also founded as a wholly owned subsidiary of TX Group AG during the reporting year. The above transactions are not material for the purposes of financial reporting by TX Group.

In the 2022 financial year, there were no material acquisitions or disposals of consolidated companies.

In the 2021 reporting year, material changes have accured that must also be disclosed in this annual report in accordance with the requirements of IAS 1 “Presentation of Financial Statements”.

Acquisition of consolidated companies and activities 2021

Acheter-Louer.ch & Publimmo Sàrl

As of 7 July 2021, TX Markets AG acquired 100 per cent of the shares in Acheter-Louer.ch & Publimmo Sàrl, thereby extending its portfolio on the property market. The purchase price amounts to CHF 10.4 million. CHF 9.4 million of this was paid in cash, with CHF 1.0 million recognised as a variable purchase price due. The variable part of the purchase price due is dependent on revenues in 2022 and a successful transition in terms of day-to-day operations (qualitative component) and is only due in the first half of 2023. In addition to cash and cash equivalents of CHF 2.3 million, the assets comprise goodwill and non-amortisable intangible assets of CHF 3.1 million. Goodwill to the value of CHF 1.3 million is mainly based on Acheter-Louer’s strong market position in western Switzerland. It is assumed that the goodwill is not deductible for tax purposes. The assets also comprise receivables with a fair value of CHF 0.1 million (no material receivables were impaired). Costs of CHF 0.1 million were incurred in connection with the transaction.

As a result of TX Markets AG being integrated into the joint venture with Ringier and Die Mobiliar as of 11 November 2021, Acheter-Louer.ch & Publimmo Sàrl has left the group of consolidated companies once more. The revenues of Acheter-Louer.ch & Publimmo Sàrl recognised between the acquisition date and disposal date total CHF 1.0 million and the net income recognised between the acquisition date and disposal date is CHF -0.04 million. Recognition was in the TX Markets segment. Had the acquisition taken place with effect from 1 January 2021, the revenues reported for 2021 would have been CHF 1.4 million higher, while reported net income would have been CHF 0.1 million lower.

Disposal of consolidated companies and activities 2021

TX Markets

As a result of the 100 per cent stake in TX Markets AG (without the investment in JobCloud AG) being integrated into the new SMG Swiss Marketplace Group AG joint venture with Ringier and Die Mobiliar, TX Markets and its investments left the group of consolidated companies as of the closing in November 2021. The companies leaving involve a 50 per cent stake in CAR FOR YOU AG and 100 per cent stakes in Immostreet.ch S.A., Ricardo AG, ricardo France Sarl., TX Markets GmbH, which was newly founded in 2021, and Acheter-Louer.ch & Publimmo Sàrl, which was acquired in July 2021.

Following the deconsolidation of TX Markets, assets of CHF 482.4 million (of which CHF 12.4 million were cash and cash equivalents), liabilities of CHF 158.0 million and non-controlling interests in equity of CHF –4.2 million were transferred. The market value of TX Group shares in the joint company is CHF 1,107 million (41 per cent). The difference between the market value and the transferred equity of CHF 778.5 million was reflected in the income statement through the financial result. The subsequent sale of 10 per cent of the shares to General Atlantic SC B.V. at the market value of CHF 270.0 million (of which

CHF 135.0 million was in cash and 135.0 million in the form of a loan) had no impact on the income statement. Following the sale to General Atlantic SC B.V., TX Group holds 31 per cent in the joint venture, which was recognised at CHF 837.0 million. CHF 0.9 million costs were incurred in relation to the transaction.

Additional changes to the group of consolidated companies 2021

In February 2021, TX Group purchased 100 per cent of the shares in Helvetics Engineering d.o.o. in Belgrade, with the company merging with TX Services d.o.o. in October 2021. The reporting year also saw the liquidation of Meekan Solutions Ltd, Israel, the merger of Zattoo Europa AG with Zattoo AG (previously Zattoo International AG), the merger of Adextra AG with Goldbach Group AG, the sale of 1.5 per cent non-controlling interests in Doodle AG to the Management and the purchase of assets of Immowelt AG by TX Markets AG. Further shares in Zattoo AG were acquired in two stages, taking the overall TX Group AG share from 50.0 per cent to 58.9 per cent. The above transactions are not material for the purposes of financial reporting by TX Group.

Accounting policies

Group of consolidated companies

All companies over which TX Group AG exercises control either directly or indirectly are included in the consolidated financial statements. Companies acquired during the reporting year are included in the consolidated financial statements as of the date on which control was assumed, and companies sold are excluded from the consolidated financial statements as of the date on which control was surrendered.

Consolidation method

The consolidated financial statements comprise the financial statements of the parent company and the companies it controls. The company gains control if it:

- *can exercise power of disposal over the associated companies,*
- *is exposed to fluctuations in returns as a result of its association, and*
- *is able to influence returns on the basis of its power of disposal.*

The assets, liabilities, revenues and expenses of the companies included in the group of consolidated companies are accounted for in their entirety using the full consolidation method. The non-controlling interests in equity and net income / (loss) are disclosed separately in the balance sheet and the income statement.

Joint ventures in which TX Group AG directly or indirectly holds 50 per cent of the voting rights or over whose financial and operational decisions it exercises control based on agreements entered into with partners, thereby owning rights to the net assets of the joint venture, are accounted for using the equity method.

Investments in companies in which TX Group AG directly or indirectly holds less than 50 per cent of the voting rights (associates) and over whose financial or operational decisions it does not exercise any control but over which it has significant influence are also accounted for using the equity method.

The recognition of joint ventures and associates in the consolidated financial statements is explained under investments in associates and joint ventures.

Capital consolidation

The share of equity of consolidated companies is accounted for using the acquisition method. There is the option with regard to any business combination of measuring the non-controlling interests at fair value or according to the proportion of assets acquired. In the case of business combinations that are achieved in stages, the fair value of the previously held equity interest is remeasured to fair value at the acquisition date. Any gains or losses and any costs incurred in relation to the acquisition are directly recognised in the income statement.

Treatment of intercompany profits

Profits on intragroup sales not yet realised through sales to third parties as well as gains from the intragroup transfer of property, plant and equipment and investments in subsidiaries are eliminated in the consolidation.

Foreign currency translation

The consolidated financial statements of TX Group are presented in CHF. Monetary items in foreign currency in the individual financial statements are translated at the exchange rate applicable on the balance sheet date. Foreign currency transactions executed during the financial year are recognised at the average monthly exchange rate. The resulting exchange rate differences are recognised directly in the income

statement. Assets and liabilities of subsidiaries whose functional currency is not the CHF are converted in the consolidated financial statements using the price on the reporting date, while items in the income statement are converted using the average price.

