Annual Report 2020
TX Group

Key figures

in CHF mn		2020	2019	Change
Income statement				
Revenues		935.8	1 079.5	–13.3%
Operating income / (loss) before depreciation and amortisation (EBITDA)		130.6	196.8	–33.6%
Margin [1]		14.0%	18.2%	–23.4%
Operating income / (loss) before effects of business combinations (EBIT adj.)		83.3	155.2	–46.3%
Margin [1]		8.9%	14.4%	–38.1%
Operating income / (loss) (EBIT)		(70.9)	70.4	–200.6%
Margin [1]		–7.6%	6.5%	–216.1%
Net income / (loss)		(94.6)	97.8	–196.8%
Margin [1]		–10.1%	9.1%	–211.7%
Segments – share of total revenue with third parties				
TX Markets		21.3%	19.8%	7.4%
Goldbach		11.5%	11.9%	–3.2%
20 Minuten		11.1%	13.2%	–15.7%
Tamedia		47.9%	48.1%	–0.4%
Group & Ventures		8.2%	7.0%	17.2%
Employee key data				
Number of employees (FTE) [2]		3 632	3 662	–0.8%
Revenue per staff member	in CHF 000	257.6	294.8	–12.6%
Balance sheet as of 31.12.				
Current assets		606.1	627.5	–3.4%
Non-current assets		2 145.6	2 328.0	–7.8%
Balance sheet total		2 751.6	2 955.5	–6.9%
Liabilities		755.2	779.8	–3.2%
Equity		1 996.4	2 175.7	–8.2%
Cash flow				
Cash flow from / (used in) operating activities		128.1	169.2	–24.2%
Cash flow from / (used in) investing activities		(11.8)	202.6	–105.8%
Cash flow after investing in property, plant and equipment and intangible assets (FCF adj.)		94.5	146.8	–35.6%
Cash flow after investing activities (FCF)		116.3	371.8	–68.7%
Cash flow from / (used in) financing activities		(131.4)	(225.9)	–41.8%
Change in cash and cash equivalents		(15.0)	145.3	–110.4%
Financial key data as of 31.12.				
Equity ratio [3]		72.6%	73.6%	–1.4%
Return on equity [4]		–4.7%	4.5%	–205.5%
Net debt / (net liquidity) [5]		(182.9)	(206.9)	–11.6%
Debt factor [6]	x	–	–	n.a.
Key figures per share				
Net income / (loss) per share (undiluted)	in CHF	(10.61)	6.11	–273.6%
Dividends per share	in CHF	–[8]	3.50	–100.0%
Dividend yield [7]		–	3.7%	–100.0%
Price/earnings ratio [7]	x	(6.7)	15.3	–143.5%
Share price	in CHF	70.80	93.70	–24.4%
Market capitalisation		750.2	992.8	–24.4%

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 at year-end
5 Current and non-current financial liabilities less cash and cash equivalents
6 Net debt to cash flow from / (used in) operating activities
7 Based on year-end price
8 Proposed appropriation of profit by the Board of Directors

Good prospects thanks to innovation and sustainability

Dr. Pietro Supino,
Chairman & Publisher

Dear Shareholders
As a broad-based media group and operator of popular platforms, our fortunes tend to reflect what is happening in wider society. It is hardly surprising therefore that the main impact on our businesses in 2020 was from coronavirus – the event that dominated the year. Luckily for us, however, the impact was not wholly negative.

The crisis was hard to deal with, particularly with various activities still in a critical transformation phase and with us having introduced a new organisational structure. The employees and management of the TX Group and our companies have taken up these challenges. On behalf of the Board of Directors and Group Management, I would like to express our acknowledgement and sincere gratitude for the great commitment and valuable collaboration shown.

It is really pleasing to see how well our companies and the central services are coping with the ongoing crisis situation. From the very start, the transition to home working has gone mostly smoothly by. There was no real negative impact in terms of the reliability and quality of our services. In the extraordinary situation we currently face, the journalism provided by Tamedia and 20 Minuten is particularly valuable. The marketplaces and other digital platforms also managed to keep their important services going.

In fact, with things generally slowing down, this has possibly helped people get used to the new decentralised Group structure. The changes proved to be particularly challenging for the central services. At the same, we are also looking to make cost savings of around 20 per cent. This includes the setting up and expansion of our own service centre in Belgrade, although current travel restrictions have led to delays in making the site fully operational.

The new organisation also involves some modernisation of infrastructure. This is particularly important for the core issue of data and opens up new prospects. The modernisation of infrastructure was also crucial for “cyber security” and has proven itself in the face of massive attacks.

One motivation behind the new decentralised Group structure was to create an optimal framework for the development of Tamedia. Today, the “new” Tamedia has a narrative and a clear strategy once more. The focus is on journalism and digital transformation of the business model.

The crisis year of 2020 was particularly difficult for 20 Minuten. Although it proved possible to keep print circulation at around 80 per cent, the loss of revenue was high. This has gone hand-in-hand with very positive developments in terms of digital use, including its commercialisation in the second half of the year. The new app and the overall revision of the digital presence have certainly helped too.

Goldbach was hit hard by the crisis as well, although it did benefit from the surprising recovery in advertising expenditure in the second half of the year. Besides classic advertising marketing, the development of the network business and the associated investments in ad tech are of critical importance.

TX Markets showed resilience during the crisis. The marketplaces Ricardo and Tutti enjoyed strong growth and achieved record figures. The mobility platform Car For You is showing very good momentum. The job platforms JobCloud and karriere.at in Austria have been affected by the economic impact of the crisis. There is much less volatility, however, compared with how dependent job advertisements used to be on the wider economy. The value creation associated with our classified advertising and market place businesses is increasingly being incorporated into clients' own processes. This added value is also promoting stability and opening up further potential for growth.

Our opportunity lies in innovation and restoring our positions of strength, which we can then build on. I would like to thank our shareholders for their readiness to invest and for their commitment to sustainability. As announced a year ago, the Board of Directors will recommend to the Annual General Shareholders' Meeting that no dividend be paid for the 2020 financial year. This should be an exception, and our objective is still to ensure healthy profitability across all our companies. In future, just like before, the intention will be to reinvest around two-thirds of profits earned into the business and its development and to pay out around a third as dividends. The only way we can continue to invest more in our businesses and in journalism than any other media company is by taking due account of the legitimate interests of all stakeholders and achieving above-average revenue levels. We are only too aware of this, and it is and remains our ambition.

Dr. Pietro Supino
Chairman & Publisher

Mission statement

Vision: What is our destination?

We want to form an internationally acknowledged network of media and platforms and provide people with information, orientation, entertainment and support in their daily lives.

Mission: What is our purpose?

With our offers we provide accessibility and perspectives. We are independent and proud of our contribution to people's self-determination and a democratic community.

Self-image: How do we work? And what shapes our thinking?

Digitalisation offers us opportunities to reach new customers and markets. We encourage interdisciplinary exchange and dynamic growth. This distinguishes us as a leading group for media, data and technology. Both today and in the future.

Claim: uniting platforms

Guiding principles: How do we contribute to the success of the Group?

Diversity

TX brings together a wide variety of people and talents with their individual skills and interests. Diversity is what makes us strong. We provide space for exchange and new ideas.

#talents #teamwork #employees

Ecosystem

We want our companies to be successful with their products and services. To this end, we provide them with capital, a modern infrastructure as well as our expertise. The Group's economies of scale allow synergies to be exploited.

#addedvalue #connecting #knowhow

Evolution

Curiosity and ambition drive us. We are continuously striving for improvements and potential, both big and small. That is why we are open to new ideas and eager to learn. In order to consistently improve our products and services.

#ventures #learning #gettingbetter


Pietro Supino


Martin Kall


Pascale Bruderer


Pierre Lamunière


Sverre Munck


Konstantin Richter


Andreas Schulthess


Christoph Tonini

Dr Pietro Supino
Chairman and Publisher

Dr Pietro Supino (CH/I/1965) was elected to the Board of Directors in 1991 and took on the position of Publisher and Chairman in 2007. As part of the new decentralised organisation at the Group, he has headed up both Group Management and the Boards of Directors of the four Group companies TX Markets, Goldbach, 20 Minuten and Tamedia since July 2020. He is on various committees at companies belonging to the Group or in which the Group holds an interest. Beyond the Group, he is actively involved in the industry in his capacity as President of the Swiss Media Association and is also a member of the Board of Directors at the Italian media firm Gruppo Editoriale (GEDI), which publishes the daily newspapers La Repubblica, La Stampa and Il Secolo XIX. Pietro Supino completed his studies in law and economics with a doctorate from the University of St. Gallen. He also gained a master's from the London School of Economics and Political Science and was admitted to the Zurich bar. He attended the Columbia School of Journalism in New York, which prepared him well for his future as a publisher. He is currently a member of the Board of Visitors. 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.

Martin Kall
Vice Chairman of the Board of Directors and Lead Director as well as Chairman of the Compensation Committee

Martin Kall (CH/D/1961) has been a member of the Board of Directors since April 2013 and its Vice Chairman and Lead Director since 2020 as well as Chairman of the Compensation Committee. He is also a member of the Board of Directors at Goldbach and 20 Minuten. Beyond TX Group, he is Chairman of the Board of Directors at Prevanto AG, which specialises in pensions services. From April 2002 until December 2012, Martin Kall was CEO of TX Group. Before working for TX Group, Martin Kall was a member of Ringier AG Group Management, where he headed up both the European Publishing division and the Swiss Magazines division. Prior to that, he was with Bertelsmann Group, finishing as CEO of Bertelsmann Fachinformation GmbH in Munich. In 1989, he earned an MBA from Harvard Business School. He completed his studies in history and economics at the University of Freiburg im Breisgau and at the London School of Economics and Political Science in 1987 with a degree in economics.

Pascale Bruderer
Member of the Audit Committee

Pascale Bruderer (CH/1977) has been a member of the Board of Directors since April 2020. She is also a member of the Audit Committee and the board of directors at various Tamedia companies. Having previously been a National Councillor, President of the National Council and member of the Council of States, she can look back on a long career in politics. In 2019, the political scientist, who has a master's degree from the University of Zurich, retired from the federal parliament and switched career from politics to business. She is currently a joint owner of the start-up Crossiety and is also a member of the Board of Directors at BernExpo AG and the Galenica Group.

Pierre Lamunière
Member of the
Compensation Committee

Pierre Lamunière (CH/1950) has been a member of the Board of Directors since May 2009. He is also a member of the Compensation Committee and the board of directors at various Tamedia companies. After completing his studies in the US (MBA Wharton School, University of Pennsylvania), Pierre Lamunière joined the Edipresse Group in 1977. From 1987, he headed up the company as General Manager, and in 1998 he was named Chairman and Delegate of the Board of Directors. From 1997 to 2002, Pierre Lamunière served on the Board of Directors of Swiss Post. From March 2008 to 2016, he was on the Board of Directors of Banque Cantonal Vaudoise (BCV). He is Chairman of Lamunière Holding SA and its subsidiaries. Pierre Lamunière is also a member of the Management Board of the International Federation of the Periodical Press (FIPP), on which he served as Chairman from 2007 to 2009.

Sverre Munck
Chairman of the Audit Committee

Sverre Munck (N/1953) has been a member of the Board of Directors since April 2018. He is also Chairman of the Audit Committee and on the board of directors at various Tamedia companies. Dr Sverre Munck is an investor and professional director too – including, for example, in his role as Chairman of the Board of Directors at Oslo Science Park. He was Head of Corporate Strategy and Corporate Development at Schibsted ASA and headed up the International Editorial division until September 2013. He joined the business as Chief Financial Officer in 1994 and became Executive Vice President of the Multimedia division in 1998. Sverre Munck studied economics at Yale University and received his PhD from Stanford University in 1983. After completing his studies, he worked as an advisor to the Norwegian Ministry of Finance and at McKinsey & Company Inc. from 1984 to 1987. He later joined the Management Board at Loki AS.

Konstantin Richter
Member of the Audit Committee

Konstantin Richter (D/1971) has been a member of the Board of Directors since 2004. He is also a member of the Audit Committee and the Board of Directors at Goldbach and is on the board of directors at various Tamedia companies. He began his professional career in 1997 as an assistant editor at the media trade magazine Columbia Journalism Review in New York. He was a reporter for the Wall Street Journal in Brussels from 1999 to 2001, and from 2004 to 2005 was the Co-Managing Director of the Rogner & Bernhard publishing company in Hamburg and Berlin. He is currently publisher of the New Zealand magazine North & South and works and lives as a freelance author and journalist in Auckland and Berlin. He is the author of the novels “Bettermann” (2007), “Kafka war jung und brauchte das Geld” (2011) and “Die Kanzlerin – Eine Fiktion” (2017). He is a regular contributor to Die Zeit and Die Welt and is also a contributing writer for the US news portal Politico. He was awarded the German Reporter Prize in 2011 for an article in Die Zeit. Konstantin Richter has a BA in English Literature and Philosophy from Edinburgh University and a master’s degree from the Columbia University Graduate School of Journalism in New York. 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.

Andreas Schulthess
Member of the
Compensation Committee

Andreas Schulthess (CH/1970) has been a member of the Board of Directors since April 2019, having previously been a member from 2007 to 2013. He is also a member of the Board of Directors at TX Markets and 20 Minuten. He began his career in 1993, working part-time as a student trainee in TX Group’s Human Resources Department. After completing his university studies, he became an IT business consultant in 2000, specialising in new technologies and e-business at Applied International Informatics and Cap Gemini (Switzerland) Ltd. After training as a coach and gaining relevant work experience in the field of management and personal development, he returned to operational human resources. From 2005 to 2011, he headed up Human Resources Management Switzerland at Swiss Life Schweiz AG. From 2011 to 2015, he devoted his attention to a family foundation and took care of various HR projects before joining Swiss Re Ltd in Zurich as Head HR Switzerland, a position he held until 2018. Andreas Schulthess graduated from the University of Zurich in 1999 with a master’s degree in economics. He also completed a postgraduate programme, obtaining an Executive Master of Human Resources Management from the Institute for Applied Psychology in Zurich. 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.

Christoph Tonini

Christoph Tonini (CH/I/1969) has been a member of the Board of Directors at TX Group since July 2020. He is also a member of the Board of Directors at TX Markets and Goldbach and, beyond TX Group, at the Migros-Genossenschafts-Bund and Zürichsee Medien AG. Besides this, he is a voluntary member of the Board of Trustees at the children’s charity Right to Play. From 2013 until summer 2020, Christoph Tonini was Chief Executive Officer of TX Group. He first joined the business in 2003 as Head of Finance, before assuming responsibility for the Services division as well from 2004. From 2008 to 2012, he headed up the Newspapers Switzerland and Media Switzerland divisions and was responsible most recently for the Digital division and 20 Minuten. He was also Deputy CEO from 2007. Before joining TX Group, he held various positions at Ringier between 1998 and 2003. Christoph Tonini completed an MBA at the University of St. Gallen from 2001 to 2003. The trained offset printer also completed an engineering degree at the Swiss Engineering School for Printing and Packaging (esig) in Lausanne from 1990 to 1993.

Pietro Supino

Samuel Hügli

Sandro Macciacchini

Pietro Supino
Chairman
of Group Management Board

Dr Pietro Supino (CH/I/1965) was elected to the Board of Directors in 1991 and took on the position of Publisher and Chairman in 2007. As part of the new decentralised organisation at the Group, he has headed up both Group Management and the Boards of Directors of the four Group companies TX Markets, Goldbach, 20 Minuten and Tamedia since July 2020. He is on various committees at companies belonging to the Group or in which the Group holds an interest. Beyond the Group, he is actively involved in the industry in his capacity as President of the Swiss Media Association and is also a member of the Board of Directors at the Italian media firm Gruppo Editoriale (GEDI), which publishes the daily newspapers La Repubblica, La Stampa and Il Secolo XIX. Pietro Supino completed his studies in law and economics with a doctorate from the University of St. Gallen. He also gained a master's from the London School of Economics and Political Science and was admitted to the Zurich bar. He attended the Columbia School of Journalism in New York, which prepared him well for his future as a publisher. He is currently a member of the Board of Visitors. 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.

Samuel Hügli
Head of Technology & Ventures and
member of the
Group Management Board

Samuel Hügli (CH/1970) has been a member of the Group Management Board since January 2017 and is responsible for the Technology & Ventures division, which also includes responsibility for the commercial activities of Doodle and Zattoo, as well as various non-controlling interests such as Lend, Lykke, Monito, Moneypark, Neon and Picstars. Samuel Hügli held various positions at Ringier between 2000 and 2011. As Head of Technology & IT and later as Group CIO, he was responsible for IT at the media firm, before being appointed CFO of the Ringier

Group in 2007. From 2012, Samuel Hügli worked as an independent business consultant and advised businesses in both Switzerland and South Africa. He was also a member of various boards of directors. A trained typographer, he completed various management courses, including at ZfU, St. Gallen Business School and London Business School, before finally training in Strategic Business Management at the University of Cape Town in South Africa.

Sandro Macciacchini
Head of Finance & Human Resources division and member of the Group Management Board

Sandro Macciacchini (CH/1966) has been a member of the Group Management Board since 1 January 2008 and is responsible for the Finance & Human Resources division. He became Head of TX Group's Legal Department in 2003. Sandro Macciacchini completed his law studies in 1995, qualifying as an attorney-at-law and beginning his career at a Berne-based law firm before working as a legal counsel for the Swiss Press Association until 1999. He completed his dissertation on media law in April 2003. In 2006, he completed a Certificate of Advanced Studies (CAS) course in Finance and Accounting. In 2009 he obtained a Master of Advanced Studies qualification in Corporate Finance. In 2016 and 2017, he completed a course in Strategy, Leadership and General Management at MAB Swiss Executive School in St. Gallen, before taking a Corporate Governance course for board members at Swiss Board School in St. Gallen in 2019.

Organisational chart as of 1 January 2021

Shareholders Meeting TX Group Ltd

Board of Directors

Real Estate Portfolio

Finance & Human Resources
Sandro Macciacchini

Real Estate Portfolio
Zurich: Werdstrasse | Stauffacherquai | Bubenbergstrasse
Bern: Dammweg | Zentweg
Bussigny: Chemin de Mochettaz

Chairman and Publisher
Pietro Supino

Technology & Ventures
Samuel Hügli

Companies

TX Markets
Olivier Rihs

Goldbach
Michi Frank

20 Minuten
Marcel Kohler

Tamedia
Marco Boselli / Andreas Schaffner

Market assessment

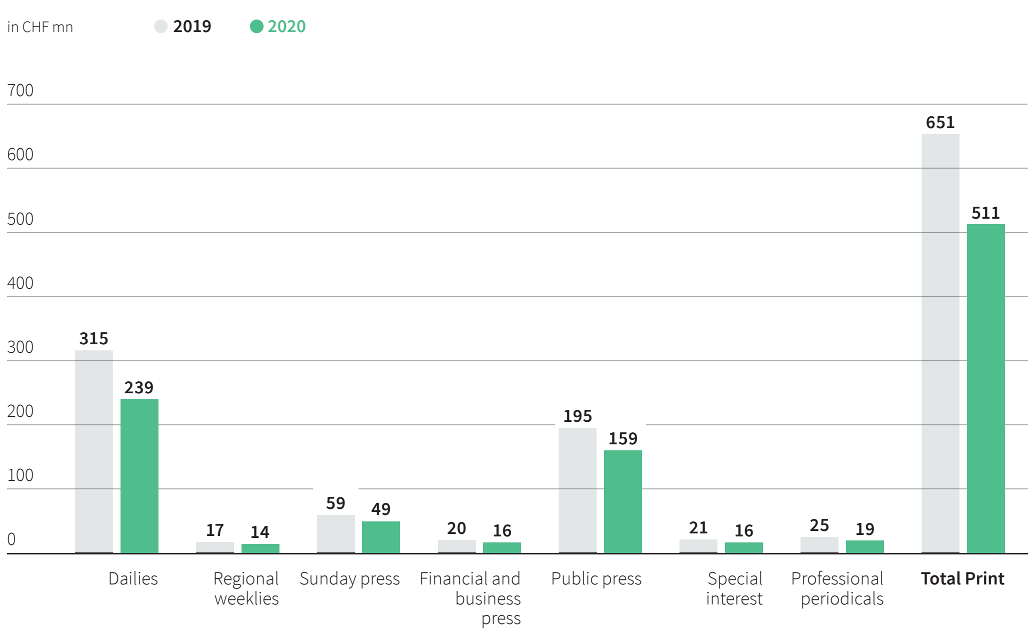
Advertising market impacted by the coronavirus crisis

The coronavirus crisis and the associated restrictions on public and social activities had a significant negative impact on international economic development in the reporting year. According to the group of experts at the State Secretariat for Economic Affairs (SECO), for example, the COVID-19 pandemic has already led to a decline in GDP of approximately 3.3 per cent, which is the biggest decrease since 1975. Fortunately, the substantial downturn that had been predicted in the spring of 2020 for the Swiss economy was avoided. The coronavirus crisis also affected the development of the labour market in the reporting year. The extensive utilisation of compensation instruments for reduced working hours did help cushion the negative impact for companies and employees. However, despite this measure, the seasonally adjusted average unemployment rate increased from 2.3 per cent in 2019 to 3.1 per cent in 2020.

The pandemic also had a noticeable effect on advertising expenditure, which according to Media Focus decreased by 14.0 per cent to CHF 5.2 billion (CHF -834.9 million) in 2020. After a 40.0 per cent decrease in advertising expenditure was recorded in April, the situation began to stabilise in the early summer.

Only three of 21 sectors invested more in advertising in 2020 than they did in 2019. The biggest increase here was recorded by the retail sector (CHF 49.5 million), followed by the initiatives and campaigns sector. The increase in advertising spending of CHF 37.6 million year on year by the latter can also be attributed to the coronavirus campaign conducted by the Federal Office of Public Health. Indeed, this campaign was the most advertised “product” in the Swiss advertising market over the course of the year. The cleaning sector increased its advertising expenditure by CHF 6.5 million year on year. As a result of the coronavirus restrictions, sharp declines in advertising expenditure were recorded in the events (CHF -165.1 million), leisure, catering and tourism (CHF -156.8 million) and vehicles (CHF -115.6 million) sectors.

Net advertising expenditure Print 2020



Source: Inseratestatistik WEMF AG für Werbemedienforschung

Media Focus made a significant downward adjustment of its search advertising figure for the previous year, which it had overestimated. The statistics from Media Focus therefore show that the media mix remained virtually unchanged from the previous year. Television advertising accounted for 32 per cent of the market (previous year: 32 per cent) and thus remained the leading advertising channel. As was the case in the previous year, print media accounted for 27 per cent of the advertising market. The Internet advertising channel accounted for 25 per cent (previous year: 26 per cent) of total advertising expenditure. The share of the market accounted for by out-of-home advertising increased to 13 per cent (previous year: 12 per cent), while radio advertising remained stable with a 3 per cent market share. Cinema advertising was particularly hard hit by the pandemic, virtually disappearing from the advertising market in 2020. It should be borne in mind that the statistics from Media Focus are gross figures and do not take account of any discounts granted by media companies.

By contrast, the advertising statistics from WEMF AG für Werbemedienforschung are based on the net print advertising revenues reported by the media companies, which means they provide a more reliable picture of the advertising market trend for newspapers and magazines. Overall, the printed press lost over 21 per cent in revenues year on year in 2020. The acceleration of the decline here is particularly due to cancelled advertising bookings in the wake of the pandemic. The daily press I segment, for publications with a circulation of over 40,000, suffered the most, losing nearly 27 per cent of its revenues. The specialist press and professional periodicals recorded a decline in revenues of just under 24 per cent and slightly less than 23 per cent, respectively. Advertising revenues fell by nearly 19 percent in the popular press segment, by 18 per cent in the financial press segment and by nearly 17 per cent in the Sunday press segment. The greatest stability was displayed by the daily press II/III segment (circulation of less than 40,000), in which advertising revenues fell by 15 per cent, and by the regional weekly press segment (-14 per cent). The advertising statistics from WEMF indicate that print advertising for the jobs/recruitment sector contracted by 20 per cent, while the Adecco Swiss Job Market Index, which also takes digital job adverts into account, shows that the number of jobs listed in the jobs/recruitment sector was 15 per cent lower than in the previous year. It should be pointed out here that a sharp downturn in the spring was followed by a recovery in advertising for the jobs/recruitment sector that extended into the fourth quarter.

Although developments at the beginning of 2021 will continue to be impacted by the continuing spread of the coronavirus and the restrictive measures taken in response, the group of experts nevertheless believes that GDP (adjusted to exclude sporting events) will increase by 3.0 per cent in 2021. However, this increase will only be achieved if the epidemiological situation begins to stabilise in the spring of 2021. GDP is expected to increase at an above-average rate temporarily as a result of consumers and companies resuming purchases and investments that were put off during the crisis. Our company is therefore expecting the volume of TV, print and radio advertising to remain stable this year, while income in the digital advertising segment (including out-of-home advertising) is expected to increase.

Total Audience

Media combinations	Total Audience [1] 2020-2	Total Audience [1] 2019-2	Total Audience [1] 2018-2	Change 2020-2 / 2019-2
20 Minuten D-CH GES/20min.ch D-CH	3 464 000	3 335 000	3 119 000	3.9%
20 Minuten Friday/friday-magazine.ch [2]	(-)	1 523 000	1 125 000	(-)
20 Minutes Friday/friday-magazine.ch/fr [2]	(-)	395 000	(-)	(-)
20 Minuten National GES/ 20 Minuten Online & Tio.ch	4 553 000	4 372 000	4 183 000	4.1%
20 Minutes F-CH éd. totale/20min.ch W-CH	1 303 000	1 115 000	1 079 000	16.9%
20 Minuti I-CH/tio.ch	396 000	293 000	265 000	35.2%
24 Heures éd. totale/24heures.ch	804 000	595 000	560 000	35.1%
24 Heures, Tribune de Genève/ Newsnet W-CH [3]	1 373 000	1 127 000	1 019 000	21.8%
Basler Zeitung/baslerzeitung.ch	582 000	572 000	525 000	1.7%
BZ/Bund GES/Newsnet Bern	1 144 000	987 000	973 000	15.9%
BZ/Bund GES/bernerzeitung.ch)	917 000	759 000	783 000	20.8%
BZ/Bund GES/derbund.ch	727 000	693 000	663 000	4.9%
Bilan/bilan.ch	211 000	183 000	175 000	15.3%
Femina/femina.ch	339 000	398 000	350 000	–14.8%
Finanz und Wirtschaft/fuw.ch	283 000	223 000	208 000	26.9%
Le Matin Dimanche/lematin.ch	1 150 000	902 000	796 000	27.5%
Metropool, 24 Heures, Tribune de Genève/ Newsnet National [4]	3 616 000	3 265 000	3 241 000	10.8%
Metropool/Newsnet D-CH	2 442 000	2 201 000	2 231 000	10.9%
Tages-Anzeiger/tagesanzeiger.ch	1 787 000	1 447 000	1 551 000	23.5%
Tribune de Genève/tdg.ch	681 000	550 000	570 000	23.8%

Source: WEMF AG, Total Audience 2020-2, 2019-2 and 2018-2, CH; Readers and Unique Users per month; figures rounded to full thousands

1 The Total Audience 2017-2 study methodically builds on the MACH Basic 2017-2 (survey: April 2016-April 2017) and NET-Metrix-Profile 2017-1 (survey: October 2016-December 2016) coverage studies. The Total Audience 2018-2 study methodically builds on the MACH Basic 2018-2 (survey: April 2016-April 2018) and NET-Metrix-Profile 2018-1 (survey: October 2017-December 2017) coverage studies. The Total Audience 2019-2 study methodically builds on the MACH Basic 2019-2 (survey: April 2017-April 2019) and NET-Metrix-Profile 2019-1 (survey: October 2018-December 2018) coverage studies.

2 Discontinuation of the magazine as of 2020-2

3 from 2018-2 without Le Matin semaine (Print)

4 from 2018-2 without Le Matin semaine (Print) and Newsnet National incl. tio.ch (Online)

Readership

Title	MACH Basic [1] 2020-2	MACH Basic [1] 2019-2	MACH Basic [1] 2018-2	Change 2020-2 / 2019-2
20 Minuten D-CH GES	1 250 000	1 212 000	1 332 000	3.1%
20 Minutes F-CH éd. totale	497 000	469 000	500 000	6.0%
20 Minuti I-CH	81 000	88 000	92 000	–8.0%
24 Heures éd. totale	146 000	168 000	164 000	–13.1%
Basler Zeitung	109 000	103 000	99 000	5.8%
Bilan	42 000	49 000	46 000	–14.3%
BZ Berner Zeitung total issue (incl. Der Bund)	306 000	316 000	324 000	–3.2%
Das Magazin	514 000	525 000	531 000	–2.1%
Der Landbote	44 000	50 000	51 000	–12.0%
Femina	190 000	216 000	229 000	–12.0%
Finanz und Wirtschaft	80 000	81 000	87 000	–1.2%
GuideTV	(-)[2]	(-)	200 000	(-)
Le Matin Dimanche	317 000	333 000	384 000	–4.8%
L’essentiel (Luxembourg)	113 000[3]	123 000	124 000	(-)
Metropool	761 000	768 000	803 000	–0.9%
Metropool Weekend	963 000	965 000	1 010 000	–0.2%
Metropool and ZRZ GES N	907 000	924 000	973 000	–1.8%
Metropool and ZRZ GES N Weekend	1 135 000	1 144 000	1 199 000	–0.8%
Metropool and laRegione	843 000	854 000	891 000	–1.3%
Metropool and laRegione Weekend	1 071 000	1 076 000	1 121 000	–0.5%
Metropool and Top Deux	1 001 000	1 034 000	1 072 000	–3.2%
Metropool and Top Deux Weekend	1 274 000	1 309 000	1 364 000	–2.7%
Metropool TOTAL	1 229 000	1 275 000	1 329 000	–3.6%
Metropool TOTAL Weekend	1 554 000	1 598 000	1 664 000	–2.8%
Metroxpress / B.T. (Denmark)	523 000[4]	695 000	(-)	–24.7%
Schweizer Familie	517 000	510 000	577 000	1.4%
SonntagsZeitung	484 000	518 000	549 000	–6.6%
Tages-Anzeiger	353 000	357 000	388 000	–1.1%
Télétop Matin	(-)[2]	(-)	234 000	(–)
Tribune de Genève	94 000	99 000	105 000	–5.1%
TV täglich	417 000	441 000	476 000	–5.4%
Zürcher Unterländer	36 000	40 000	40 000	–10.0%
Zürichsee-Zeitung	51 000	51 000	71 000	0.0%
ZRZ Zürcher Regionalzeitungen GES	181 000	193 000	217 000	–6.2%

Source: WEMF AG, MACH Basic 2020-2, 2019-2 and 2018-2, CH; figures rounded to full thousands

1 Concerns readership figures: MACH Basic 2020-2 survey period: April 2018 to March 2020.
As of publication 2018-2, the title reach figures were calculated on the basis of two survey years and, as of publication 2019-1, according to the so-called “2+1 model”, according to which the title reach figures are generally based on two survey years, except for titles in the categories a) Daily Press I (>40 thousand copies), b) Sunday Press (>50 thousand copies), c) Illustrated, General Press (>50 thousand copies), d) General Press I (>40 thousand copies), e) General Press I (>40 thousand copies). circulation), b) Sunday press (>50,000 copies), c) Illustrated, general themed press (>50,000 copies), d) Consumer topics, retail press (>50,000 copies). The titles assigned to these categories continue to be published according to one-year reach. The two methodological changes do not represent a general restriction of comparability.