4.2 Group companies

Name	Domicile	Currency	Share capital (in 000)	Segment	Consolidation method	Share of [1] Group capital 2022	Share of [1] Group capital 2021
TX Group AG	Zurich	CHF	106 000	G&V/20M	V	–	–
20 minuti Ticino SA	Lugano	CHF	300	20M	E	50.0%	50.0%
Actua Immobilier SA	Carouge	CHF	330	Tam	E	39.0%	39.0%
Backbone Art SA	Geneva	CHF	169	G&V	A	2.2%	2.2%
Caeleste AG	Zurich	CHF	100	G&V	A	2.1%	–
DJ Digitale Medien GmbH	Vienna	EUR	71	20M	V	51.0%	51.0%
Doodle AG	Zurich	CHF	100	G&V	V	98.5%[2]	98.5%[2]
Doodle Deutschland GmbH	Berlin	EUR	250	G&V	V	98.5%[2]	98.5%[2]
Doodle USA Inc	Atlanta	USD	20	G&V	V	98.5%[2]	98.5%[2]
Edita SA	Luxembourg	EUR	50	20M	E	50.0%	50.0%
Everon AG	Zurich	CHF	123	G&V	A	13.5%	–
Global Impact Finance SA	Lausanne	CHF	168	G&V	A	13.1%	13.1%
Goldbach Group AG	Küsnacht	CHF	100	GB	V	100.0%	100.0%
20 Minuten Advertising AG[3]	Küsnacht	CHF	100	GB	V	–	100.0%
Goldbach Manufaktur AG	Küsnacht	CHF	100	GB	V	100.0%	100.0%
Goldbach neXT AG	Küsnacht	CHF	100	GB	V	100.0%	100.0%
dreifive AG	Konstanz	EUR	75	GB	V	100.0%	100.0%
dreifive digital marketing GmbH	Munich	EUR	25	GB	V	51.0%	51.0%
Goldbach Search GmbH[4]	Konstanz	EUR	25	GB	V	100.0%	100.0%
dreifive (Switzerland) AG	Zurich	CHF	100	GB	V	100.0%	100.0%
Goldbach Audience (Switzerland) AG	Küsnacht	CHF	1 091	GB	V	50.1%	50.1%
Goldbach Austria GmbH	Vienna	EUR	35	GB	V	100.0%	100.0%
dreifive GmbH	Vienna	EUR	50	GB	V	100.0%	100.0%
Goldbach Audience Austria GmbH	Vienna	EUR	35	GB	V	100.0%	100.0%
Goldbach Media Austria GmbH	Vienna	EUR	137	GB	V	100.0%	100.0%
Goldbach Germany GmbH	Unterföhring	EUR	25	GB	V	97.0%	97.0%
Goldbach DooH (Germany) GmbH	Unterföhring	EUR	25	GB	V	97.0%	97.0%
Goldbach Smart TV GmbH	Unterföhring	EUR	25	GB	V	97.0%	97.0%
Goldbach TV (Germany) GmbH	Unterföhring	EUR	25	GB	V	97.0%	97.0%
Goldbach Video GmbH	Unterföhring	EUR	25	GB	V	97.0%	97.0%
Institute for Digital Out of Home Media GmbH	Munich	EUR	25	GB	E	27.5%	–
Goldbach Media (Switzerland) AG	Küsnacht	CHF	416	GB	V	54.0%[5]	54.0%[5]
AGFS (Arbeitsgemeinschaft Fernsehwerbung Schweiz) AG	Bern	CHF	115	GB	E	23.2%	23.2%
Goldbach Ost GmbH[4]	Munich	EUR	25	GB	V	–	100.0%
ARBOmedia GmbH[4]	Munich	EUR	3 916	GB	V	–	100.0%
ARBOmedia Deutschland GmbH[4]	Munich	EUR	1 023	GB	V	–	100.0%
EMI European Media Investment AG[4]	Munich	EUR	1 000	GB	V	–	100.0%

1 Without a note stating otherwise, the Group voting share corresponds to the Group capital share.
2 Employees own 1.5 per cent of the shares without direct entitlement to the financial means of the company (according to the investment plan). As per IFRS, no non-controlling interests are recognised.
3 Merged
4 No longer operational
5 The voting share is 50 per cent.
6 Liquidated or in liquidation
7 Sole proprietorship

Segment
TXM = TX Markets
GB = Goldbach
20M = 20 Minuten
Tam = Tamedia
G&V = Group & Ventures

Consolidation and valuation method
V = full consolidation
E = accounted for using the equity method
A = valued at fair value

Name	Domicile	Currency	Share capital (in 000)	Segment	Consolidation method	Share of [1] Group capital 2022	Share of [1] Group capital 2021
IAB Switzerland Services AG	Zurich	CHF	100	GB	E	25.0%	25.0%
Jaduda GmbH	Berlin	EUR	29	GB	V	100.0%	100.0%
NEO ADVERTISING SA	Geneva	CHF	300	GB	V	52.3%	52.3%
Swiss Radioworld AG	Küsnacht	CHF	416	GB	V	54.0%[5]	54.0%[5]
Goldbach Publishing AG	Küsnacht	CHF	100	GB	V	100.0%	100.0%
Helpling Switzerland AG	Zurich	CHF	111	G&V	E	50.0%	50.0%
Helvengo AG	Zurich	CHF	172	G&V	A	11.3%	11.3%
JobCloud AG	Zurich	CHF	100	TXM	V	50.0%	50.0%
JoinVision E-Services GmbH	Vienna	EUR	50	TXM	V	50.0%	50.0%
Joveo Inc.	Dover	USD	0	TXM	A	8.2%	8.2%
Karriere.at GmbH	Linz	EUR	40	TXM	E	24.5%	24.5%
firstbird GmbH	Vienna	EUR	49	TXM	A	–	6.2%
MetroXpress A/S [6]	Copenhagen	DKK	662	20M	V	100.0%	100.0%
MoneyPark AG	Freienbach	CHF	452	G&V	A	–	4.4%
neon Switzerland AG	Zurich	CHF	308	G&V	E	20.9%	21.7%
OneLog AG	Zurich	CHF	120	G&V	E	33.3%	50.0%
Picstars AG	Zurich	CHF	248	G&V	A	10.6%	10.6%
PriceHubble AG	Zurich	CHF	335	G&V	A	0.7%	0.7%
Selma Finance Oy	Helsinki	EUR	3	G&V	A	19.6%	10.7%
SMG Swiss Marketplace Group AG	Zurich	CHF	2 439	TXM	E	30.7%	31.0%
Stableton Financial AG	Zug	CHF	222	G&V	A	7.6%	–
Switzerlend AG	Zurich	CHF	670	G&V	A	18.9%	18.9%
Tamedia Espace AG	Bern	CHF	4 900	Tam	V	100.0%	100.0%
DZB Druckzentrum Bern AG	Bern	CHF	9 900	Tam	V	100.0%	100.0%
Schaer Holding AG	Thun	CHF	100	Tam	V	100.0%	100.0%
Berner Oberland Medien AG BOM	Thun	CHF	500	Tam	E	50.0%	50.0%
Schaer Thun AG	Thun	CHF	100	Tam	V	100.0%	100.0%
Thuner Amtsanzeiger [7]	Thun	CHF	–	Tam	E	48.0%	48.0%
Tamedia Finanz und Wirtschaft AG	Zurich	CHF	1 000	Tam	V	100.0%	100.0%
Tamedia Publications romandes SA	Lausanne	CHF	7 500	Tam	V	100.0%	100.0%
CIL Centre d'Impression Lausanne SA	Lausanne	CHF	10 000	Tam	V	100.0%	100.0%
Riviera Chablais SA	Vevey	CHF	226	Tam	A	10.2%	20.4%
Tamedia Publikationen Deutschschweiz AG	Zurich	CHF	100	Tam	V	100.0%	100.0%
DZZ Druckzentrum Zürich AG	Zurich	CHF	100	Tam	V	100.0%	100.0%
KEYSTONE-SDA-ATS AG	Bern	CHF	2 857	Tam	E	24.4%	24.4%
SMD Schweizer Mediendatenbank AG	Zurich	CHF	108	Tam	E	33.3%	33.3%
Tamedia Abo Services AG	Zurich	CHF	100	Tam	V	100.0%	100.0%
Tamedia Basler Zeitung AG	Basel	CHF	100	Tam	V	100.0%	100.0%
Neue Fricktaler Zeitung AG	Rheinfelden	CHF	200	Tam	E	21.0%	21.0%
Presse TV AG	Zurich	CHF	500	20M	E	20.0%	20.0%

1 Without a note stating otherwise, the Group voting share corresponds to the Group capital share.
2 Employees own 1.5 per cent of the shares without direct entitlement to the financial means of the company (according to the investment plan). As per IFRS, no non-controlling interests are recognised.
3 Merged
4 No longer operational
5 The voting share is 50 per cent.
6 Liquidated or in liquidation
7 Sole proprietorship

Segment
TXM = TX Markets
GB = Goldbach
20M = 20 Minuten
Tam = Tamedia
G&V = Group & Ventures

Consolidation and valuation method
V = full consolidation
E = accounted for using the equity method
A = valued at fair value