2 No report from GuideTV and Télétop Matin from MACH Basic 2019-2

3 Source: TNS ILRES, 2020.II, 2019.II und 2018.II under https://www.tns-ilres.com/news/tns-ilres (https://www.tns-ilres.com/news/tns-ilres/2020/etude-tns-ilres-plurimedia-luxembourg-2020ii/)

4 Source: 2019/2020 and 2018/2017, Index Denmark/Gallup

Circulation

Title	Circulation [1] 2020	Circulation [1] 2019	Change 2020 / 2019
20 Minuten GES	398 744	424 592	–6.1%
20 Minuten Friday GES	(-)	150 034	(-)
20 minutes GES	166 504	169 453	–1.7%
20 minuti	29 587	32 192	–8.1%
24 Heures GES	48 792	49 107	–0.6%
Basler Zeitung	38 978	40 422	–3.6%
BO Berner Oberländer	12 863	13 684	–6.0%
Bilan	11 002	10 915	0.8%
Der Bund	34 782	35 944	–3.2%
BZ Berner Zeitung Ausgabe Stadt & Region Bern	34 145	35 881	–4.8%
BZ Berner Zeitung GES [2]	114 377	119 700	–4.4%
BZ Emmental	9 811	10 547	–7.0%
BZ Langenthaler Tagblatt	7 883	8 376	–5.9%
Das Magazin	247 909	256 054	–3.2%
Der Landbote	22 909	23 800	–3.7%
Femina	75 717	80 035	–5.4%
Finanz und Wirtschaft	21 399	21 797	–1.8%
GuideTV	104 796	115 060	–8.9%
Le Matin Dimanche	75 867	79 900	–5.0%
L'essentiel (Luxembourg) [3]	n.a.	93 847	(-)
Schweizer Familie	129 323	129 717	–0.3%
SonntagsZeitung	139 648	146 126	–4.4%
Tages-Anzeiger	128 811	130 957	–1.6%
Tribune de Genève	31 148	31 282	–0.4%
TT Thuner Tagblatt	14 893	15 268	–2.5%
Zürcher Unterländer	13 603	14 452	–5.9%
Zürichsee-Zeitung	19 158	20 417	–6.2%

Source: WEMF AG, Circulation confirmation 2020 and 2019
1 Total circulation. Survey period begins on 1 April and ends on 31 March of the following year.
2 BZ Berner Zeitung total issue (incl. Der Bund)
3 https://www.cim.be/fr/presse/brand-reports

User figures

Websites	NET-Metrix-Profile [1] 2020-2	NET-Metrix-Profile [1] 2019-2	Change 2020-2 / 2019-2
20 Minuten Friday	948 000	1 044 000	–9.2%
20 minutes Friday	333 000	249 000	33.7%
20 Minuten Online & Tio.ch Kombi	4 281 000	3 618 000	18.3%
20min.ch D-CH	3 313 000	2 917 000	13.6%
20min.ch W-CH	1 297 000	937 000	38.4%
tio.ch	726 000	340 000	113.5%
baslerzeitung.ch	730 000	568 000	28.5%
Bilan	378 000	145 000	160.7%
doodle.com	966 000	1 216 000	–20.6%
femina.ch	229 000	201 000	13.9%
fuw.ch	275 000	172 000	59.9%
heute.at [2]	2 070 000	2 080 000	–0.5%
lessentiel.lu [3]	142 000	106 700	33.1%
Der Landbote	178 000	89 000	100.0%
Newsnet Bern	1 504 000	837 000	79.7%
bernerzeitung.ch	1 176 000	639 000	84.0%
derbund.ch	825 000	440 000	87.5%
Newsnet DCH	2 655 000	1 898 000	39.9%
Newsnet National	4 004 000	2 904 000	37.9%
Newsnet WCH	1 543 000	1 152 000	33.9%
24heures.ch	1 040 000	596 000	74.5%
LeMatin.ch	1 234 000	857 000	44.0%
tdg.ch	954 000	612 000	55.9%
schweizerfamilie.ch [4]	(-)	(-)	(-)
tagesanzeiger.ch	2 131 000	1 434 000	48.6%
Tamedia Network - Full Reach	(-)	4 524 000	(-)
Tamedia Network - News & Editorial	(-)	4 226 000	(-)
Tamedia Publications romandes	1 579 000	1 199 000	31.7%
Tamedia Zürcher Regionalzeitungen	310 000	196 000	58.2%
zsz.ch	100 000	75 000	33.3%
zuonline.ch	62 000	50 000	24.0%

Source: NET-Metrix AG, NET-Metrix-Profile 2020-2 and 2019-2, CH; Unique Users (persons) per month; figures rounded to full thousands
1 Survey period from 1 April to 30 June of the respective year of publication
2 Source: Reppublika 2020-12 and 2019-12 under https://ratings.reppublika.com/
3 Source: TNS ILRES, 2020.II and 2019.II under https://www.tns-ilres.com/news/tns-ilres/
4 No record of schweizerfamilie.ch from NET-Metrix profile 2019-2

Exhibit 1

Revenues third parties by segment

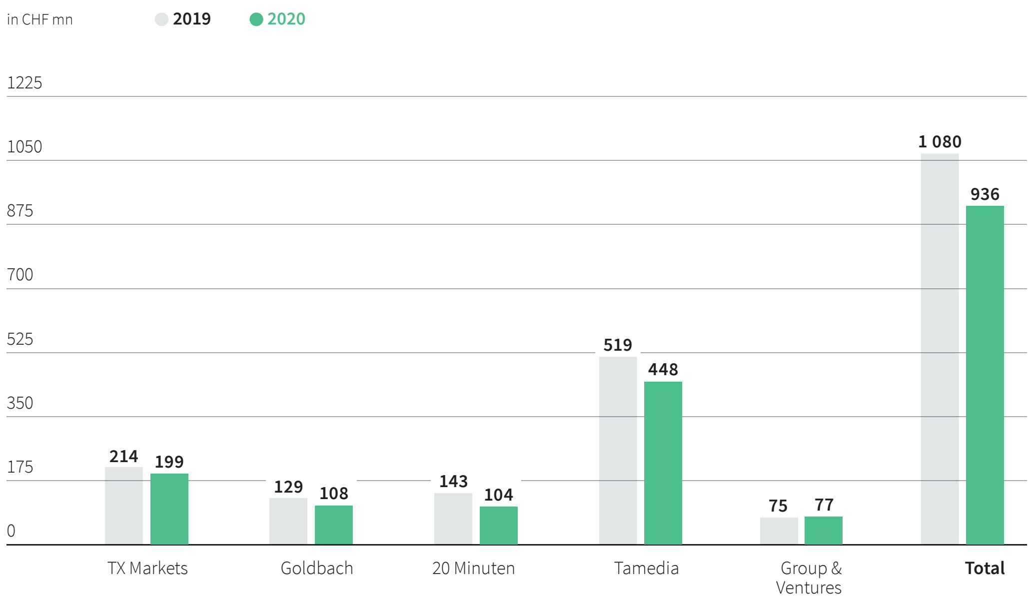
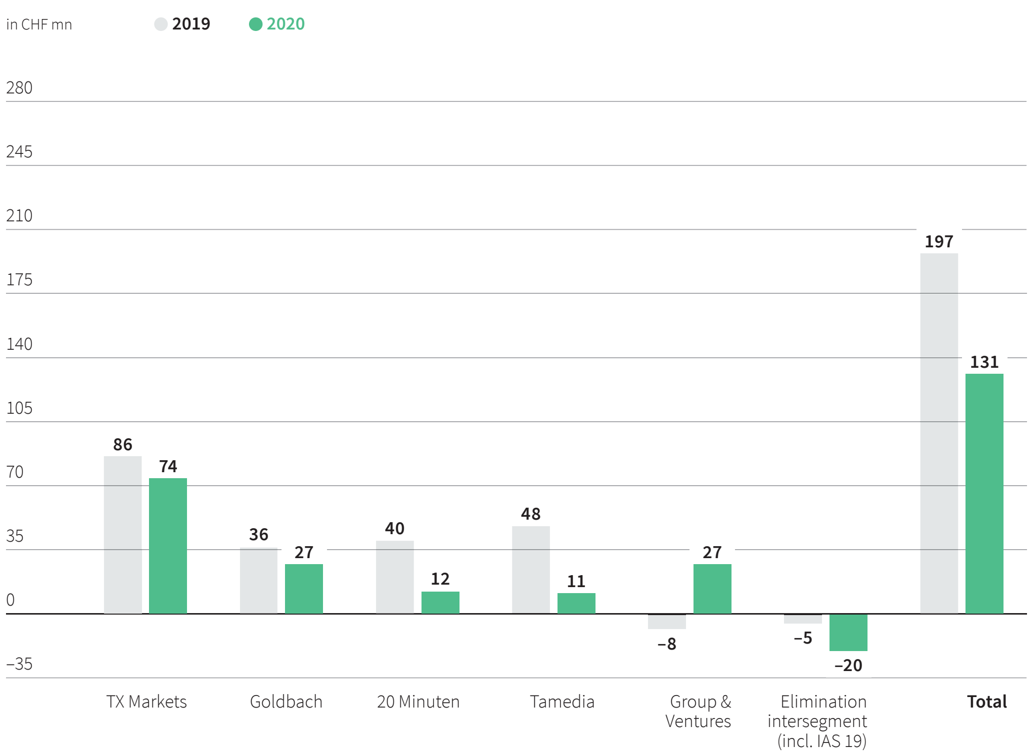


Exhibit 2

EBITDA by segment



TX Markets

www.tx.markets

Managing Director: Olivier Rihs

in CHF 000	2020	2019
Revenues	200 503	215 011
Operating expenses	(131 000)	(138 331)
Share of net income / (loss) of associates / joint ventures	4 646	9 267
Operating income / (loss) before depreciation and amortisation (EBITDA)	74 148	85 947
Margin [1]	37.0%	40.0%
Operating income / (loss) before effects of business combinations (EBIT adj.)	67 506	81 383
Margin [1]	33.7%	37.9%
Number of employees (FTE) [2]	584	556

1 The margin relates to revenues.
2 Average number of employees, excluding employees in associates / joint ventures.

The TX Markets segment and company, with its leading online marketplaces and classified platforms, is among the largest digital companies in Switzerland. It comprises the real estate platform Homegate, the online marketplaces Ricardo and Tutti, the job portal JobCloud (50 per cent of a joint venture, fully consolidated) and the car marketplace Car For You (50 per cent of a joint venture, fully consolidated).

At CHF 200.5 million, revenues for TX Markets are down by 6.7 per cent year-on-year. The impact of the coronavirus crisis on the different TX Markets platforms tended to vary. So while JobCloud saw a noticeable decline in orders during the coronavirus crisis, Homegate's property business recovered comparatively quickly. The platforms Tutti and Ricardo even managed to break records during the lockdown. Overall, operating income before depreciation and amortisation (EBITDA) fell to CHF 74.1 million (previous year: CHF 85.9 million), with EBITDA hit to the tune of CHF 1.9 million by an impairment of a karriere.at investment. This put the EBITDA margin for the 2020 financial year at 37.0 per cent (previous year: 40.0 per cent). Operating income before the effects of business combinations (EBIT adj.) was CHF 67.5 million (previous year: CHF 81.4 million).

The job platform serves as an important economic indicator. The spring lockdown and autumn slowdown during the reporting year led to declines in entries on Jobcloud. As a result, sessions fell by 6.6 per cent compared to the previous year and the number of jobs listed per month dropped by 12.6 per cent. Overall, the market-leading job portal achieved 80 per cent of its 2019 revenues, which translated into a lower net income. Lingering uncertainties make it impossible to offer any definitive predictions regarding the development of Jobcloud in 2021. Meanwhile, Homegate was able to make a rapid recovery in the wake of the coronavirus restrictions, and the real estate platform managed to further consolidate its leading position in the Swiss market thanks to additional investments in the engineering sector. Sessions therefore grew at a healthy rate of 18.8 per cent and the number of properties listed remained stable – in spite of the coronavirus crisis.

markets

With environmental awareness increasing and people spending more time at home, the “circular economy” system has gained in prominence. This has proved particularly beneficial to the Ricardo and Tutti marketplaces, both of which saw a substantial increase in users and transactions. Ricardo’s sessions rose by 28.5 per cent and the average number of transactions by private sellers was up by 30.7 per cent, while Tutti was able to boost its sessions by 19.6 per cent and the number of listed items by 17.0 per cent. In financial terms, this encouraging performance had a positive impact – particularly on the auction platform Ricardo, which enjoyed significant net income growth. Car For You expanded its business model during the reporting year and now offers online direct sales with a return option for used cars. This new offering got off to a very successful start, exceeding all expectations. Generally speaking, Car For You saw an increase in both user figures and the number of car dealers placing adverts in the reporting year. On the whole, all TX Markets platforms have proved resilient in the face of the coronavirus crisis.

TX Markets underwent some further development on an organisational level in the reporting year. The TX Markets management board, together with the managing directors of the individual platforms, refined the company strategy and devised a new vision and mission. In light of this, TX Markets removed the vintage fashion platform Trendsales from its portfolio last autumn, which was part of the reason why revenues declined in the reporting period. The company also strengthened its set-up by appointing a Chief Product Officer and a Chief Technology Officer. These strategic and organisational adjustments were completed in January 2021 with the amalgamation of the various companies, which were previously held separately, into a single entity: TX Markets AG. This lays the foundations for even closer cooperation between the individual platforms and main business divisions, as well as paving the way for further growth initiatives.

Goldbach

www.goldbach.com

Managing Director: Michi Frank

in CHF 000	2020	2019
Revenues	153 979	166 732
Operating expenses	(126 709)	(130 631)
Share of net income / (loss) of associates / joint ventures	(63)	63
Operating income / (loss) before depreciation and amortisation (EBITDA)	27 207	36 164
Margin [1]	17.7%	21.7%
Operating income / (loss) before effects of business combinations (EBIT adj.)	17 921	30 247
Margin [1]	11.6%	18.1%
Number of employees (FTE) [2]	615	622

1 The margin relates to revenues.
2 Average number of employees, excluding employees in associates / joint ventures.

The Goldbach segment and company markets and brokers advertising across the following areas: TV, print, online, radio, out-of-home advertising and performance marketing. Among other things, the segment comprises fully consolidated majority interests in the video marketer Goldbach Media (54 per cent), the online marketer Goldbach Audience (50.1 per cent), the audio marketer Swiss Radioworld (54 per cent), the out-of-home marketer Neo Advertising (52.3 per cent), the centralised centre of expertise for technology and services known as Goldbach Next (formerly Digital Ad Services) and the digital performance agency Dreifive. Since the restructuring of the TX Group as of January 2020, the Goldbach subsidiaries 20 Minuten Advertising and Goldbach Publishing have been marketing all titles of 20 Minuten and Tamedia.

The coronavirus crisis and the resulting cuts in advertising budgets had a particularly significant impact on Goldbach's financial year. At CHF 154.0 million, Goldbach's revenues are down by CHF 12.8 million year-on-year due to the coronavirus crisis, increasing competition from the global digital platforms and the generally tense situation on the advertising market. Out-of-home advertising and free media were hit particularly hard by the decline in advertising, whereas TV, paid media and radio marketing showed a strong recovery over the course of the year – although they were unable to make up for the deficit from the lockdown period. Operating income before depreciation and amortisation (EBITDA) dropped to CHF 27.2 million (previous year: CHF 36.2 million), This put the EBITDA margin at 17.7 per cent (previous year: 21.7 per cent). Operating income before the effects of business combinations (EBIT adj.) was CHF 17.9 million (previous year: CHF 30.2 million).