Name	Domicile	Currency	Share capital (in 000)	Segment	Consolidation method	Share of [1] Group capital 2022	Share of [1] Group capital 2021
Tamedia ZRZ AG	Winterthur	CHF	475	Tam	V	100.0%	100.0%
LZ Linth Zeitung AG	Rapperswil-Jona	CHF	100	Tam	E	49.0%	49.0%
Zürcher Oberland Medien AG	Wetzikon	CHF	1 800	Tam	E	37.6%	37.6%
TicinOnline SA	Breganzona	CHF	1 100	20M	E	27.8%	27.8%
TVtäglich [7]	Zurich	CHF	–	Tam	E	50.0%	50.0%
TX Services d.o.o.	Belgrade	RSD	2 000	G&V	V	100.0%	100.0%
TX Services, Unipessoal Lda	Braga	EUR	40	G&V	V	100.0%	–
Ultimate Media B&M GmbH	Vienna	EUR	35	20M	E	25.5%	25.5%
Zattoo AG	Zurich	CHF	1 036	G&V	V	59.4%	58.9%
Zattoo Inc.	Ann Arbor	USD	2	G&V	V	59.4%	58.9%
Zattoo Deutschland GmbH	Berlin	EUR	25	G&V	V	59.4%	58.9%
VIRTUAL NETWORK S.A.	Nyon	CHF	100	G&V	E	25.2%	25.2%

1 Without a note stating otherwise, the Group voting share corresponds to the Group capital share.
2 Employees own 1.5 per cent of the shares without direct entitlement to the financial means of the company (according to the investment plan). As per IFRS, no non-controlling interests are recognised.
3 Merged
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Segment
TXM = TX Markets
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Consolidation and valuation method
V = full consolidation
E = accounted for using the equity method
A = valued at fair value

4.3 Subsidiaries with non-controlling interests

The Group companies of TX Group and their respective shares of capital and voting rights are detailed in Note 4.2. The balance sheet date for all Group companies is 31 December. With regard to non-controlling interests, there are no significant statutory, contractual or regulatory restrictions affecting access to or use of the Group's assets or with regard to the TX Group's settlement of its obligations.

Detailed information on the Group companies with significant non-controlling interests is provided in the table below (figures prior to intercompany eliminations):

in CHF mn	2022	2021	2022	2021
Name	JobCloud AG	JobCloud AG	Goldbach Media (Switzerland) AG	Goldbach Media (Switzerland) AG
Share of Group capital	50.0%	50.0%	54.0%	54.0%
Capital share of non-controlling interests	50.0%	50.0%	46.0%	46.0%
Balance sheet				
Current assets	125.2	68.5	81.4	73.8
Non-current assets	476.5	508.6	209.3	222.6
Assets	**601.7**	**577.2**	**290.7**	**296.4**
Current liabilities	76.6	68.3	61.4	53.2
Non-current liabilities	34.0	40.7	27.7	32.9
Equity, attributable to TX Group AG shareholders	250.6	239.1	98.1	113.6
Equity, attributable to non-controlling interests	240.6	229.1	103.4	96.7
Liabilities and shareholders' equity	**601.7**	**577.2**	**290.7**	**296.4**
Income statement				
Revenues	138.0	113.8	61.1	56.2
Operating expenses	(57.3)	(43.4)	(32.6)	(26.5)
Share of net income / (loss) of associates / joint ventures	23.8	13.8	0.0	0.1
Operating income / (loss) before depreciation and amortisation (EBITDA)	**104.5**[1]	**84.2**[1]	**28.5**	**29.8**
Depreciation and amortisation	(6.6)	(4.7)	(1.6)	(1.1)
Operating income before effects of business combinations (EBIT b. PPA)	**97.9**	**79.5**	**26.9**	**28.7**
Depreciation and amortisation resulting from business combinations	(10.3)	(10.3)	(12.7)	(12.8)
Operating income / (loss) (EBIT)	**87.6**	**69.1**	**14.2**	**15.9**
Net financial income / (loss)	(0.8)	(0.2)	0.3	(0.0)
Income / (loss) before taxes	**86.8**	**68.9**	**14.5**	**15.8**
Income taxes	(12.2)	(10.6)	(2.5)	(2.6)
Income / (loss) of continued operations	**74.6**	**58.4**	**12.0**	**13.2**
Net income / (loss)	**74.6**	**58.4**	**12.0**	**13.2**
attributable to non-controlling interests	37.3	29.2	5.5	6.1
Other comprehensive income / (loss)	4.4	1.3	2.4	0.9
Total comprehensive income	**79.0**	**59.7**	**14.4**	**14.1**
attributable to non-controlling interests	39.5	29.9	6.6	6.5
Dividends paid to non-controlling interests	28.0	21.5	10.7	8.5
Cash flows				
Cash flow from / (used in) operating activities	66.8	68.6	19.9	3.4
Cash flow from / (used in) investing activities	15.9	(21.3)	(0.6)	(2.2)
Cash flow from / (used in) financing activities	(75.5)	(44.2)	(24.5)	(19.5)
Change in cash and cash equivalents	**7.1**	**3.2**	**(5.3)**	**(18.3)**

1 Includes the share of net income of associate Karriere.at GmbH (see Note 4.4).

With regard to JobCloud AG, TX Group and Ringier have agreed on a control option that allows TX Group to exercise control, resulting in its consolidation pursuant to IFRS.

4.4 Associates/joint ventures

in CHF mn	2022	2021
As of 1.1.	**900.6**	**61.2**
Additions	1.7	847.3
Disposals	(3.9)	(10.3)
Dividends	(18.1)	(6.9)
Transfers	0.3	–
Share of net result of associates / joint ventures	(17.1)	14.3
Changes recognised directly in other comprehensive income / (loss)	4.4	(4.1)
Currency translation differences	(1.9)	(0.9)
As of 31.12.	**866.1**	**900.6**

The share of net income / (loss) of associates and joint ventures has decreased by a total of CHF 31.4 million compared with the previous year. This is mainly due to the effect of impairments on intangible assets from the SMG Swiss Marketplace Group AG purchase price allocation and impairments on the goodwill for Ultimate Media B&M GmbH and LZ Linth Zeitung AG. These effects resulted in a CHF 27.9 million change in the share of net income / (loss) of associates and joint ventures.

SMG Swiss Marketplace Group AG was also only recognised for two months in the previous year. The development of Karriere.at had a positive impact, making its revenue share CHF 10 million higher than in the previous year. Details can be found in the table in the following section. Impairment testing for the carrying amounts recorded for investments in 2022 did not show any need for impairment on a Group level.

Share of net assets and income in associates/joint ventures

Detailed financial information on the individual companies deemed to be material associated companies is provided below. The reported amounts refer to the 100 per cent stake in the companies and include the fair value adjustments at the time of acquisition as well as any deviations caused by differences in application of accounting policies. The income statements include in particular the depreciation and amortisation to be recognised by TX Group on the intangible assets owned at the takeover date. The figures for associates and joint ventures may be based on provisional and unaudited figures, so the tables below may contain some adjustments to the final figures from the previous year.