The TV broadcasters marketed by Goldbach enjoy a market share of 45.8 per cent among those aged 15-49 in German-speaking Switzerland. Replay TV is becoming increasingly popular and also poses a challenge for TV marketing. To secure the future of television financed by advertising, Goldbach Media joined forces with other partners to come up with a proposed industry solution for time-shifted television. In line with this, Goldbach Media expanded its scope by forming a new department tasked with supporting the implementation of innovative forms of advertising within the context of replay TV. The newly founded Goldbach Publishing is also active in the area of third-party marketing and was responsible for marketing various IQ Media titles during the reporting year, including the Swiss edition of the newspaper Die Zeit. It also expanded its third-party marketing activities at national level, adding the Freiburger Nachrichten, Walliser Bote, Journal de Morges and Neue Fricktaler Zeitung publications to its portfolio. There was an overall increase from two to 21 third-party marketing titles in the reporting year.

GOLDBACH

20 Minuten Advertising took steps to further consolidate its partnership with Coop, with Coop's Weekend supplement featuring in all language versions of the free newspaper every Friday since the end of August.

In the growth area of video, the amount of advertising content in Switzerland increased by 20 per cent year-on-year. In response to the growing trend towards programmatic digital out-of-home advertising bookings, Neo Advertising invested heavily in updating its screens and took on a total of 2,445 new advertising spaces in the reporting year. In parallel with this, Goldbach Germany opened a branch in Hamburg to deal with this particular advertising sector. Meanwhile, the marketing team in Austria was taken over by heute.at and incorporated into the Goldbach Austria set-up. Goldbach Austria has also successfully placed advanced TV on the market, while Goldbach Germany has expanded its advanced TV portfolio. The brokerage of radio advertising in Switzerland proved resilient to the crises that emerged in 2020, with revenues only dropping by 5 per cent. The reporting year also saw the delivery of the first programmatic digital audio campaigns.

All advertising channels can be offered in combination from a single source thanks to the newly established subsidiary Admanufaktur. With this 360-degree approach, all media and advertising channels available from the TX Group, Goldbach and Neo Advertising can be linked up so they can reach over 90 per cent of the Swiss population every month. Cross-media offers will become increasingly important in future, and innovations will emerge through new ad technologies. Goldbach is pursuing the strategic objectives of securing further third-party marketing accounts, increasing the cross-media offer and driving growth in out-of-home advertising. Goldbach Next is focusing on harmonisation and the further development of its digital AdTech infrastructure. All products marketed by Goldbach are benefiting from this approach, which will also create new opportunities to make the infrastructure available to other Swiss online marketers.

20 Minuten

www.20min.ch

Managing Director: Marcel Kohler

in CHF 000	2020	2019
Revenues	109 836	146 833
Operating expenses	(99 106)	(112 824)
Share of net income / (loss) of associates / joint ventures	1 529	5 593
Operating income / (loss) before depreciation and amortisation (EBITDA)	12 259	39 602
Margin [1]	11.2%	27.0%
Operating income / (loss) before effects of business combinations (EBIT adj.)	12 067	39 490
Margin [1]	11.0%	26.9%
Number of employees (FTE) [2]	251	247

1 The margin relates to revenues.
2 Average number of employees, excluding employees in associates / joint ventures.

The 20 Minuten segment and company comprises the 20 Minuten media network and the investments in Heute, as well as heute.at in Austria, L'essentiel in Luxembourg and BT in Denmark.

As far as 20 Minuten is concerned, the 2020 reporting year was marked by a slump in advertising associated with the coronavirus crisis, resulting in a 25.2 per cent fall in revenues to CHF 109.8 million. Despite suffering an operating loss at the half-year point, the free media ended the year well in the black again. For example, operating income before depreciation and amortisation (EBITDA) amounted to CHF 12.3 million (previous year: CHF 39.6 million), This put the EBITDA margin at 11.2 per cent (previous year: 27.0 per cent). Operating income before the effects of business combinations (EBIT adj.) fell to CHF 12.1 million (previous year: CHF 39.5 million).

An increased need for information as the coronavirus crisis unfolded in March of the reporting year pushed Switzerland's strongest media brand 20 Minuten to a record high in terms of visits (256.6 million) and unique clients (12.4 million). Compared to the previous year, unique clients rose by 18.2 per cent over the year as a whole, with visits seeing a 39.0 per cent boost. In contrast, sales of the printed newspaper fell as a result of the lockdown, especially during the first half of the year. According to the MACH Total Audience survey published in October, 20 Minuten National reached 3.0 million users per day via the digital and print channels – an increase of 2.8 per cent on the previous year. In an effort to reach readers wherever they may be during lockdown, 20 Minuten built up a retail distribution network. This scheme has been continuously expanded – 150 additional boxes have been installed in total – and there are also plans to extend the distribution network in collaboration with SBB. Thanks to these measures, the newspaper's print run levelled off at 80 per cent of the previous year's volume. Despite achieving the biggest readership in the publication's history in the reporting year as a result of digital growth, the spring lockdown and the autumn slowdown translated into a drop in advertising income for 20 Minuten. Print advertising was particularly affected by this.

The new digital mobile app and news platform from 20 Minuten went online in spring 2020 after a year of development work. The digital platform includes a video portal, which provides the basis for implementing the video-first strategy at 20 Minuten. Additional video reporters have been recruited for this, while a new studio has been set up and the Now! news format has been launched. The new platform also provides an opportunity to expand the 20 Minuten radio offer, which comprises additional podcasts and music channels. Since the start of 2021, 20 Minuten has moved away from its collaboration with the stock photo and news agency Keystone-SDA in favour of focusing on more internal output, with the aim of strengthening its own brand-specific language and imagery. With this in mind, 20 new members of staff have been brought on board to work on editorial services and images. The campaign in French-speaking Switzerland has opened up a further 20 new jobs, bringing a significant boost to the Video, Social Media and Sales divisions.

Over the coming months, 20 Minuten will concentrate on building up a network of experts – i.e. every free media editorial team will include at least one expert for each important topical area. These experts will serve as everyday contacts for the entire editorial team and will also continuously pass on their knowledge by conducting brief training sessions etc. Plans also call for the introduction of a quality monitoring system specific to free media. In addition, 20 Minuten will focus on further developing the tried-and-tested coverage model for free newspapers and news platforms.

Tamedia

www.tamedia.ch

Managing Directors: Marco Boselli and Andreas Schaffner

in CHF 000	2020	2019
Revenues	470 375	548 082
Operating expenses	(458 902)	(501 361)
Share of net income / (loss) of associates / joint ventures	(759)	1 520
Operating income / (loss) before depreciation and amortisation (EBITDA)	10 714	48 241
Margin [1]	2.3%	8.8%
Operating income / (loss) before effects of business combinations (EBIT adj.)	9 142	35 373
Margin [1]	1.9%	6.5%
Number of employees (FTE) [2]	1 482	1 559

1 The margin relates to revenues.
2 Average number of employees, excluding employees in associates / joint ventures.

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

For Tamedia, the 2020 financial year was particularly challenging – mainly due to the coronavirus crisis and ongoing structural change. At CHF 470.4 million, revenues for Tamedia are down by CHF 77.7 million year-on-year. This is largely attributable to the impact on the advertising market of the coronavirus crisis and falling print revenue as well as the sale of the women's magazine Annabelle. As a result, operating income before depreciation and amortisation (EBITDA) fell by 77.8 per cent year-on-year to CHF 10.7 million. This put the EBITDA margin at 2.3 per cent (previous year: 8.8 per cent). Operating income before the effects of business combinations (EBIT adj.) was CHF 9.1 million (previous year: CHF 35.4 million).

The coronavirus crisis posed a challenge for Switzerland's largest private media companies and journalism outlets on a number of levels. The need for high-quality independent journalism increased significantly, at times leading to record user figures for the individual news platforms. This resulted in a substantial rise in the number of digital subscriptions sold to around 126,000 (up 43 per cent compared with the same period in the previous year). Printed newspapers benefited from this development, particularly in terms of individual sales. Cumulatively, there was an overall increase of around 3 per cent in subscriptions (paying readership) across print and online media. At the same time, the decline in revenues on the advertising market – exacerbated considerably by the crisis – called for cost-cutting measures. Compensation for short-time work was used here between April and November to help cushion the financial impact. In response to the continuing structural decline in revenues, caused particularly by the shift of advertising expenditure from internal media offerings towards international digital platforms, Tamedia's Managing Directors announced in summer 2020 that costs needed to be reduced by a total of 15 per cent or CHF 70 million by the end of 2022. This is the only way to ensure that the underlying business would be sustainable for the future. At the same time, Tamedia is investing in its technological infrastructure and new digital offerings with the aim of further developing its journalism activities with regard to its growing mobile readership, and also in order to increase its digital subscriptions. The launch of the new online presence in spring was accompanied by the introduction of the mobile-first strategy, which led to an adjustment of workflows and editorial systems.

The quality of reporting is assessed annually in the quality report. According to the 2020 quality report, Tamedia's editorials have largely conformed well to the rules of the trade over the past year. On the whole, the switch to the mobile-first approach is going well as far as the form of production is concerned, but there is scope for even more variety in the storytelling across the various channels.

The way the user market is organised has been simplified in the interests of improving efficiency. It has been positioned closer to the product and now has a three-strong management team. In addition, the previous digital subscription portfolio has been replaced with a new, modular subscription in line with user requirements and the purchasing process has been optimised.

In the current financial year, Tamedia will be focusing on the organisation of its newspaper editorial teams at cantonal level and on exploiting additional synergies between the printing centres in Bern, Lausanne and Zurich. Tamedia's overall aim is to finance itself over the long term through the sale of digital subscriptions, without neglecting the printed newspapers. In terms of digital subscriptions, the aim is to achieve an annual increase of 35 per cent. In doing so, Tamedia's intention is to ensure that journalism has a future. It also wants, as Switzerland's biggest private editorial network, to offer readers an independent and critical brand of quality journalism with a decidedly regional ethos.

Group & Ventures

www.tx.group

Group Management: Pietro Supino, Samuel Hügli and Sandro Macciacchini

in CHF 000	2020	2019
Revenues	199 904	170 015
Operating expenses	(172 570)	(178 399)
Share of net income / (loss) of associates / joint ventures	(718)	22
Operating income / (loss) before depreciation and amortisation (EBITDA)	26 616	(8 361)
Margin [1]	13.3%	–4.9%
Operating income / (loss) before effects of business combinations (EBIT adj.)	(2 990)	(26 445)
Margin [1]	–1.5%	–15.6%
Number of employees (FTE) [2]	700	678

1 The margin relates to revenues.
2 Average number of employees, excluding employees in associates / joint ventures.

The Group & Ventures segment covers the TX Group's majority interests in Doodle and Zattoo as well as investments in fintech companies (e.g. Neon and Monito). Group & Ventures also comprises the group's property portfolio and central services departments. These provide services for the group as a whole and include Technology, Human Resources, Finance and Controlling, and Legal and Compliance.

Compared with the previous year, revenues for Group & Ventures increased by 17.6 per cent to CHF 199.9 million. This revenue increase was due in large part to an accounting transfer of property and facilities and adjustments that were made to the offsetting model in the Group section. With regard to the Ventures section, the revenue losses resulting from the disposal of Starticket and Olmero was offset by the increase in revenues at Zattoo. Operating income before depreciation and amortisation (EBITDA) increased to CHF 26.6 million (previous year: CHF -8.4 million), putting the EBITDA margin at 13.3 per cent (previous year: -4.9 per cent). Operating loss before the effects of business combinations (EBIT adj.) was CHF -3.0 million (previous year: CHF -26.4 million).

In the reporting year, the Ventures section trimmed down its portfolio with the sale of Olmero and Renovero, allowing it to focus on the areas of digital entertainment with Zattoo, consumer productivity with Doodle and consumer fintech. The fintech segment was developed further by increasing the stake in Neon and investing in Lend, Switzerland's leading crowd-funding platform, and the digital asset manager Selma Finance. The TV streaming platform Zattoo made encouraging progress, successfully expanding its customer base in both the B2C and B2B sectors and achieving its best net income ever in the 2020 financial year. Overall, the number of private customers increased by 10 per cent, while the revenues generated from business customers rose by 36 per cent. The scheduling platform Doodle completed its transformation into a fully fledged software-as-a-service (SaaS) company and doubled its business subscriptions in the reporting period. Revenues generated from business customers also rose accordingly, increasing by 54 per cent. In terms of consumer fintech, Neon continued to enjoy strong growth and expanded its customer base to over 50,000 customers. During the reporting year, around CHF 400 million was transferred internationally via Monito, a comparison platform for providers of money transfer services, with Monito customers saving a good CHF 20 million in fees.

The TX Group is stepping up its activities in the area of start-ups and will be making further investments in innovative digital business models in the coming years. With this in mind, the Investment Committee was set up at the start of 2021 with the aim of ensuring a consistent process and methods according to the best practice approach. It is being chaired by Romy Schnelle, a proven expert in the international start-up scene.

In the reporting year, our TX Data platform was rolled out with the aim of advancing our products, user interfaces and the personalisation of content and advertising across the Group. With the cloud-based platform, we pursue the goal of offering people the right content as well as interesting products and services for daily use or for important life decisions - e.g. a new house, new car or a new job. Thanks to investments in the cloud-based digitalisation of all service areas, all services could be provided to the usual high standard even during the lockdown period without the need for staff to be physically present on site - and at the same time complete various major change projects such as the rollout of the new editorial system.

By providing services for companies on a centralised basis, the group is hoping to benefit from synergies through the integrated management of activities, economies of scale and the pooling various skill sets. The central services will be restructured over a period of three years with a view to taking even greater advantage of these benefits. The idea is to achieve savings of CHF 20 million. The reduction in costs will be achieved by increasing standardisation and automation and reducing the cost of materials. The group's service centre in Belgrade was also set up with this in mind and is set to be further expanded in the coming months, albeit on a somewhat delayed schedule due to the coronavirus pandemic. The costs of all services provided centrally for the companies are allocated based on where the services were used, with any costs beyond this allocated to the Group & Ventures segment.

Financial overview

Alternative key performance figures

The TX Group uses the following alternative key performance figures:
- Operating income / (loss) before depreciation and amortisation (EBITDA)
- Operating income / (loss) before effects of business combinations (EBIT adj.)
- Cash flow after investing activities in property, plant and equipment and intangible assets (FCF adj.)
- Consolidated normalised income statement

Detailed information on how the alternative key performance figures are derived can be found at https://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.

Accounting

The TX Group applied the following new and revised standards and interpretations for the first time in 2020 (not earlier than required).
- IFRS 3, “Amendments regarding the definition of a business” (amendment to IFRS 3, “Business Combinations”) – 2020
- IAS 1 / IAS 8, “Definition of Material” (amendment to IAS 1, “Presentation of Financial Statements” and IAS 8 “Accounting Policies, Changes in Accounting Estimates and Errors”) – 2020
- IAS 39 / IFRS 9 / IFRS 7, “Interest Rate Benchmark Reform” (amendment to IAS 39 “Financial Instruments: Recognition and Measurement”, IFRS 9, “Financial Instruments” and IFRS 7 “Financial Instruments: Disclosures”) – 2020

Their first-time application did not lead to any material changes in the consolidation and measurement principles or in the assets or income situation.

Changes to the group of consolidated companies

Acquisitions

In the 2020 financial year, there were no material acquisitions of consolidated companies and activities.