in CHF mn	2022	2021 [1]	2022	2021
Name	SMG Swiss Marketplace Group AG	SMG Swiss Marketplace Group AG	Karriere.at GmbH	Karriere.at GmbH
Share of Group capital	30.7%	31.0%	24.5%	24.5%
Balance sheet				
Current assets	80.2	72.6	74.6	59.3
Non-current assets	2 836.8	3 029.7	25.6	24.9
Total assets	**2 917.0**	**3 102.3**	**100.2**	**84.2**
Current liabilities	94.3	150.6	42.8	38.0
Non-current liabilities	221.8	264.0	0.8	0.5
Total equity	2 600.9	2 687.7	56.5	45.6
attributable to majority shareholders	2 594.6	2 682.2	56.9	44.3
of which attributable to TX Group AG	804.3	831.5	27.9	21.7
attributable to non-controlling interests	6.3	5.5	(0.4)	1.3
Liabilities and shareholders' equity	**2 917.0**	**3 102.3**	**100.2**	**84.2**
Income statement [1]				
Revenues	248.8	40.0	101.7	82.5
Operating income / (loss) before depreciation and amortisation (EBITDA)	**50.2**	**5.3**	**64.1**	**41.4**
Operating income before effects of business combinations (EBIT b. PPA)	**24.6**	**3.2**	**63.8**	**40.2**
Operating income / (loss) (EBIT)	**(124.5)**	**(7.9)**	**64.4**	**40.2**
Income / (loss) before taxes	**(124.5)**	**(8.1)**	**64.0**	**40.0**
Income taxes	12.4	2.4	(15.8)	(12.1)
Net income / (loss) (EAT)	**(112.1)**	**(5.7)**	**48.1**	**27.9**
of which attributable to majority shareholders	(112.5)	(4.7)	48.0	28.2
of which attributable to non-controlling interests	(0.4)	(1.0)	0.1	(0.3)
Net income / (loss) (EAT)	**(112.1)**	**(5.7)**	**48.1**	**27.9**
Other comprehensive income / (loss)	13.5	(18.2)	–	(0.0)
Total comprehensive income / (loss)	**(98.6)**	**(23.9)**	**48.1**	**27.9**
of which attributable to majority shareholders	(99.5)	(17.8)	48.1	28.2
of which attributable to non-controlling interests	0.9	(6.1)	–	(0.3)
Dividends received (pro-rata)	–	–	17.4	4.9

1 Income statement includes the period between 1 November 2021 and 31 December 2021

As of the end of 2022, the other associates and joint ventures are assessed as not material on an individual basis.

The shares of TX Group in the net assets and income of associates and joint ventures are listed below:

in CHF mn	SMG Swiss Marketplace Group AG	Karriere.at GmbH	Other associates	Joint ventures	Total
Share taken into account in the consolidation	30.7%	49.0%[1]	n.a.	n.a.	
2022					
Current assets	24.7	36.5	14.8	6.9	82.9
Non-current assets	871.9	12.5	34.5	4.9	923.9
Assets	**896.6**	**49.1**	**49.4**	**11.8**	**1 006.9**
Current liabilities	29.0	21.0	8.3	5.8	64.1
Non-current liabilities	68.2	0.4	6.0	0.4	75.0
Equity	799.4	27.7	35.0	5.6	867.8
of which attributable to TX Group	797.5	27.9	35.0	5.6	866.1
of which attributable to non-controlling shareholders	1.9	(0.2)	–	–	1.7
Liabilities and shareholders' equity	**896.6**	**49.1**	**49.4**	**11.8**	**1 006.9**
attributable to net income / (loss) of associates / joint ventures					
Revenues	76.5	49.9	36.9	13.7	177.0
Operating income / (loss) before depreciation and amortisation (EBITDA)	**15.4**	**31.4**	**2.9**	**2.0**	**51.8**
Operating income before effects of business combinations (EBIT b. PPA)	**7.6**	**31.3**	**1.7**	**2.0**	**42.5**
Operating income / (loss) (EBIT)	**(38.3)**	**31.5**	**(6.9)**	**2.0**	**(11.6)**
Income / (loss) before taxes	**(38.3)**	**31.3**	**(6.9)**	**1.5**	**(12.4)**
Income taxes	3.8	(7.8)	(0.4)	(0.3)	(4.6)
Net income / (loss) (EAT)	**(34.5)**	**23.6**	**(7.3)**	**1.2**	**(17.0)**
of which attributable to TX Group	(34.3)	23.5	(7.4)	1.2	(17.1)
of which attributable to non-controlling interests	(0.1)	0.1	0.1	–	0.1
Net income / (loss) (EAT)	**(34.5)**	**23.6**	**(7.3)**	**1.2**	**(17.0)**
Other comprehensive income / (loss)	4.3	–	(0.0)	–	4.3
Total comprehensive income / (loss)	**(30.1)**	**23.6**	**(7.3)**	**1.2**	**(12.7)**
of which attributable to TX Group	(30.4)	23.6	(7.3)	1.2	(13.0)
of which attributable to non-controlling interests	0.3	–	–	–	0.3

1 The values shown relate to the shares of JobCloud AG, in which TX Group in turn holds a 50 per cent stake.

in CHF mn	SMG Swiss Marketplace Group AG	Karriere.at GmbH	Other associates	Joint ventures	Total
Share taken into account in the consolidation	31.0%	49.0%[1]	n.a.	n.a.	
2021					
Current assets	22.5	29.0	18.2	8.6	78.3
Non-current assets	939.2	12.2	41.7	4.0	997.1
Assets	**961.7**	**41.2**	**59.9**	**12.6**	**1 075.4**
Current liabilities	46.7	18.6	9.6	6.6	81.5
Non-current liabilities	81.9	0.3	7.7	1.1	90.9
Equity	833.2	22.3	42.5	4.9	903.0
of which attributable to TX Group	831.5	13.7	50.5	4.9	900.7
of which attributable to non-controlling shareholders	1.7	0.7	0.0	–	2.4
Liabilities and shareholders' equity	**961.7**	**41.2**	**59.9**	**12.6**	**1 075.4**
attributable to net income / (loss) of associates/joint ventures					
Revenues	12.4	40.4	40.0	12.8	105.6
Operating income / (loss) before depreciation and amortisation (EBITDA)	**1.7**	**20.3**	**3.9**	**1.7**	**27.5**
Operating income before effects of business combinations (EBIT b. PPA)	**1.0**	**19.7**	**1.2**	**1.7**	**23.6**
Operating income / (loss) (EBIT)	**(2.5)**	**19.7**	**1.1**	**1.7**	**20.0**
Income / (loss) before taxes	**(2.5)**	**19.6**	**1.2**	**1.7**	**20.0**
Income taxes	0.7	(5.9)	(0.6)	(0.4)	(6.1)
Net income / (loss) (EAT)	(1.8)	13.7	0.7	1.3	13.9
of which attributable to TX Group	(1.5)	13.8	0.7	1.3	14.3
of which attributable to non-controlling interests	(0.3)	(0.2)	0.0	–	(0.5)
Net income / (loss) (EAT)	**(1.8)**	**13.7**	**0.7**	**1.3**	**13.9**
Other comprehensive income / (loss)	(5.6)	(0.0)	–	–	(5.6)
Total comprehensive income / (loss)	**(7.4)**	**13.7**	**0.7**	**1.3**	**8.2**
of which attributable to TX Group	(5.5)	13.8	0.7	1.3	10.3
of which attributable to non-controlling interests	(1.9)	(0.2)	–	–	(2.1)

1 The values shown relate to the shares of JobCloud AG, in which TX Group in turn holds a 50 per cent stake.

Except for Virtual Network SA (30 June), all of the associates and joint ventures have a balance sheet date of 31 December under commercial law. As none of the associates and joint ventures have shares that are publicly traded, there are no published share prices. As most of the associates and joint ventures do not apply IFRS, their available financial statements have been adjusted to reflect IFRS principles, requiring estimates to be made in some cases. Adjustments may be necessary in the coming years if new information becomes available.

Details on transactions with associates and joint ventures are disclosed in Note 4.5.

Accounting policies

Investments in associates (i.e. companies in which TX Group directly or indirectly holds between 20 per cent and less than 50 per cent of the voting rights without exerting control over any financial and operational decisions, or less than 20 per cent of the voting rights where a significant influence can be exercised in another way) and in joint ventures are recognised using the equity method. The Group's shares in losses that exceed the acquisition cost are only recognised if TX Group has a legal or de facto obligation to share in further losses or to participate in any ongoing or initiated financial restructuring.

A distinction is made between joint ventures and joint operations when assessing joint arrangement companies. These companies are deemed to be joint ventures because, in all cases and on the basis of contractual agreements, TX Group exercises control over financial and operational decisions together with partners and holds rights to the company's net assets.