Disposal of consolidated companies and activities

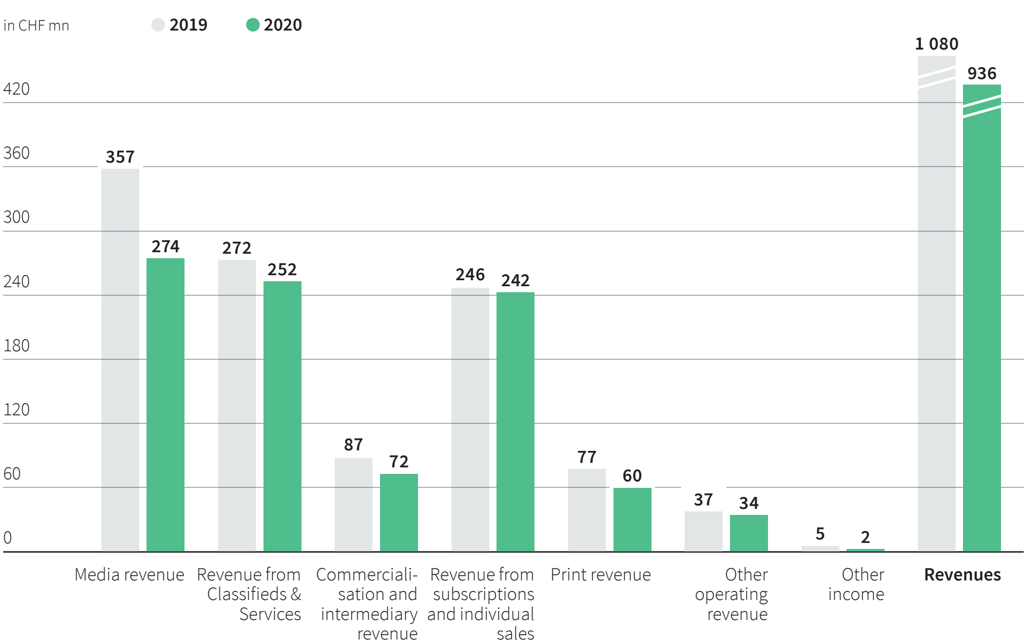
On 30 October 2020, TX Group AG sold its 97.7 per cent interest in Olmero AG to Docu Group Sweden AB, Ljusdal (Sweden). Also on 30 October 2020, TX Group AG sold its 55.6 per cent interest in Trendsales ApS to the company’s management and the existing non-controlling shareholders.

Revenues

Revenues reduced by CHF 143.8 million or 13.3 per cent, compared with the previous year, from CHF 1 079.5 million to CHF 935.8 million. The effect of the change in the group of consolidated companies is negligible as the decline in revenues associated with the disposals of Starticket AG, Olmero AG and Trendsales ApS was somewhat offset by the access to revenues associated with the purchase of the Zattoo Group in the first half of 2019.

The coronavirus crisis led to a massive decrease in advertising revenues in 2020, with revenues declining by approximately 23.3 per cent to CHF 273.5 million. Tamedia's daily and Sunday titles and the free media offered by 20 Minuten have been particularly badly affected by the reduction in revenues. The lockdown and the difficult market environment also had a strong negative impact on revenues from classifieds and services and sales of digital classified advertising, which in total declined by 7.1 per cent to CHF 252.2 million. Marketing and brokerage revenue (-16.8 per cent to CHF 72.4 million) and print revenue (-21.9 per cent to CHF 59.9 million) were hard hit as well. By contrast, revenues from subscriptions and individual sales remained stable compared with the previous year. Further information on changes in revenues can be found in the segment reporting for each business division (see "Market assessment").

Revenues **Exhibit 3**



Operating expenses

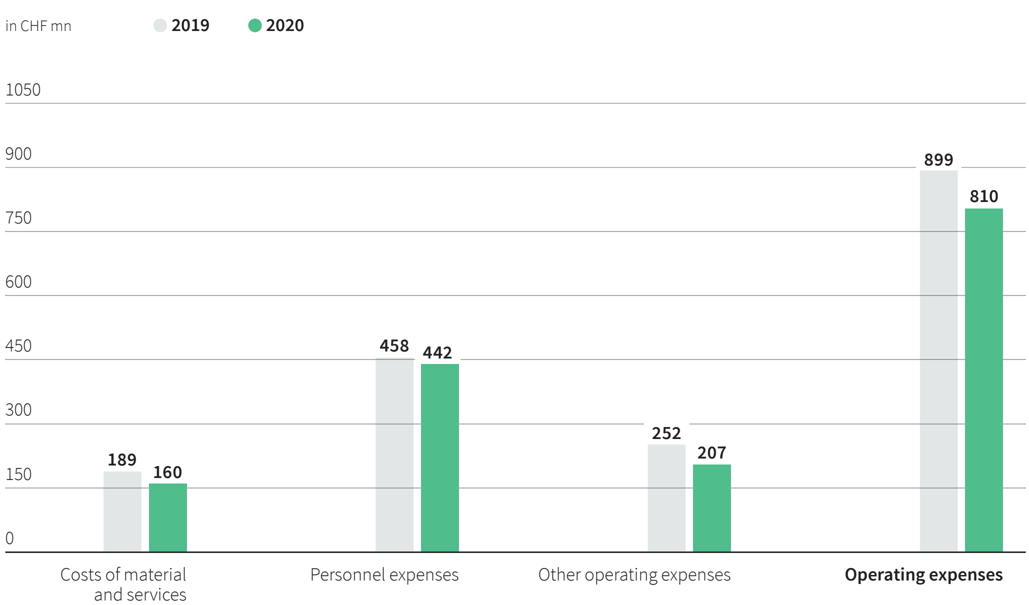
The costs of material and services decreased by CHF 28.6 million to CHF 160.3 million. The reduction can be attributed to the lower costs of publishing and editorial services and reduced expenditure on paper.

Personnel expenses decreased by CHF 16.1 million in the reporting year. However, at CHF 442.4 million, or 47.3 per cent of revenues, personnel expenses remain the largest expense item. The TX Group claimed CHF 21.2 million compensation for reduced working hours in the reporting year. Again due to reduced working hours, the welfare fund also contributed CHF 4.4 million to make up for shortfalls for employees. However, the subsidy from the welfare fund was offset by the associated higher employee service cost from IAS 19, which means this had no effect on the consolidated income statement. Another reason for the reduction was the fact that profit share payments for Group Management and employees were CHF 7.8 million lower.

Other operating expenses fell by CHF 44.6 million to CHF 207.3 million. While distribution and sales expenses more or less mirrored the decline in revenues, the reduction in expenditure for advertising and public relations was disproportionately large. Around CHF 6.3 million of the decline in general operating expenses is attributable to the reduction in consultancy expenditure, which had been extraordinarily high the previous year.

Exhibit 4

Operating expenses



Operating income / (loss) before depreciation and amortisation (EBITDA) and operating income (EBIT)

Operating income before depreciation and amortisation (EBITDA) fell by CHF 66.2 million or 33.6 per cent to CHF 130.6 million. The EBITDA margin decreased therefore from 18.2 per cent in the previous year to 14.0 per cent.

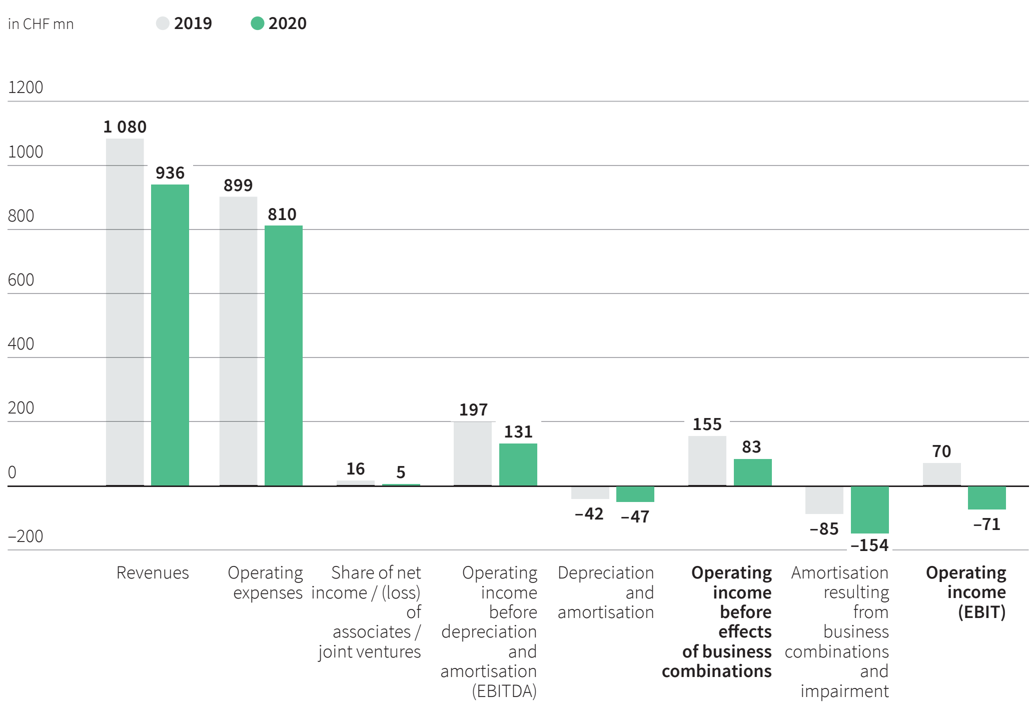
The share of net income (loss) of associated companies and joint ventures for the 2020 reporting year amounts to CHF 4.8 million, which is down CHF 11.7 million on the previous year. This decline reflects the very challenging economic environment in 2020, which – not unlike the financial performance of the TX Group – meant the associated companies and joint ventures also experienced a big reduction in operating income. As a result of impairment testing, impairment on goodwill and investments in associated companies was also recorded in the amount of CHF 3.0 million (proportional value).

Operating income (EBIT) amounts to CHF -70.9 million (previous year: 70.4 million), which results in an EBIT margin of -7.6 per cent, as compared to 6.5 per cent in the previous year.

Total depreciation and amortisation increased by CHF 14.9 million from the previous year, to CHF 116.5 million. A total of CHF 9.1 million of the increase in depreciation and amortisation is attributable to increased depreciation and amortisation associated with business combinations. The increase is mainly due to amortisation associated with Tamedia brands. Based on a goodwill impairment test for the cash-generating unit Tamedia, an impairment on goodwill in the amount of CHF 85.0 million was recorded (previous year: CHF 24.7 million).

Operating income / (loss) (EBIT)

Exhibit 5



Net income / (loss)

Reported net income for 2020 amounted to CHF -94.6 million, which is CHF 192.4 million below the previous year's figure of CHF 97.8 million. The net income attributable to TX Group shareholders decreased from CHF 64.8 million to CHF -112.3 million.

A negative financial result in the amount of CHF -20.6 million was recorded in the reporting year. The disposal of the two companies Olmero AG and Trendsales ApS in October 2020 resulted in a consolidated disposal loss of CHF 18.7 million.

The expected average tax rate was 13.4 per cent in 2020 (previous year: 21.8 per cent). The weighted tax rate of 13.4 per cent is based on the weighting for the expected tax rates for each company. 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, therefore resulting – in conjunction with lower tax rates – in a lower expected tax rate compared with the previous year.

The effective tax rate changed from -3.1 per cent to -3.5 per cent. The non-tax-deductible impairment on goodwill with a theoretical tax effect in the amount of CHF 14.8 million (previous year: CHF 4.8 million) is attributable to the impairment on goodwill of CHF 85.0 million (previous year: CHF 24.7 million) for the Tamedia segment. More information on goodwill and the impairment testing performed can be found in Note 22. 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. The tax effects on investments, which mainly resulted from book depreciation and amortisation on their carrying amounts (without any deferred tax consequences) and significantly reduced the tax expenses, were much less pronounced in 2020.

Balance sheet and equity

Total assets decreased by CHF 203.8 million, from CHF 2,955.5 million to CHF 2,751.6 million. Equity decreased by CHF 179.3 million to CHF 1,996.4 million. The decrease in equity is attributable to dividend payments, the negative financial result and the purchase of a 10 per cent non-controlling interest in Homegate AG. On the other hand, an equity increase was also recorded through the direct recognition as equity of the revaluation of employee benefits in the net amount of CHF 15.3 million (after deferred taxes), which resulted mainly from the performance of employee benefit plan assets. CHF 37.1 million (CHF 3.50 per share) was distributed to TX Group AG shareholders as a dividend. The company's equity ratio fell from 73.6 per cent to 72.6 per cent.

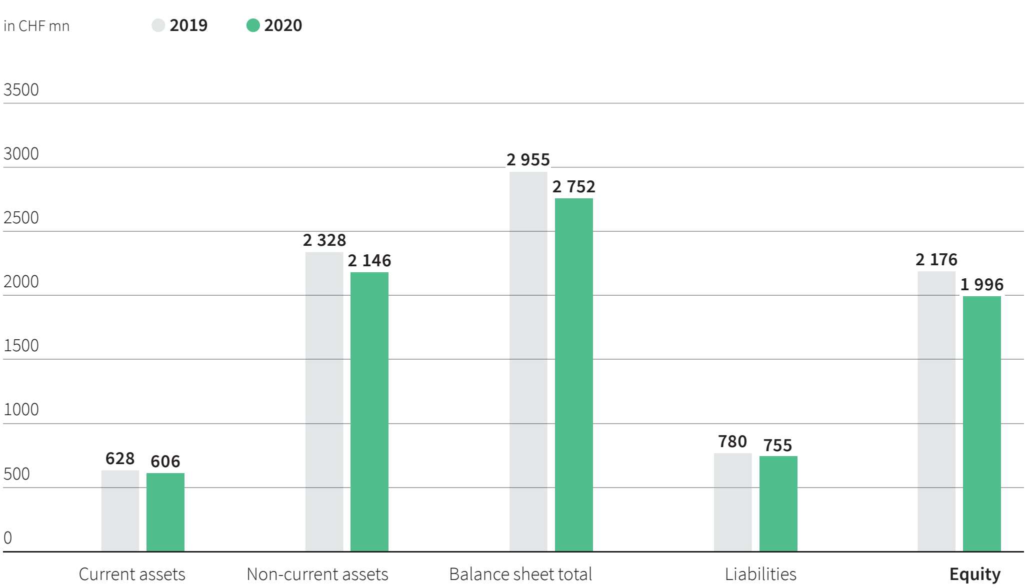
The current assets fell by CHF 21.5 million to CHF 606.1 million. Cash and cash equivalents declined by CHF 15.0 million to CHF 276.2 million.

Non-current assets decreased by CHF 182.4 million, or 7.8 per cent, to CHF 2,145.6 million. Property, plant and equipment grew by CHF 16.6 million during the reporting year and amounted to CHF 323.3 million as of the balance sheet date. The increase is primarily attributable to newly recorded right-of-use assets associated with leased properties. Intangible assets decreased by CHF 205.6 million from CHF 1,784.4 million to CHF 1,578.8 million. The change to the group of consolidated companies, which includes the disposals of Olmero AG and Trendsales ApS, led to a decline in intangible assets in the amount of CHF 57.8 million. As in the previous year, investment focused primarily on IT software that can be capitalised. Depreciation and amortisation amounted to CHF 77.3 million (previous year: CHF 67.2 million), whereby this increase is a result of depreciation and amortisation associated with Tamedia brands, which began in 2020. Impairment on goodwill amounting to CHF 85.0 million was recognised in the Tamedia segment in the reporting year (previous year: CHF 24.7 million).

The decline in the shares of net income gained from associates and joint ventures recorded in the income statement is also reflected in their equity and carrying amounts, which decreased by a net of CHF 4.7 million to CHF 61.2 million. The revaluation of employee benefit plans means that net plan assets of CHF 94.9 million are included in the balance sheet for 2020 (previous year: CHF 93.3 million). Employee benefit assets and liabilities totalled CHF 132.6 million and CHF 37.6 million respectively. Other non-current financial assets increased by CHF 9.2 million to CHF 36.0 million, mainly as a result of the investments made in 2020 and fair value adjustments associated with other investments. In 2020, TX Group AG made further investments in the amount of CHF 1.9 million in neon Switzerland AG and acquired 11.7 per cent of the shares in Switzerlend AG for CHF 4.0 million. In December 2020, TX Group AG also took an 11.0 per cent share in Selma Finance Oy, Helsinki (investment of CHF 1.6 million).

Balance sheet

Exhibit 6



Current liabilities decreased by CHF 33.6 million to CHF 480.7 million. Current and non-current financial liabilities increased by CHF 8.9 million to CHF 93.2 million . The bank liability of Goldbach Group AG in the amount of CHF 20.0 million was repaid in January 2020, which means a current credit liability in the amount of CHF 2.0 million (previous year: CHF 1.5 million) remained at the end of 2020.