4.5 Related parties and companies

in CHF mn	Associates[1]		Joint ventures[1]		Employee benefit funds		Board of Directors and Group Management	
	2022	2021	2022	2021	2022	2021	2022	2021
Revenues	22.5	2.6	11.5	5.2	–	–	0.2	0.2
Operating expenses	(8.0)	(8.4)	(0.5)	(0.7)	(19.8)	(22.7)	–	(0.3)
Net financial income / (loss)	0.1	(0.0)	0.0	(0.0)	–	–	(0.0)	(0.1)
Trade accounts receivable	1.2	1.1	0.3	0.4	–	–	–	–
Other current receivables	0.3	2.0	0.7	0.8	–	–	–	–
Loan receivables	20.5	15.6	0.1	0.9	–	–	–	–
Current financial liabilities	–	0.0	–	0.9	–	–	–	1.5
Trade accounts payable	1.3	1.5	0.2	0.7	–	–	–	0.0
Other current liabilities	–	–	–	–	–	–	–	–
Non-current financial liabilities	–	64.2	2.5	2.5	–	–	–	1.1

1 Associates and joint ventures are accounted for in the annual financial statements using the equity method.

In the reporting year, TX Group paid compensation for rent for office premises totalling CHF 0.7 million (to end of March 2022; previous year: CHF 3.0 million) to Groupe Edipresse, over which Pierre Lamunière exerts a significant influence. In addition to the transactions disclosed in the Compensation Report in relation to members of the Board of Directors and Group Management, TX Group did not achieve any material revenues with related parties. Compensation to the Board of Directors and Group Management and transactions with companies controlled by members of TX Group Board of Directors explained in Note 1.3 and in the Compensation Report are recognised under transactions with the Board of Directors and Group Management. The leases mentioned above whose lease conditions fulfil the recognition criteria of IFRS 16 and which have been capitalised accordingly are reflected in operating expenses, in the financial result and in current and non-current financial liabilities.

There are no guarantees in place in relation to loans receivable and trade accounts receivable/payable from/to related parties and companies.

Accounting policies

Transactions with associates, joint ventures and related parties are conducted on an arm's length basis. In addition to the information disclosed in this note, details relating to the compensation of the Board of Directors and Management Board are disclosed in the Compensation Report.

4.6 Other accounting policies and disclosures

Foreign currency conversion

The following exchange rates were applied to convert foreign currencies:

in CHF	2022	2021
Exchange rate at year's end		
1 EUR	0.98	1.04
1 USD	0.92	0.91
100 RSD	0.84	0.88
100 DKK	13.24	13.93
Average exchange rate		
1 EUR	1.01	1.08
1 USD	0.95	0.91
100 RSD	0.86	0.92
100 DKK	13.52	14.53

4.7 Events after the balance sheet date

AdUnit AG

Goldbach Group AG acquired a 100 per cent stake in AdUnit AG from Swisscom (Schweiz) AG for CHF 3.0 million in cash on 13 January 2023. With its software solution for agencies, publishers and SMEs, AdUnit AG is a complementary addition to the Goldbach Group and supports its ongoing digital development. No details on the assets and liabilities that were acquired as part of the initial consolidation can be provided as audited financial statements are yet to be produced.

Berner Oberland Medien AG

Schaer Holding AG is acquiring G. Mauerer AG's 50 per cent stake in Berner Oberland Medien AG (BOM) for CHF 3.25 million, of which CHF 0.75 million will be in cash and CHF 2.5 million through the acquisition of a loan debt from BOM. As the transaction requires the approval of the Federal Competition Commission, Schaer Holding AG has not yet acquired control of the company. Therefore, no details on the assets and liabilities that would be acquired as part of a first-time consolidation can yet be provided.

Clear Channel/Neo Advertising AG

The Goldbach Group is acquiring 100 per cent of Clear Channel International Ltd.'s shares in Clear Channel Holding AG and its interests (Clear Channel Schweiz) with its Swiss out-of-home (OOH) advertising business for CHF 86.0 million in cash and a variable purchase price component yet to be determined. As the transaction requires the approval of the Federal Competition Commission, the Goldbach Group has not yet acquired control of the company. Therefore, no details on the assets and liabilities that would be acquired as part of a first-time consolidation can yet be provided.

The Goldbach Group already holds a 52.3 per cent stake in Neo Advertising AG. Once its acquisition of Clear Channel Schweiz is complete, Goldbach Group will acquire the remaining shares in Neo Advertising AG and merge the company with Clear Channel Schweiz. The purchase price of the shares attributable to non-controlling interests is performance-dependent and is estimated at around CHF 35 to 40 million. It will be paid out in the years 2025 to 2027.

Report of the statutory auditor

to the General Meeting of TX Group AG

Zurich

Report on the audit of the consolidated financial statements

Opinion

We have audited the consolidated financial statements of TX Group AG and its subsidiaries (the Group), which comprise the consolidated statement of comprehensive income for the year ended 31 December 2022, the consolidated balance sheet as at 31 December 2022, the consolidated statement of cash flows, the consolidated statement of changes in equity for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements (pages 63 - 115) give a true and fair view of the consolidated financial position of the Group as at 31 December 2022 and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) and comply with Swiss law.

Basis for opinion

We conducted our audit in accordance with Swiss law, International Standards on Auditing (ISAs) and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and standards are further described in the 'Auditor's responsibilities for the audit of the consolidated financial statements' section of our report. We are independent of the Group in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession, as well as the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

Our audit approach

Overview

Overall Group materiality: CHF 7.8 million

We conducted full scope audit work for ten group entities ("full scope audits"). At one of these entities, the audit was performed by another audit firm. Our audit scope addressed 78% of the Group's revenue.

As key audit matter, the following area of focus has been identified:

Valuation of goodwill and intangible assets with an indefinite useful life

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Materiality

The scope of our audit was influenced by our application of materiality. Our audit opinion aims to provide reasonable assurance that the consolidated financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall Group materiality for the consolidated financial statements as a whole as set out in the table below. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate, on the consolidated financial statements as a whole.

Overall Group materiality	CHF 7.8 million
Benchmark applied	Revenues
Rationale for the materiality benchmark applied	We chose revenues as the benchmark for our materiality calculation because, in our view, it is an important benchmark for the Group, and it is a generally accepted benchmark for materiality considerations.

We agreed with the Audit Committee that we would report to them misstatements above CHF 0.78 million identified during our audit as well as any misstatements below that amount which, in our view, warranted reporting for qualitative reasons.

Audit scope

We tailored the scope of our audit to perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, considering the structure of the Group, the accounting processes and controls, and the industry in which the Group operates.

The Group comprises the five business divisions of TX Markets, Goldbach, 20 Minuten, Tamedia and Group & Ventures. The Group is primarily active in Switzerland, although it owns some smaller foreign subsidiaries. From the ten entities subject to a full scope audit, nine entities were audited directly by the Group audit team.

Key audit matters

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

Valuation of goodwill and intangible assets with an indefinite useful life

Key audit matter	How our audit addressed the key audit matter
Intangible assets comprise mainly goodwill and intangible assets with an indefinite useful life. The valuation of goodwill and intangible assets with an indefinite useful life is tested annually for each cash generating unit. To achieve this, the carrying value is compared with the recoverable amount, calculated as the net present value of the future cash flows (discounted cash flow or DCF method) of the cash-generating unit in question. This requires assumptions to be made regarding the EBIT margin, the discount rate and the growth rate applied to the forecasted cash flows.	We performed the following specific audit procedures: - We assessed the composition of the cash-generating units on the basis of the criteria set out by IAS 36. - We assessed, with the support of an internal valuation expert, the appropriateness of the valuation model and tested it for logical consistency and mathematical correctness. - We compared the 2022 business results with the forecasts made in 2021 for the cash-generating units. This

The outlook for the cash generating units is evaluated using a standard forecasting model in a multi-stage process. This process considers external market data, past results and general economic forecasts. The cash flow projections are based on four-year business plans.

Management has a defined process in place to make its forecasts for the business divisions. The Board of Directors monitors this process and assesses whether the assumptions used are in line with its previous approved business plans.

We consider the assessment of the valuation of goodwill and intangible assets with an indefinite useful life to be a key audit matter because of its significance in the consolidated balance sheet. In addition, Management has considerable discretion when applying the DCF method.

allowed us to assess the accuracy of the forecasts made by Management.