As of the balance sheet date, there were current lease liabilities in the amount of CHF 13.9 million (previous year: CHF 11.2 million) and non-current lease liabilities in the amount of CHF 54.2 million (previous year: CHF 33.0 million). Much of the increase in lease liabilities is due to the contract for the new premises of JobCloud AG.

Other current liabilities amount to CHF 53.5 million and are therefore up by around CHF 7.5 million on the previous year. This higher amount is primarily due to an increase in liabilities to public authorities in the amount of CHF 3.7 million, and an increase in other current liabilities in the amount of CHF 4.9 million.

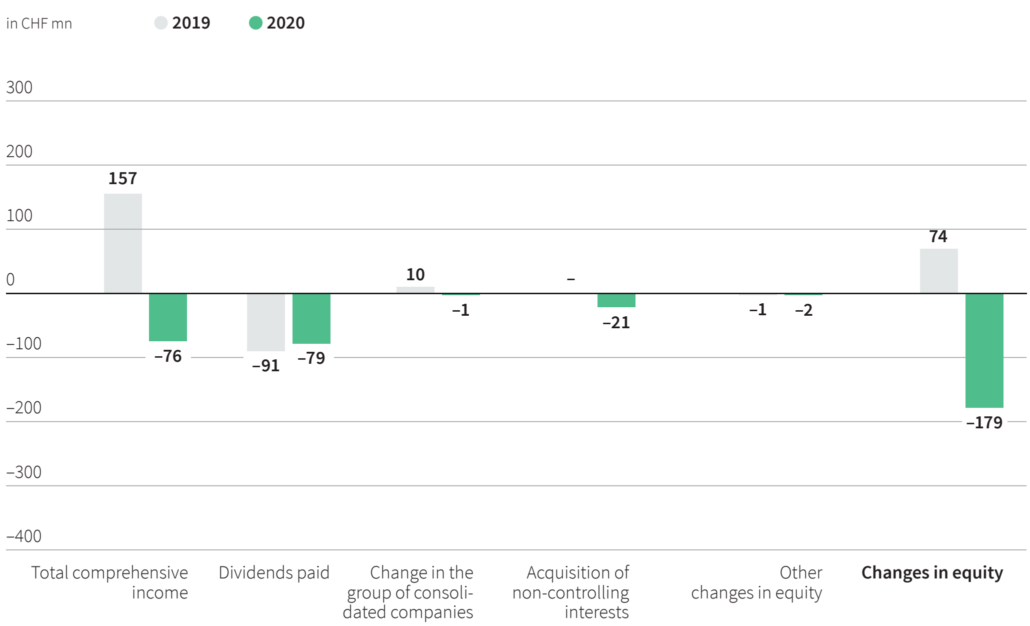
Deferred revenues and accrued liabilities decreased by CHF 8.9 million from CHF 337.8 million to CHF 328.9 million. Changes to the group of consolidated companies result in a decrease of around CHF 5.9 million. Total deferred revenue also declined by CHF 5.9 million. The decline in accruals relating to personnel by CHF 8.3 million to CHF 23.3 million is particularly due to the lower accruals for employee performance bonuses and profit participation arrangements for the Group Management.

Current and non-current provisions amounted to CHF 15.6 million, an increase of CHF 0.9 million year-on-year. Personnel-related provisions include provisions for various social plans. The restructuring of central services is intended to reduce costs over a period of three years in order to achieve savings of approximately CHF 20 million. Plans here include reducing the cost of materials and shedding approximately 40 full time positions. Provisions in the amount of CHF 2.3 million were recorded for the Social Plan in connection with the latter measure.

Non-current liabilities increased by CHF 9.0 million to CHF 274.5 million. Employee benefit obligations remained stable at CHF 42.9 million. Deferred tax liabilities dropped by CHF 15.1 million to CHF 145.2 million.

Exhibit 7

Changes in equity



Statement of cash flows

Cash flow from (used in) trading activities decreased by 24.2 per cent to CHF 128.1 million. This decline was due in particular to the reduction in revenues in connection with the coronavirus crisis. The decrease could not be offset by the lower expenditure recorded for personnel and materials and services.

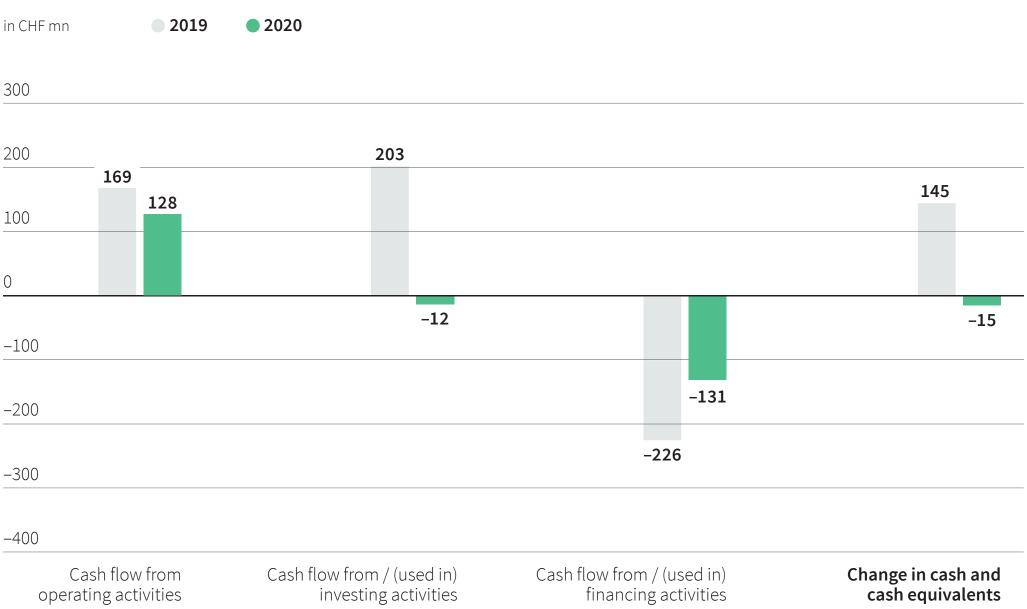
Cash flow from (used in) investing activities amounted to CHF -11.8 million (previous year: CHF 202.6 million). This decrease was mainly due to the cash flow in the amount of CHF 239.8 million that had been recorded in the previous year from the sale of Swisscom Directories AG. Investments in property, plant and equipment and intangible assets increased by CHF 11.4 million compared with the previous year. Investments in property, plant and equipment in the amount of CHF 18.8 million in 2020 included expenditure on tenant improvements and fixtures and fittings at the new head office of JobCloud AG, as well as investments in technical equipment and machinery at the printing centres. The investment of CHF 16.9 million in intangible assets focused primarily on IT software that can be capitalised (such as platforms). The sale of property, plant and equipment and intangible assets resulted in a cash inflow in the amount of CHF 2.0 million. Cash flow after investing activities in property, plant and equipment and intangible assets (FCF adj.) thus amounted to CHF 94.5 million, which is CHF 52.3 million lower than the previous year's figure of CHF 146.8 million. Cash inflow in the total amount of CHF 19.8 million was realised from the sale of the consolidated companies Olmero AG and Trendsales ApS and the sale of Renovero. Cash outflow from investment in financial assets included the purchase of shares in the other investments neon Switzerland AG, Switzerlend AG and Selma Finance Oy, while the sale of financial assets particularly involved the change to current accounts with non-controlling interests.

Cash flow from (used in) financing activities amounted to CHF -131.4 million. The considerably lower cash outflow here as compared to the previous year was due in particular to the repayment in 2019 of the bank loan in the amount of CHF 120.0 million that was taken out to finance the acquisition of Goldbach, while in 2020, a bank liability in the amount of CHF 20.0 million was repaid. The reduction in cash outflow was also due to the lower dividend payment distributed to TX Group AG shareholders in 2020 as compared to the previous year (CHF 3.50 per share in 2020 as opposed to CHF 4.50 per share in 2019). The dividend payments to the non-controlling interests in JobCloud AG and the Goldbach Group remained stable, however. As a result of new or modified leases, payments for lease liabilities increased by approximately CHF 3.5 million to CHF 15.4 million. The purchase of a non-controlling interest of 10 per cent in Homegate AG in January 2020 resulted in a cash outflow of CHF 20.8 million.

This outflow led to a reduction of cash and cash equivalents of CHF 15.0 million in 2020, from CHF 291.2 million to CHF 276.2 million.

Cash flow

Exhibit 8



Normalised consolidated income statement

in CHF 000	Comment	2020 Income statement	2020 One-off effects	2020 Adjusted net income	2019 Income statement	2019 One-off effects	2019 Adjusted net income
Advertising revenue		273 530	–	273 530	356 570	–	356 570
Revenue from classifieds & services		252 246	–	252 246	271 611	–	271 611
Revenue from commercialisation and intermediary activities		72 408	–	72 408	87 060	–	87 060
Revenue from subscriptions and individual sales		241 807	–	241 807	246 078	–	246 078
Print revenue		59 855	–	59 855	76 615	–	76 615
Other operating revenue		34 125	–	34 125	36 659	–	36 659
Other income	1	1 824	(1 097)	728	4 955	(3 500)	1 455
Revenues		**935 795**	**(1 097)**	**934 698**	**1 079 548**	**(3 500)**	**1 076 048**
Costs of material and services	2	(160 257)	(685)	(160 942)	(188 839)	–	(188 839)
Personnel expenses		(442 406)	–	(442 406)	(458 468)	–	(458 468)
Other operating expenses	3	(207 309)	(2 485)	(209 794)	(251 935)	–	(251 935)
Share of net income / (loss) of associates / joint ventures	4	4 796	2 957	7 754	16 466	–	16 466
Operating income / (loss) before depreciation and amortisation (EBITDA)		**130 619**	**(1 309)**	**129 310**	**196 773**	**(3 500)**	**193 273**
Depreciation and amortisation		(47 298)	–	(47 298)	(41 545)	–	(41 545)
Operating income / (loss) before effects of business combinations (EBIT adj.)		**83 322**	**(1 309)**	**82 012**	**155 228**	**(3 500)**	**151 728**
Amortisation resulting from business combinations		(69 181)	–	(69 181)	(60 061)	–	(60 061)
Impairment	5	(85 000)	85 000	–	(24 730)	24 730	–
Operating income / (loss) (EBIT)		**(70 859)**	**83 691**	**12 832**	**70 438**	**21 230**	**91 668**
Financial income	6	5 229	–	5 229	30 098	(25 895)	4 203
Financial expense	7	(25 832)	18 734	(7 097)	(5 672)	–	(5 672)
Income / (loss) before taxes		**(91 462)**	**102 425**	**10 963**	**94 863**	**(4 665)**	**90 198**
Income taxes	8	(3 180)	532	(2 648)	2 895	(16 578)	(13 682)
Net income / (loss)		**(94 642)**	**102 957**	**8 315**	**97 758**	**(21 243)**	**76 515**

1 The 2020 adjustment relates to the gain from the sale of the Renovero activity from Olmero AG. The 2019 adjustment relates to the gain from the sale of the Annabelle activity from Tamedia AG.
2 The 2020 adjustment includes the extraordinary federal contributions to finance the basic services of the national news agency Keystone-SDA to relieve the media providers.
3 The 2020 adjustment includes the extraordinary support of the Confederation for the reduced delivery of subscribed daily and weekly newspapers and magazines (press subsidy) as well as a one-off payment to radio and television broadcasters.
4 The 2020 adjustment relates to the impairment of goodwill of the associated company Zürcher Oberland Medien AG and the impairment of an investment in Karriere.at.
5 The adjustment in 2020 and 2019 relates to the impairment of goodwill of the cash-generating unit Tamedia.
6 The 2019 adjustment relates to the gain from the sale of the 31 per cent stake in Swisscom Directories AG and the 100 per cent stake in Starticket AG.
7 The adjustment relates to the loss on disposal from the sale of Trendsales (CHF –14.0 million) and Olmero (CHF –4.7 million). The loss on disposal includes approximately CHF 1.9 million in transaction costs incurred in connection with the sales.
8 In the business year and in the comparison period, a correction is made for the tax effects on the special effects. In 2020, the correction concerns the tax effects from the sale of Renovero and from the subsidies for press promotion. There is only a minor tax effect on the goodwill impairment and on the loss on disposal of Olmero and Trendsales due to the taxable result of TX Group AG. In addition, the effect from the adjustment of the tax rate in various cantons on the deferred tax assets and liabilities is taken into account in 2019.

Multi-year comparison

		2020	2019	2018	2017	2016
Income statement						
Revenues	CHF mn	935.8	1 079.5	1 010.6	974.2	1 004.8
Growth		–13.3%	6.8%	3.7%	–3.0%	–5.5%
Operating income / (loss) before depreciation and amortisation (EBITDA)	CHF mn	130.6	196.8	205.9	245.2	201.0
Growth		–33.6%	–4.4%	–16.0%	22.0%	–17.5%
Margin [1]		14.0%	18.2%	20.4%	25.2%	20.0%
Operating income / (loss) before effects of business combinations (EBIT adj.)	CHF mn	83.3	155.2	179.5	216.2	160.7
Growth		–46.3%	–13.5%	–16.9%	34.5%	–20.0%
Margin [1]		8.9%	14.4%	17.8%	22.2%	16.0%
Operating income / (loss) (EBIT)	CHF mn	(70.9)	70.4	131.6	180.7	113.5
Growth		–200.6%	–46.5%	–27.2%	59.3%	–13.1%
Margin [1]		–7.6%	6.5%	13.0%	18.6%	11.3%
Net income / (loss)	CHF mn	(94.6)	97.8	129.5	170.2	122.3
Growth		–196.8%	–24.5%	–23.9%	39.1%	–63.4%
Margin [1]		–10.1%	9.1%	12.8%	17.5%	12.2%
Segments - Share of total revenues with third parties						
TX Markets		21.3%	19.8%	–	–	–
Goldbach		11.5%	11.9%	–	–	–
20 Minuten		11.1%	13.2%	–	–	–
Tamedia		47.9%	48.1%	–	–	–
Group & Ventures		8.2%	7.0%	–	–	–
Employee key data						
Number of employees (FTE) [2]	Number	3 632	3 662	3 330	3 204	3 282
Revenue per employee	CHF 000	257.6	294.8	303.5	304.0	306.2
Balance sheet						
Current assets	CHF mn	606.1	627.5	686.7	330.9	308.9
Non-current assets	CHF mn	2 145.6	2 328.0	2 261.7	2 182.5	2 112.2
Total assets	CHF mn	2 751.6	2 955.5	2 948.4	2 513.3	2 421.1
Liabilities	CHF mn	755.2	779.8	846.8	543.7	665.0
Equity	CHF mn	1 996.4	2 175.7	2 101.7	1 969.6	1 756.1
Cash flow						
Cash flow from / (used in) operating activities	CHF mn	128.1	169.2	187.7	223.3	178.6
Cash flow from / (used in) investing activities	CHF mn	(11.8)	202.6	(233.6)	(14.6)	(11.1)
Cash flow after investing in property, plant and equipment and intangible assets (FCF adj.)	CHF mn	94.5	146.8	161.5	215.9	172.8
Cash flow after investing activities (FCF)	CHF mn	116.3	371.8	(45.9)	208.6	167.5
Cash flow from / (used in) financing activities	CHF mn	(131.4)	(225.9)	68.8	(149.0)	(202.9)
Change in cash and cash equivalents	CHF mn	(15.0)	145.3	22.5	60.2	(35.4)
Financial key data						
Equity ratio [3]		72.6%	73.6%	71.3%	78.4%	72.5%
Return on equity [4]		–4.7%	4.5%	6.2%	8.6%	7.0%
Net debt / (net liquidity) [5]		(182.9)	(206.9)	12.9	(113.1)	38.4
Debt factor [6]	x	–	–	0.1	–	0.2
Key figures per share						
Net income / (loss) per share (undiluted)	CHF	(10.61)	6.11	9.12	13.87	9.89
Dividends per share	CHF	–[8]	3.5	4.5	4.5	4.5
Dividend yield [7]		–	3.7%	4.3%	3.3%	2.9%
Price / earnings ratio [7]	x	(6.7)	15.3	11.6	9.9	15.8
Share price	CHF	70.80	93.70	105.50	138.00	156.00
Market capitalisation	CHF mn	750.2	992.8	1 117.8	1 462.2	1 652.9