- We reconciled the forecasts to the business plans that were subject to scrutiny and approval by the Board of Directors. Furthermore, we assessed and tested the approved business plans for reasonableness.
- We compared the assumptions concerning the long-term growth of the cash generating units with economic and industry-specific forecasts.
- We checked, with the support of internal experts, the applied discount rates against the cost of capital of the Group and comparable companies for reasonableness.
- For each cash generating unit we compared the carrying value of the goodwill and intangible assets with an indefinite useful life with comparable companies using an alternative company valuation calculation based on industry-specific EBIT and revenue multipliers.
- We tested the sensitivity analyses (stress tests) of the discount rate (WACC), growth rate and EBIT margin.

We consider Management's approach and assumptions for assessing the valuation of goodwill and intangible assets with an indefinite useful life to be appropriate.

Other information

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

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Board of Directors' responsibilities for the consolidated financial statements

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

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

Auditor's responsibilities for the audit of the consolidated financial statements

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

As part of an audit in accordance with Swiss law, ISAs and SA-CH, we exercise professional judgement 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.
- 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 auditor's 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 auditor's 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 or 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 the Board of Directors or its relevant committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

From the matters communicated with the Board of Directors or its relevant committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

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

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

PricewaterhouseCoopers AG

Patrick Balkanyi
Licensed audit expert
Auditor in charge

Kevin Müller
Licensed audit expert

Zurich, 24 February 2023

Annual Financial Statements of TX Group AG

Income statement

in CHF mn	Note	2022	2021
Media revenue		102.2	112.3
Other operating revenue and other income	5	94.6	103.3
Revenues		**196.9**	**215.6**
Cost of material and services		(45.0)	(40.1)
Personnel expense		(83.2)	(88.5)
Other operating expense	5	(60.5)	(72.2)
Operating income / (loss) before depreciation and amortisation (EBITDA)		**8.1**	**14.7**
Depreciation and amortisation		(15.0)	(14.6)
Operating income / (loss) (EBIT)		**(6.9)**	**0.2**
Financial income	5	240.1	331.1
Financial expense	5	(13.6)	(12.0)
Net income / (loss) before taxes (EBT)		**219.7**	**319.3**
Direct taxes		(3.9)	(6.7)
Net income / (loss) (EAT)		**215.8**	**312.6**

Balance sheet

in CHF mn	Note	31.12.2022	31.12.2021
Cash and cash equivalents		233.4	240.5
Trade accounts receivable	3	0.8	3.9
Other current receivables	3	77.5	143.4
Accrued income and prepaid expenses	3	10.4	10.3
Current financial assets	4	88.7	20.0
Current assets		**410.8**	**418.2**
Non-current financial assets	3/4/8/12	241.5	200.3
Investments	7/8	986.9	992.2
Property, plant and equipment	4	149.3	148.7
Intangible assets		3.3	5.6
Non-current assets		**1 380.9**	**1 346.8**
Total assets		**1 791.8**	**1 765.0**
Trade accounts payable	3	5.3	4.8
Current interest-bearing liabilities	3/4	43.3	30.6
Other current liabilities	3	80.2	130.7
Deferred revenues and accrued liabilities	3/4	16.1	18.2
Current provisions		0.5	1.2
Current liabilities		**145.3**	**185.5**
Non-current interest-bearing liabilities	3/4	86.1	156.7
Other non-current liabilities		0.0	0.0
Non-current provisions		1.7	2.1
Non-current liabilities		**87.8**	**158.9**
Total liabilities		**233.1**	**344.4**
Share capital		106.0	106.0
Statutory capital reserves			
Reserves from capital contributions		0.1	0.1
Other capital reserves		27.0	27.0
Statutory capital reserves		27.1	27.1
Statutory retained earnings		53.0	53.0
Voluntary retained earnings	4	1 156.7	922.5
Net income / (loss)		215.8	312.6
Treasury shares	9	–	(0.7)
Shareholders' equity		**1 558.6**	**1 420.6**
Liabilities and shareholders' equity		**1 791.8**	**1 765.0**

Notes to the annual financial statements

TX Group AG, Zurich is the parent company of the TX Group. The direct and indirect investments held by TX Group AG are shown in Note 4.2 to the consolidated financial statements.

The following overview reports the most significant products and services managed directly by the parent company:

Advertising & Free Media
- 20 Minuten
- 20 minutes

Shared Services
- Corporate Services
- Real Estate Management
- Technology/IT
- Management TX Ventures

1 Disclosures on the principles applied in the annual financial statements

These annual financial statements of TX Group AG, Zurich were prepared in compliance with the Swiss Code of Obligations (CO). The following significant principles were applied in the annual financial statements:

Cash and cash equivalents
Cash and cash equivalents include cash on hand, postal and bank account balances and time deposits with an original term of around three months, which are measured at nominal value.

Trade accounts receivable
Trade accounts receivable are recognised at their nominal value. Provision is made for the credit risk using any specific valuation allowances and the general valuation allowances permitted under tax law.

Financial assets
Current financial assets are measured at market price, and non-current financial assets are measured individually at cost less valuation allowances. Borrowings are measured individually at their nominal value less valuation allowances. Impairment testing is performed as of the balance sheet date in each case.

Investments in other companies
Investments are measured individually at cost less valuation allowances.

Property, plant and equipment and intangible assets
Property, plant and equipment and intangible assets are capitalised at cost and are depreciated/amortised indirectly. The straight-line method is used for depreciation and amortisation. Any immediate depreciation/amortisation within the limits permitted under tax law is carried out at the discretion of the company. The minimum capitalisation limit is CHF 5,000. Small acquisitions and investments that do not reach this amount are recognised directly as an expense.

Revenue recognition

Revenue from goods is recognised when the risks and rewards of ownership of the goods sold have been transferred to the buyer. Revenue from services is recognised at the time the service is rendered and is accrued at the end of the year, provided that this revenue is invoiced in another period.

Barter transactions

Services rendered in barter transactions are recognised in revenues. Services received in barter transactions are recognised under other operating expenses.

Forward exchange transactions

Forward exchange transactions are entered into to hedge the currency risk of the purchase of newsprint and magazine paper in a foreign currency. Negative market values of forward exchange transactions are recognised as current or non-current liabilities. Changes in measurement are disclosed in financial income.

2 Number of employees

The average annual number of staff is over 250 full-time employees for the period from 1 January to 31 December 2022 and for the equivalent period of the previous year.

3 Receivables and liabilities from/to investments

	2022		
in CHF mn	Investments	Third party	**Total**
Total assets			
Trade accounts receivable	0.3	0.5	**0.8**
Other current receivables	75.7	1.8	**77.5**
Accrued income and prepaid expenses	0.4	10.0	**10.4**
Non-current financial assets	69.3	172.1	**241.5**
Liabilities and shareholders' equity			
Trade accounts payable	0.7	4.5	**5.3**
Current interest-bearing liabilities	43.3	–	**43.3**
Other current liablities	75.1	5.1	**80.2**
Deferred revenues and current liablities	0.7	15.4	**16.1**
Non-current interest-bearing liabilities	85.2	0.9	**86.1**

	2021		
in CHF mn	Investments	Third party	**Total**
Total assets			
Trade accounts receivable	1.9	2.0	**3.9**
Other current receivables	140.0	3.5	**143.4**
Accrued income and prepaid expenses	0.7	9.6	**10.3**
Non-current financial assets	46.9	153.5	**200.3**
Liabilities and shareholders' equity			
Trade accounts payable	0.7	4.1	**4.8**
Current interest-bearing liabilities	30.5	0.1	**30.6**
Other current liablities	123.1	7.6	**130.7**
Deferred revenues and current liablities	0.3	17.9	**18.2**
Non-current interest-bearing liabilities	155.6	1.2	**156.7**

4 Notes and disclosures on additional balance sheet items

Current financial assets

in CHF mn	2022	2021
Money market fund	88.7	20.0
Total current financial assets	**88.7**	**20.0**

Non-current financial assets

in CHF mn	2022	2021
Loans to subsidiaries	69.3	46.9
Loans to third parties	149.5	137.7
Total loans	**218.8**	**184.6**
Shares in other investments	22.6	15.7
Blocked account for subscription insurance and tenancy deposits	0.0	0.0
Total other financial assets	**22.7**	**15.7**
Total non-current financial assets	**241.5**	**200.3**

Property, plant and equipment

in CHF mn	2022	2021
Fixtures and fittings	2.5	2.1
IT equipment	3.5	1.9
Plant and machinery	12.5	15.1
Other movable property, plant and equipment	4.0	7.7
Total movable property, plant and equipment	**22.4**	**26.8**
Buildings	50.9	52.2
Land	56.1	56.1
Installations and building fixtures	19.1	12.7
Tenant fittings	0.7	0.9
Total immovable property, plant and equipment	**126.9**	**121.9**
Total property, plant and equipment	**149.3**	**148.7**

Current interest-bearing liabilities

in CHF mn	2022	2021
Current account liabilities	3.8	0.1
Other current interest-bearing liabilities	39.5	30.5
Total current interest-bearing liabilities	**43.3**	**30.6**

Deferred revenues and accrued liabilities

in CHF mn	2022	2021
Personnel	6.1	8.0
Direct taxes	2.4	2.3
Other deferred revenues and accrued liabilities	7.7	8.0
Total deferred revenues and accrued liabilities	**16.1**	**18.2**

Non-current interest-bearing liabilities

in CHF mn	2022	2021
Loans	85.2	155.6
Other non-current interest-bearing liabilities	0.9	1.2
Total non-current interest-bearing liabilities	**86.1**	**156.7**

Voluntary retained earnings

in CHF mn	2022	2021
Balance as of 1 January	**922.5**	**919.6**
Withdrawal / Allocation from appropriation of net income	234.2	2.9
Balance as of 31 December	**1 156.7**	**922.5**

5 Notes and disclosures on income statement items

Other operating revenue and other income

in CHF mn	2022	2021
Management fees	57.5	70.2
Revenue from real estate	27.8	28.4
Change in provisions for doubtful accounts	(0.4)	0.9
Other operating revenue	9.8	3.8
Total other operating revenue and other income	**94.6**	**103.3**

Other operating expenses

in CHF mn	2022	2021
Distribution and sales expenses	(10.4)	(15.0)
Advertising and PR expenses	(6.2)	(4.9)
Rent, lease payments and licences	(8.3)	(8.2)
Management fees	(13.2)	(20.3)
Other operating expenses	(22.5)	(23.8)
Total other operating expense	**(60.5)**	**(72.2)**

Financial result

in CHF mn	2022	2021
Interest income	8.6	5.6
Revenue from investments	192.8	47.0
Gain from sale of investments	21.4	251.8
Reversal of value adjustments of investments	16.3	13.1
Other financial income	1.1	13.6
Total financial income	**240.1**	**331.1**
Interest expense	(1.3)	(1.4)
Impairment on financial assets	(2.6)	(0.2)
Impairment on investments	(10.7)	(6.6)
Other financial expenses	1.0	(3.7)
Total financial expenses	**(13.6)**	**(12.0)**
Total financial result	**226.6**	**319.1**

6 Net reversal of hidden reserves

in CHF mn	2022	2021
Material net reversal of hidden reserves	5.9	5.7

7 Direct and indirect investments

The direct and indirect investments held by TX Group AG are disclosed in Note 4.2 to the consolidated financial statements.

8 Annual impairment testing of investments and loans

As of 31 December 2022, the investments and loans were tested for impairment. Their values in use were calculated using the discounted cash flow (DCF) method and the calculation led to a valuation allowance of CHF 1.4 million for loans (previous year: CHF 0.1 million). With regard to the investments, the analysis led to a reversal of value allowances of CHF 16.3 million (previous year: CHF 13.1 million) and a new valuation allowance of CHF 10.7 million (previous year: CHF 6.6 million).

9 Treasury shares

	2022		2021	
	number	in CHF 000	number	in CHF 000
Balance as of 1 January	5 709	670	4 426	327
Acquisition of treasury shares	1 140	143	5 709	670
Sale of treasury shares	(6 849)	(813)	(4 426)	(327)
Balance as of 31 December	**–**	**0**	**5 709**	**670**

Treasury shares were sold in connection with the profit participation programme for the Management Board (see Note 3.2 to the consolidated financial statements).

10 Remaining amount of liabilities from leases equivalent to purchase agreements and other lease obligations, provided that they do not expire and cannot be terminated within twelve months of the balance sheet date

in CHF mn	2022	2021
Liabilities from leases equivalent to purchase agreements	–	0.1
Liabilities from fixed rental contracts	15.4	14.7

11 Liabilities to employee benefit funds

in CHF mn	2022	2021
Liabilities to employee benefit funds	0.0	0.1

12 Total amount of subordinated claims on borrowings

in CHF mn	2022	2021
Subordinated claims in favour of investments	46.6	25.5
Subordinated claims in favour of third parties	0.7	0.7

13 Total amount of assets used as collateral for the company's own liabilities and assets subject to retention of title

in CHF mn	2022	2021
Securities	–	–

14 Contingent liabilities

TX Group AG, Zurich has formed a VAT group with other Swiss group companies since 1 January 2017. The companies in this group are all jointly and severally liable for the VAT debts of the other members of the group.

15 Shares and options for corporate bodies and staff

	2022		2021	
	number	in CHF 000	number	in CHF 000
Shares allocated during financial year to members of the Management Board	341	51	1 986	311

The shares allotted are recognised at market value as of the respective balance sheet date.

16 Shareholdings of the Board of Directors and Group Management

The disclosure of compensation in accordance with the Ordinance against Excessive Remuneration in Listed Companies Limited by Shares can be found in the Compensation Report. Information on the shareholdings of the Board of Directors and the shareholdings of Group Management is also disclosed below in accordance with the provisions of the Swiss Code of Obligations Art. 663c.

Board of Directors

	2022		2021	
No. of shares	Shares owned	Total shares [1] owned including those held by related parties	Shares owned	Total shares [1] owned including those held by related parties
Pietro Supino	33 338	1 439 160	33 338	1 439 160
Pascale Bruderer	–	–	–	–
Martin Kall	–	–	–	–
Pierre Lamunière	–	–	3 000	4 804
Sverre Munck	–	–	–	–
Konstantin Richter	28 229	737 795	28 229	738 365
Andreas Schulthess	586 222	1 256 633	586 222	1 256 633
Christoph Tonini	37 698	37 698	37 698	37 698

1 Including rights of usufruct and benefits

Group Management

	2022		2021	
No. of shares	Shares owned	Total shares owned including those held by related parties	Shares owned	Total shares owned including those held by related parties
Pietro Supino [1]	–	–	–	–
Samuel Hügli	–	–	1 835	1 835
Sandro Macciacchini	1 120	1 120	2 480	2 480
Daniel Mönch	–	–	–	–
Ursula Nötzli	–	400	–	–

1 The shares held by Pietro Supino are reported under shareholdings of the Board of Directors.

17 Shareholdings of major shareholders

Name	2022 [1]	2021 [1]	2020 [1]
Dr. Severin Coninx, Bern	13.20%	13.20%	13.20%
Rena Maya Coninx Supino, Zurich	12.95%	12.95%	12.95%
Dr. Hans Heinrich Coninx, Küsnacht	11.93%[2]	11.93%[2]	11.93%[2]
Annette Coninx Kull, Wettswil a.A.	0.00%	0.00%	11.85%[3]
Fabia Schulthess, Zurich	5.53%	5.53%	0.00%
Andreas Schulthess, Wettswil a.A.	5.53%	5.53%	0.00%
Ellermann Lawena Stiftung, FL-Vaduz	6.87%	6.87%	6.87%
Ellermann Pyrit GmbH, Stuttgart, Germany	4.20%	4.20%	4.31%
Ellermann Rappenstein Stiftung, FL-Vaduz	5.86%	5.86%	5.86%
Other members of the shareholders' agreement	3.05%[4]	3.04%[4]	2.14%[4]
Total members of the shareholders' agreement	**69.11%**	**69.10%**	**69.10%**
Regula Hauser-Coninx, Weggis	**4.63%**	**4.63%**	**4.63%**
Tweedy Browne Company LLC	**4.59%**	**4.59%**	**4.66%**
Epicea AG, Bern	3.25%	3.25%[5]	0.00%
Medien- und Unternehmungsförderungsstiftung FERS, Bern	0.69%[7]	0.00%	0.00%
Montalto Holding AG, Zug	0.00%	0.00%	1.83%
Epicea Holding AG, Zug	0.00%	0.00%	1.42%
Franziska Reinhardt-Scherz, Muri b. Bern	0.00%	0.69%	0.69%[6]
Medien- und Unternehmungsförderungsstiftung FERS	**3.94%**	**3.94%**	**3.94%**