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 at year-end
5 Current and non-current financial liabilities less cash and cash equivalents
6 Net debt to cash flow from / (used in) operating activities
7 Based on year-end price
8 Proposed appropriation of profit by the Board of Directors

Information for investors

Share price performance from 05 January 2015 to 27 January 2021

Source: Thomson Reuters Datastream

Share price

in CHF	2020	2019	2018	2017	2016
High	107.20	121.00	157.50	161.80	183.90
Low	60.40	89.80	101.00	132.00	150.00
Year-end	70.80	93.70	105.50	138.00	156.00

Market capitalisation

in CHF mn	2020	2019	2018	2017	2016
High	1 136	1 283	1 670	1 715	1 949
Low	640	952	1 071	1 399	1 590
Year-end	750	993	1 118	1 462	1 653

Financial calendar

Annual General Meeting: 09 April 2021

Half-year report: 31 August 2021

Key figures per share

in CHF		2020	2019	2018	2017	2016
Net income / (loss) per share (undiluted)		(10.61)	6.11	9.12	13.87	9.89
Net income / (loss) per share (diluted)		(10.60)	6.10	9.08	13.82	9.86
EBIT / (loss) per share		(6.69)	6.65	12.44	17.06	10.71
EBITDA / (loss) per share		12.34	18.57	19.45	23.15	18.97
Free cash flow per share		10.99	35.08	(4.33)	19.70	15.81
Shareholders' equity per share [1]		160.48	173.44	166.48	163.46	143.95
Dividends per share		– [2]	3.50	4.50	4.50	4.50
Dividend pay-out rate [3]		–	37.9%	36.7%	28.0%	39.0%
Dividend yield [4]		–	3.7%	4.3%	3.3%	2.9%
Price / earnings ratio [4]	x	(6.68)	15.3	11.6	9.9	15.8
Price to EBIT ratio [4]	x	(10.58)	14.1	8.5	8.1	14.6
Price to EBITDA ratio [4]	x	5.74	5.0	5.4	6.0	8.2
Price to revenues ratio [4]	x	0.80	0.9	1.1	1.5	1.6
Price to free cash flow ratio [4]	x	6.44	2.7	(24.3)	7.0	9.9
Price to equity ratio [4]	x	0.44	0.5	0.6	0.8	1.1

1 Equity, attributable to TX Group shareholders
2 Proposed appropriation of profit 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 29 and 39.

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

TX Group pursues a results-based distribution policy. As a rule, 35 to 45 per cent of profit is distributed in the form of dividends.

Investor Relations

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Consolidated income statement

in CHF 000	Note	2020	2019 [1]
Advertising revenue	4	273 530	356 570
Revenue from classifieds & services	4	252 246	271 611
Revenue from commercialisation and intermediary activities	4	72 408	87 060
Revenue from subscriptions and individual sales	4	241 807	246 078
Print revenue	4	59 855	76 615
Other operating revenue	4	34 125	36 659
Other income	4	1 824	4 955
Revenues		**935 795**	**1 079 548**
Costs of material and services	5	(160 257)	(188 839)
Personnel expenses	6	(442 406)	(458 468)
Other operating expenses	7	(207 309)	(251 935)
Share of net income / (loss) of associates / joint ventures	8	4 796	16 466
Operating income / (loss) before depreciation and amortisation (EBITDA)		**130 619**	**196 773**
Depreciation and amortisation	9	(47 298)	(41 545)
Operating income / (loss) before effects of business combinations (EBIT adj.)		**83 322**	**155 228**
Amortisation resulting from business combinations	9	(69 181)	(60 061)
Impairment	9	(85 000)	(24 730)
Operating income / (loss) (EBIT)		**(70 859)**	**70 438**
Financial income	10	5 229	30 098
Financial expense	10	(25 832)	(5 672)
Income / (loss) before taxes		**(91 462)**	**94 863**
Income taxes	11	(3 180)	2 895
Net income / (loss)		**(94 642)**	**97 758**
of which			
attributable to TX Group shareholders		(112 298)	64 760
attributable to non-controlling interests	14	17 656	32 998

1 The structure of revenues in the consolidated income statement has been adjusted. Additionally, external salaries are now reported as services in the "Costs of materials and services" item. Other (individually not material) adjustments to the disclosure in operating expenses have been made. The previous year's figures were adjusted accordingly.

Net income / (loss) per share

in CHF	Note	2020	2019
Net income / (loss) per share (undiluted)	15	(10.61)	6.11
Net income / (loss) per share (diluted)	15	(10.60)	6.10

Consolidated statement of total comprehensive income

in CHF 000	Note	2020	2019
Net income / (loss)		**(94 642)**	**97 758**
Value fluctuation of hedges / financial assets	35	3 137	(3 602)
Currency translation differences		(226)	(2 301)
Income tax effects		(80)	744
Other comprehensive income / (loss) – to be reclassified via the income statement in future periods		**2 831**	**(5 159)**
Actuarial gains / (losses) IAS 19	20	19 512	77 872
Income tax effects		(4 198)	(13 910)
Other comprehensive income / (loss) – not to be reclassified via the income statement in future periods		**15 314**	**63 962**
Other comprehensive income / (loss)		**18 145**	**58 803**
Total comprehensive income / (loss)		**(76 497)**	**156 561**
of which			
attributable to TX Group shareholders		(93 684)	125 473
attributable to non-controlling interests		17 187	31 088

Consolidated balance sheet

in CHF 000	Note	31.12.2020	31.12.2019
Cash and cash equivalents		276 153	291 194
Current financial assets		311	–
Trade accounts receivable	16	214 396	242 930
Current financial receivables		35 938	33 294
Current tax receivables		19 325	9 013
Other current receivables		22 467	16 058
Accrued income and prepaid expenses		32 539	28 317
Inventories	17	4 923	6 699
Current assets		**606 052**	**627 505**
Property, plant and equipment	18	323 292	306 741
Investments in associates / joint ventures	8	61 179	65 897
Employee benefit plan assets	20	137 774	136 310
Other non-current financial assets	19	35 963	26 789
Deferred tax assets	12	8 540	7 805
Intangible assets	21/22	1 578 819	1 784 414
Non-current assets		**2 145 566**	**2 327 955**
Total assets		**2 751 618**	**2 955 460**
Current financial liabilities	23	19 289	33 898
Trade accounts payable	24	69 073	81 137
Current tax liabilities		6 828	12 458
Other current liabilities	25	53 468	46 010
Accrued liabilities from contracts with customers	26	245 326	259 144
Other accrued liabilities	26	83 568	78 662
Current provisions	27	3 151	2 955
Current liabilities		**480 702**	**514 263**
Non-current financial liabilities	23	73 940	50 382
Employee benefit obligations	20	42 854	42 998
Deferred tax liabilities	12	145 216	160 335
Non-current provisions	27	12 490	11 799
Non-current liabilities		**274 499**	**265 514**
Total liabilities		**755 201**	**779 777**
Share capital	28	106 000	106 000
Treasury shares	29	(327)	(914)
Reserves		1 593 513	1 732 917
Equity, attributable to TX Group shareholders		**1 699 185**	**1 838 003**
Equity, attributable to non-controlling interests		297 232	337 680
Equity		**1 996 417**	**2 175 683**
Total liabilities and shareholders' equity		**2 751 618**	**2 955 460**

Consolidated statement of cash flows

in CHF 000	Note	2020	2019
Direct method			
Receipts from products and services sold	4	921 292	1 049 188
Personnel expense	6	(428 795)	(472 525)
Expenditures for material and services received	5/7	(336 401)	(390 057)
Dividends from associates / joint ventures	8	9 376	11 837
Interest paid	10	(709)	(1 408)
Interest received	10	139	133
Other financial result	10	301	680
Income taxes paid	11	(37 068)	(28 697)
Cash flow from / (used in) operating activities		**128 135**	**169 151**
Investment in property, plant and equipment	18	(18 789)	(14 381)
Sale of intangible assets	18	871	1 534
Sale of assets held for sale	13	–	239 828
Investments in consolidated companies	1	–	(6 397)
Sale in consolidated companies	1	18 173	7 904
Sale of activities		1 600	–
Investments in interests in associates/joint ventures	8	(72)	(81)
Sale in interests in associates / joint ventures	8	19	4
Investment in other financial assets	19	(8 564)	(17 150)
Sale of other financial assets	19	10 698	853
Investments in intangible assets	21	(16 881)	(9 925)
Sale of intangible assets	21	1 136	413
Cash flow from / (used in) investing activities		**(11 809)**	**202 601**
Dividends paid to TX Group shareholders	28	(37 055)	(47 700)
Dividends paid to non-controlling interests		(42 351)	(43 607)
Proceeds of current financial liabilities	23	3 500	1 495
Repayment of current financial liabilities	23	(20 599)	(126 970)
Repayment of lease liabilities	32	(15 386)	(11 875)
Proceeds of non-current financial liabilities	23	4 292	5 106
Repayment of non-current financial liabilities	23	(1 433)	(1 407)
(Purchase) / sale of treasury shares	29	(1 475)	(914)
Acquisition of non-controlling interests		(20 849)	–
Cash flow from / (used in) financing activities		**(131 357)**	**(225 872)**
Impact of currency translation		**(11)**	**(608)**
Change in cash and cash equivalents		**(15 041)**	**145 272**
Cash and cash equivalents as of 1 January		291 194	145 923
Cash and cash equivalents as of 31 December		276 153	291 194
Change in cash and cash equivalents		**(15 041)**	**145 272**

Statement of changes in equity

in CHF 000	Share capital	Treasury shares	Currency translation differences	Reserves	**Equity, attributable to TX Group shareholders**	Equity, attributable to non-controlling interests	**Equity**
As of 31 December 2018	**106 000**	**(3 579)**	**(4 920)**	**1 664 316**	**1 761 817**	**339 838**	**2 101 654**
Net income / (loss)	–	–	–	64 760	**64 760**	32 998	**97 758**
Value fluctuation of hedges / financial assets	–	–	–	(3 602)	**(3 602)**	–	**(3 602)**
Actuarial gains / (losses) IAS 19	–	–	–	80 213	**80 213**	(2 341)	**77 872**
Currency translation differences	–	–	(2 246)	–	**(2 246)**	(55)	**(2 301)**
Income tax effects	–	–	–	(13 653)	**(13 653)**	487	**(13 166)**
Total comprehensive income / (loss)	**–**	**–**	**(2 246)**	**127 719**	**125 473**	**31 088**	**156 561**
Dividends paid	–	–	–	(47 700)	**(47 700)**	(43 607)	**(91 307)**
Change in the group of consolidated companies	–	–	–	–	**–**	10 227	**10 227**
Share-based payments	–	–	–	(4 252)	**(4 252)**	134	**(4 118)**
(Purchase) / sale of treasury shares	–	2 665	–	–	**2 665**	–	**2 665**
As of 31 December 2019	**106 000**	**(914)**	**(7 166)**	**1 740 083**	**1 838 003**	**337 680**	**2 175 683**
Net income / (loss)	–	–	–	(112 298)	**(112 298)**	17 656	**(94 642)**
Value fluctuation of hedges / financial assets	–	–	–	3 137	**3 137**	–	**3 137**
Actuarial gains / (losses) IAS 19	–	–	–	20 050	**20 050**	(538)	**19 512**
Currency translation differences	–	–	(376)	–	**(376)**	150	**(226)**
Income tax effects	–	–	–	(4 196)	**(4 196)**	(81)	**(4 278)**
Total comprehensive income / (loss)	**–**	**–**	**(376)**	**(93 308)**	**(93 684)**	**17 187**	**(76 497)**
Dividends paid	–	–	–	(37 055)	**(37 055)**	(42 351)	**(79 406)**
Change in the group of consolidated companies	–	–	4 637	(4 637)	**–**	(660)	**(660)**
Acquisition of non-controlling interests	–	–	–	(6 224)	**(6 224)**	(14 625)	**(20 849)**
Contractual obligations to acquire non-controlling interests	–	–	–	(82)	**(82)**	–	**(82)**
Share-based payments	–	–	–	(2 359)	**(2 359)**	–	**(2 359)**
(Purchase) / sale of treasury shares	–	587	–	–	**587**	–	**587**
As of 31 December 2020	**106 000**	**(327)**	**(2 905)**	**1 596 418**	**1 699 185**	**297 232**	**1 996 417**

Notes to the consolidated financial statements

Key financial information from reporting year 2020

- Change of name from Tamedia AG to TX Group AG as well as other changes of company names (Note 37 “Investments in other companies”).
- Formation of a decentralised organisational structure with four largely self-contained companies (Note 2 “Segment information”).
- Heavy losses in the advertising market led to impairment on goodwill in the Tamedia segment in the amount of CHF 85.0 million (Note 22 “Goodwill and intangible assets with an indefinite useful life”).
- The brands in the Tamedia segment are now being amortised with effect from 1 January 2020, which increased depreciation and amortisation by around CHF 11.1 million in the reporting year (Note 9 “Depreciation and amortisation”).
- Financial loss from the sale of Olmero AG and Trendsales ApS in the amount of CHF 18.7 million (Note 1 “Changes to the group of consolidated companies” and Note 10 “Financial result”).

Consolidation and measurement principles

Consolidation principles

General

The consolidated financial statements of TX Group AG, Werdstrasse 21, Zurich (Switzerland), and its subsidiaries are prepared in compliance with Swiss company law and in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB). The consolidation is based on the individual financial statements of the consolidated companies as of 31 December, which are prepared according to uniform accounting principles. All standards issued by the IASB and all interpretations issued by the International Financial Reporting Interpretations Committee that were in force by the balance sheet date have been considered during the preparation of the consolidated financial statements.

The preparation of the consolidated financial statements requires that the Management Board and the Board of Directors make estimates and assumptions that impact the amounts of the assets and liabilities, contingent liabilities, as well as the expenditures and income disclosed in the consolidated financial statements for the reporting period. These estimates and assumptions not only take past experience into account, but also developments in the state of the economy, and are mentioned wherever relevant in the Notes. As they are subject to risks and uncertainties, the actual results may differ from these estimates.

In particular, the estimates and assumptions applied to the areas listed below had a material impact on the consolidated financial statements in the reporting year. The estimates made are set out in detail in the Notes provided.

- Capitalisation of loss carryforwards (Notes 11 and 12)
- Impairment testing of goodwill and intangible assets with an indefinite useful life (Note 22)
- Assessment of financial risks (Note 34)

The consolidated financial statements were approved by the Board of Directors on 02 March 2021. The Board of Directors proposes that the Annual General Meeting of 09 April 2021 approves the consolidated financial statements.

Changes in accounting policies in 2020 and thereafter

TX Group applied the following new and revised standards and interpretations for the first time in the financial statements for 2020.

- IFRS 3, “Amendments regarding the definition of a business” (amendment to IFRS 3, “Business Combinations”)
- IAS 1 / IAS 8, “Definition of Material” (amendment to IAS 1, “Presentation of Financial Statements” and IAS 8 “Accounting Policies, Changes in Accounting Estimates and Errors”)
- IAS 39 / IFRS 9 / IFRS 7, “Interest Rate Benchmark Reform” (amendment to IAS 39 “Financial Instruments: Recognition and Measurement”, IFRS 9, “Financial Instruments” and IFRS 7 “Financial Instruments: Disclosures”)

Their first-time application did not lead to any material changes in the consolidation and measurement principles or in the assets or income situation. The introduction of the revised standards, to be applied from 2021, is not expected to have any material impact on the consolidated financial statements either. The new and revised standards and interpretations that are to be applied to the consolidated financial statements for the first time in 2020, or those that are to be applied later, were not applied earlier than required (including the amendment to IFRS 16 “Leases – Covid-19-Related Rent Concessions”, which became applicable to the financial year starting from 1 June 2020).