1 The disclosures as of 31 December relate to the total of 10.6 million registered shares issued.
2 Of which rights to usufruct in relation to 393,234 registered shares in the name of Martin Coninx (Männedorf), rights of usufruct in relation to 393,233 registered shares in the name of Claudia Isabella Coninx-Kaczynski (Zollikon) and rights to usufruct in relation to 393,233 registered shares in the name of Christoph Coninx (Oetwil an der Limmat).
3 Of which rights to usufruct in relation to 586,021 registered shares in the name of Fabia Schulthess (Zurich) and rights to usufruct in relation to 586,022 registered shares in the name of Andreas Schulthess (Wettswil).
4 The other members of the shareholders' agreement are:
Beatrice Calcagni
Pietro Calcagni
Prof. Dr Anna Coninx Mona
Erbengemeinschaft Annette Coninx Kull
Caspar Coninx
Christoph Coninx
Claudia Isabella Coninx-Kaczynski
Franziska Nicolasina Coninx
Salome Coninx
Martin Coninx
Philipp Coninx
Luca Kaczynski
Tatjana Kaczynski
Antonia Kaestner
Clara Kaestner
Dr Franziska Kaestner-Richter
Moritz Kaestner
Antje Landshoff-Ellermann
Saskia Landshoff
Hanna Marti
Konstantin Richter
Sabine Richter-Ellermann
Dr Anna P. Supino Calcagni
Dr Pietro Supino
5 The shares held by Epicea Holding AG and Montalto Holding AG until 2020 are now owned by Epicea AG.
6 Until 2020, the shareholding was divided between Erwin (31,043 shares) and Franziska Reinhardt-Scherz (41,803 shares).
7 Due to a death, the shareholding of Franziska Reinhardt-Scherz (417,342 registered shares of TX Group AG or 3.94 per cent of the share capital) is now owned by Medien- und Unternehmungsförderungsstiftung FERS, Bern.

18 Performance of an equal pay analysis

In accordance with Art. 13a of the Gender Equality Act (GEA), TX Group AG performed an equal pay analysis for the month of December 2020 and arranged for a formal review of this by an independent body in accordance with Art. 13d GEA. The result of the analysis shows the pay gap to be within the tolerance limit of 5 per cent.

19 Important events after the balance sheet date

See Note 4.7 to the consolidated financial statements.

The Board of Directors' proposed appropriation of available earnings

For the 2022 financial year, in view of the free cash flow, the Board of Directors will propose to the Annual General Meeting that a regular dividend per share of CHF 0.30 shall be distributed.The Board of Directors of the TX Group still intends to distribute to shareholders the cash inflow of CHF 135 million resulting from the merger of the digital marketplaces into SMG Swiss Marketplace Group. The special dividend is to be paid over three years, each time in the amount of CHF 4.20 per share and financial year. In total, the Board of Directors of the TX Group is proposing a dividend in the amount of CHF 4.50 per share for the 2022 financial year. Subject to the approval of shareholders at the Annual General Meeting on 14 April 2023, dividends will be paid on 20 April 2023 to shareholders registered as at 19 April 2023.

in CHF mn	2022	2021
At the disposal of the General Meeting:		
Balance brought forward	–	–
Net income / (loss)	215.8	312.6
Retained earnings	**215.8**	**312.6**
Proposal of the Board of Directors:		
Retained earnings	**215.8**	**312.6**
Dividend payment	(47.7)	(78.4)
Allocation to voluntary retained earnings	(168.1)	(234.2)
Balance to be carried forward	**–**	–

Zurich, 24 February 2023

On behalf of the Board of Directors

Chairman
Pietro Supino

Chief Operating Officer (COO)
Sandro Macciacchini

Report of the statutory auditor

to the General Meeting of TX Group AG

Zurich

Report on the audit of the financial statements

Opinion

We have audited the financial statements of TX Group AG (the Company), which comprise the income statement for the year ended 31 December 2022, the balance sheet as at 31 December 2022, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements (pages 121 - 130) comply with Swiss law and the company's articles of incorporation.

Basis for opinion

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

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

Our audit approach

Overview

Overall materiality: CHF 6.5 million

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the financial statements as a whole, taking into account the structure of the Company, the accounting processes and controls, and the industry in which the Company operates.

As key audit matter, the following area of focus has been identified:

Valuation of investments and loans to subsidiaries

Materiality

The scope of our audit was influenced by our application of materiality. Our audit opinion aims to provide reasonable assurance that the financial statements are free from material misstatement. Misstatements may arise due to fraud or

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error. They are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall materiality for the financial statements as a whole as set out in the table below. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate, on the financial statements as a whole.

Overall materiality	CHF 6.5 million
Benchmark applied	Total assets
Rationale for the materiality benchmark applied	We chose total assets as the benchmark for materiality calculation because TX Group AG is a holding company and it is a generally accepted benchmark for materiality considerations.

We agreed with the Audit Committee that we would report to them misstatements above CHF 0.65 million identified during our audit as well as any misstatements below that amount which, in our view, warranted reporting for qualitative reasons.

Audit scope

We designed our audit by determining materiality and assessing the risks of material misstatement in the financial statements. In particular, we considered where subjective judgements were made; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

Key audit matters

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

Valuation of investments and loans to subsidiaries

Key audit matter	How our audit addressed the key audit matter
As at 31 December 2022, TX Group AG has investments in subsidiaries in the amount of CHF 987 million and loans to subsidiaries in the amount of CHF 69 million. Investments are measured individually at cost less valuation allowances. Loans to subsidiaries are measured individually at cost less valuation allowances. The valuations of investments and loans are assessed annually. Management has a defined process in place to make its forecasts for the separate business divisions. The Board of Directors monitors this process and assesses whether the assumptions used are in line with the business plans that it has approved. We consider the assessment of the valuation of investments and loans to subsidiaries to be a key audit matter because of its significance in the balance sheet. In addition, Management has considerable discretion when applying valuation models.	We performed the following specific audit procedures: - We assessed, with the support of an internal valuation expert, the appropriateness of the valuation model and tested it for logical consistency and mathematical correctness. - We compared the 2022 business results with the forecasts made in 2021. This allowed us to assess retrospectively the accuracy of the estimates made by Management. - We compared the assumptions concerning long-term growth with economic and industry-specific forecasts. - We compared the discount rates with the costs of capital of the Group and of comparable companies.

We consider Management's approach and assumptions for assessing the valuation of investments and loans to subsidiaries appropriate.

Other information

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

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Board of Directors' responsibilities for the financial statements

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

- Identify and assess the risks of material misstatement of the 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made.
- 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 Company's ability to continue as a going concern. If we conclude that a material uncertainty

exists, we are required to draw attention in our auditor's report to the related disclosures in the 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 auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

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

From the matters communicated with the Board of Directors or its relevant committee, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

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

We further confirm that the Board of Directors' proposed appropriation of available earnings complies with Swiss law and the company's articles of incorporation. We recommend that the financial statements submitted to you be approved.

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MADE Identity AG (concept and design)
MDD Management Digital Data AG, Zurich (production)
Apostroph Luzern AG (translation and proofreading)

Electronic Annual Report and downloads at:
www.tx.group, Investor Relations, Financial Reports