Restatement

- Segment information:
  As of 1 January 2020, a decentralised organisational structure was formed under the umbrella of TX Group comprising four largely self-contained companies. The segment information from the previous year has therefore been adapted to the new segment structure. More detailed information on the segments can be found in the “Operational reporting and market conditions” section and in Note 2 “Segment information”.
- Income statement:
  TX Group divides revenues in the income statement according to its core competencies with regard to the type of service. As a result of the transformation in the media industry, new lines of business have become more important to TX Group. In order to reflect these developments, the consolidated income statement now shows revenues in greater detail. The allocation of revenues and expenses to the items reported has also been revised and in some cases adjusted. In particular, external salaries are now shown as services under the “costs of materials and services” item, as opposed to under personnel expenses. The previous year’s disclosures were adjusted accordingly.

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 investments, 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 rate on the reporting date, while items in the income statement are converted using the average rate.

Measurement policies

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 up to three months, which are measured at nominal value.

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 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 (see “Measurement policies for derivative financial instruments”).

Receivables

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.

Inventories

Inventories are measured at their purchase or production cost according to the weighted average method, but at most at their net realisable value minus the expected costs of completion and disposal.

Items with a low inventory turnover and those that are difficult to dispose of are impaired based on business criteria.

Property, plant and equipment

Property, plant and equipment are measured at the higher of amortised cost less depreciation considered necessary for business reasons, with the exception of land, which is 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. In this regard, options for extension of the leases are not taken into account. 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 depreciation periods apply:

Buildings:	40 years
Installations and ancillary structures:	3–25 years
Plant and machinery:	3-25 years
Vehicles:	4–10 years
Fixtures and fittings:	5–10 years
IT equipment:	3–5 years
Underlying lease assets:	Term of underlying lease asset

Investments in associates and joint ventures

Investments in associates (i.e. companies in which TX Group directly or indirectly holds between 20 per cent and 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.

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 – net after taxes – are taken to the statement of comprehensive income until realised. If they are not equity instruments, they are treated at fair value and all changes in the measurement of assets are taken to the consolidated income statement.

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 (see "Measurement policies for derivative financial instruments").

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

Intangible assets

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. The costs of intangible assets generated by the Group are charged to the income statement as they arise. 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 depreciation periods apply:

Goodwill:	no amortisation
Trademarks/domains – Tamedia segment:	8–20 years
Trademarks/domains – Other segments:	generally no amortisation
Customer bases/publishing rights:	5–20 years
Capitalised software project costs:	3–5 years

Goodwill and intangible assets

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.

Impairment of non-current assets

Impairment tests are performed on property, plant and equipment, intangible assets with finite useful lives and financial assets if events or changes in circumstances indicate that the carrying amount may have been impaired. The determination of their impairment is based on estimates and assumptions made by the Management Board and 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.

Assets held for sale

Assets held for sale are individual assets and liabilities held for sale or those of disposal groups and – where applicable – discontinued business divisions. Assets are only reclassified under this item if the Board of Directors or Management Board has decided to proceed with the sale and has begun to actively seek buyers. Additionally, the asset or disposal group must be immediately sellable. As a general rule, the transaction should take place within one year. Non-current assets or disposal groups that are classified as held for sale are no longer depreciated or amortised. If the carrying amount is higher than the fair value less the costs of disposal, this will give rise to an unscheduled impairment loss. The gain or loss (after taxes) from any changes in the measurement of assets held for sale and disposal groups are reported separately under the Note “Assets held for sale”.

Leases

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 liabilities 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 residual term of leases with extension options involves estimates and assumptions. These estimates are inherently uncertain and the actual results may differ from these estimates.

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, the risk-free interest rate for specific lease terms, the collateral, the credit spread and the country-specific risk premium, are taken into account 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 liabilities 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.

Financial liabilities

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 in connection with leases come under financial liabilities (see the section on leases).

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.

Provisions

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.

Employee benefits

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 in the statement of 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.

Taxes

Current income taxes are recognised in the period to which they relate on the basis of the local operating income figures 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 recognised in the income statement, total comprehensive income or directly in 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.

Product development

All costs incurred for product development during the financial year are taken to the income statement whenever the restrictive capitalisation requirements for development costs as per IAS 38 are not fully met.

Revenues

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 service has 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 intermediary 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 (e.g. 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 taken 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, revenues from classifieds and services, revenues from commercialisation and intermediation activities, revenues from subscriptions and individual sales as well as print and other operating revenue (see consolidated income statement). Segment reporting is structured based on the market-specific business segments reported internally.

- Advertising revenue covers revenue 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. Advertising revenue also includes revenue from the sale of classified advertising in the publishing business as well as revenues in the advertising market for the sale of out-of-home 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 out-of-home advertising space are recognised gross, as are direct expenses for renting the space. Revenue from the advertising market generated through selling individual advertisements is realised at the specific time the advertisement appears, while revenues from the provision of advertising spaces over a contractually defined period are recognised over that period.
- Revenues from classifieds & services include revenue from the sale of digital classified advertising. The revenue from the sale of classified advertising is recorded over the contractually defined period associated with the provision of the digital advertising space. The revenues from classifieds & services also cover revenue from the sale of digital applications and formats.
- Revenues from commercialisation and intermediation activity mainly comprise revenues from the marketing and intermediation of advertising in the TV, radio and display/video segments. Only the intermediation 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 intermediation activity also comprise the fee for intermediation out-of-home advertising (net revenues) if TX Group does not bear the inventory risk for the out-of-home 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.
- Revenues from subscriptions and individual sales cover revenues 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.
- Print revenue includes revenue 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, marketing services (strategy, advice, design and implementation of advertising campaigns), 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, sale of petrol, etc.
- 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.

Segment reporting

Segment reporting reflects the corporate structure and is in line with internal reporting.

The accounting policies described above 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.

Derivative financial instruments

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 charged either to the income statement or to the statement of comprehensive income, depending on the purpose for which the respective derivative financial instruments are 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. The changes in fair value of the effective share of derivative financial instruments classed as cash flow hedges and qualifying for treatment as such are taken to the statement of 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 equity. The fair value of the financial liability is regularly reviewed and any deviation from first-time recognition is recognised in the financial result.

Transactions with related parties and companies

Transactions with associates, joint ventures and related parties are conducted on an arm’s length basis. In addition to the information disclosed in Note 38 details relating to the compensation of the Board of Directors and Management Board are disclosed in the Compensation Report.

Notes to the consolidated income statement, statement of comprehensive income, balance sheet, statement of cash flows and statement of changes in equity

The figures in the consolidated financial statements have been rounded. As the calculations are made with a higher level of numerical accuracy, it is possible that small rounding differences may occur.

Changes to the group of consolidated companies

Note 1

In the 2020 financial year, there were no material acquisitions of consolidated companies and activities. The following disposals from the group of consolidated companies are to be recorded for 2020:

Disposal of consolidated companies and activities 2020

Olmero AG

On 30 October 2020, TX Group AG sold its 97.7 per cent interest in Olmero AG to Docu Group Sweden AB, Ljusdal (Sweden). Following the deconsolidation, assets of CHF 50.4 million (of which CHF 5.3 million were cash and cash equivalents) and liabilities of CHF 9.5 million were transferred. The sales price amounted to CHF 36.7 million. CHF 24.5 million of this was in cash. There is also a loan receivable in the amount of CHF 12.2 million from the buyer, which falls due in spring 2021. The loan has been granted at market rates and is secured by a bank guarantee. The sale of the interest in Olmero AG resulted in a loss in the amount of CHF 4.7 million, which was recorded in the financial result and includes costs in the amount of CHF 1.6 million arising in connection with the transaction.

Olmero AG had already sold the activity Renovero in April 2020.

Trendsales ApS

On 30 October 2020, TX Group AG sold its 55.6 per cent interest in Trendsales ApS to the management (CEO Mads Mathiesen and CFO Caspar Wolffsen) and the existing non-controlling shareholders. Following the deconsolidation, assets of CHF 17.1 million (of which CHF 0.6 million were cash and cash equivalents) and liabilities of CHF 6.3 million were transferred. The sales price amounts to CHF 0.4 million. In addition, CHF 1.0 million of the loan from the TX Group was repaid in connection with the sale. The rest of the loan receivable in the amount of CHF 3.0 million from Trendsales ApS was written off through the income statement. Costs of around CHF 0.2 million were incurred in connection with the transaction. The loss, as recorded in the financial result, from the sale of the interest in Trendsales ApS, including the loss from writing off the remaining loan balance and the transactions costs, amounts to CHF 14.0 million.

In the event of any future sale by the buyer, TX Group AG will share in any profit on the sale. The amount of the TX Group's participation is determined by a sliding scale based on the amount of the sales proceeds. Any share in the proceeds from a subsequent sale of the shares will only be realised and recorded at the time of the subsequent sale.

In a legal proceeding in connection with Trendsales ApS, in which TX Group AG was the plaintiff, a settlement agreement was reached on 1 March 2021 on compensation in the amount of USD 13.25 million (see Note 40 "Events after the balance sheet date"). Another legal proceeding is still ongoing and it is not clear what its outcome will be. Any money back from actions for damages will be recorded when the probability of this money materialising may be regarded as high.

Additional changes to the group of consolidated companies

Goldbach Management AG merged with Goldbach Group AG with effect from 1 January 2020. In June 2020, Doodle USA Inc was founded as a wholly owned subsidiary of Doodle AG, while in November, dreifive digital marketing GmbH, Konstanz, was founded as a 51 per cent subsidiary of dreifive AG.

In the 2019 reporting year, the following material acquisitions and sales were made, which must also be disclosed in this annual report in accordance with the requirements of IAS 1 “Presentation of Financial Statements”:

Acquisitions of consolidated companies and activities 2019

Zattoo Group

TX Group has exercised its call option to raise its stake in Zattoo International AG and become the majority shareholder and, as of 1 April 2019, acquired a further 21.1 per cent of the shares in Zattoo International AG, which is based in Zurich. Together with the previous interest worth 28.9 per cent, the TX Group has a majority interest based on 50 per cent plus one share. As the acquisition took place in several steps, the interest already held at the time control was transferred was recognised at its fair value of CHF 9.1 million. The difference compared with the previous value of this interest is CHF 0.3 million, which is reported as a gain in other income. The Zattoo Group comprises Zattoo International AG and also the wholly owned subsidiaries Zattoo Europe AG, Zattoo Inc. and Zattoo Deutschland GmbH. Zattoo is the market leader for TV streaming in Switzerland and, in addition to its end-customer business, is also a B2B service provider for businesses offering cable TV and IPTV.

The purchase price for the 21.1 per cent interest in Zattoo International AG is CHF 8.4 million. The assets acquired amount to CHF 48.5 million and the liabilities to CHF 20.8 million. In addition to cash and cash equivalents of CHF 2.0 million, the assets comprise goodwill and non-amortisable intangible assets of CHF 11.7 million. Goodwill to the value of CHF 7.3 million is mainly based on Zattoo’s strong market position in Switzerland. It is assumed that the goodwill is not deductible for tax purposes. The assets also comprise receivables with a fair value of CHF 2.1 million (receivables totalling CHF 0.04 million were impaired). The Zattoo Group is reported in the Group & Ventures segment. No material costs were incurred in relation to the transaction.

The Zattoo Group’s revenues recognised since the acquisition date in 2019 total CHF 32.0 million and the net loss recognised since the acquisition date in 2019 is CHF -3.1 million. Had the acquisition taken place with effect from 1 January 2019, the revenues reported for 2019 would have been CHF 7.8 million higher, while reported net income (loss) would have been CHF 3.1 million lower.

in CHF 000	Values on initial consolidation
Cash and cash equivalents paid	8 365
Purchase price	**8 365**
Equity value of the previously held interests before revaluation gain	8 829
+/– Revaluation gain	292
Fair value of previously held interests	**9 121**
Purchase price / equivalent value of transaction after revaluation gain	**17 486**

in CHF 000	Values on initial consolidation
Cash and cash equivalents	1 968
Trade accounts receivable	2 109
Property, plant and equipment	2 784
Deferred tax assets	736
Intangible assets	36 857
Other assets	4 010
Total assets	**48 464**
Current financial liabilities	(2 180)
Trade accounts payable	(1 498)
Deferred revenues and accrued liabilities	(1 983)
Non-current financial liabilities	(2 489)
Employee benefit obligations	(760)
Deferred tax liabilities	(5 957)
Other liabilities	(5 884)
Total liabilities	**(20 751)**
Net assets	**27 713**
Remaining minority interests	(10 227)
Purchase price / equivalent value of transaction	**17 486**
Cash and cash equivalents acquired	1 968
Cash and cash equivalents paid	(8 365)
Decrease in cash	**(6 397)**
Revenues recognised since acquisition date 2019	31 997
Net income recognised since acquisition date 2019	(3 090)

Disposal of consolidated companies and activities 2019

Starticket AG

On 30 December 2019, TX Group AG sold its 100 per cent interest in Starticket AG to See Tickets S.A., Paris. Following the deconsolidation, assets of CHF 26.9 million (of which CHF 11.4 million were cash and cash equivalents) and liabilities of CHF 13.0 million were transferred. The sales price as calculated for TX Group's consolidated financial statements amounted to CHF 21.1 million. Of that total, CHF 19.3 million was paid in cash. The expected remaining purchase price was recognised as of 31 December 2019 as a current financial receivable. The definitive purchase price was determined on the basis of the final financial statements of Starticket AG for 2019 and paid in cash in 2020. This amounted to CHF 20.8 million and was therefore around CHF 0.3 million below the provisional sales price calculated as of 31 December. No material costs were incurred in relation to the transaction.

Additional changes to the group of consolidated companies

In June 2019, Schaer Holding AG was founded as a wholly owned subsidiary of Tamedia Espace AG. Schaer Holding AG holds all the shares in Schaer Thun AG and now also, from September 2019, has a 50 per cent interest in Berner Oberland Medien AG, which was previously an interest of Schaer Thun AG.

The Board of Directors at Doodle AG decided to close the wholly owned subsidiary Meekan Solutions Ltd. on 7 August 2019. The day-to-day operations of Meekan Solutions continued until the end of 2019.

In November 2019, TX Group AG acquired the activities of the radio station Planet 105 from Radio 1 AG. Since 27 November 2019, the station has been called 20 Minuten Radio. In December 2019, TX Services d.o.o. was founded in Belgrade as a wholly owned subsidiary of TX Group AG.

Segment information

Note 2

in CHF 000	TX Markets	Goldbach	20 Minuten	Tamedia	Group & Ventures	Eliminations and reconciliation IAS 19	**Total**
2020							
Revenue third parties	199 180	107 929	104 282	447 836	76 568	–	**935 795**
Revenue intersegment	1 323	46 049	5 554	22 539	123 336	(198 802)	**–**
Revenues	**200 503**	**153 979**	**109 836**	**470 375**	**199 904**	**(198 802)**	**935 795**
Operating expenses	(131 000)	(126 709)	(99 106)	(458 902)	(172 570)	178 315	**(809 972)**
Share of net income / (loss) of associates / joint ventures	4 646	(63)	1 529	(759)	(718)	162	4 796
Operating income / (loss) before depreciation and amortisation (EBITDA)	**74 148**	**27 207**	**12 259**	**10 714**	**26 616**	**(20 325)**	**130 619**
Margin [2]	37.0%	17.7%	11.2%	2.3%	13.3%	–	14.0%
Depreciation and amortisation	(6 642)	(9 286)	(192)	(1 572)	(29 605)	–	**(47 298)**
Operating income / (loss) before effects of business combinations (EBIT adj.)	**67 506**	**17 921**	**12 067**	**9 142**	**(2 990)**	**(20 325)**	**83 322**
Margin [2]	33.7%	11.6%	11.0%	1.9%	–1.5%		8.9%
Amortisation resulting from business combinations	(21 641)	(17 537)	(2 214)	(21 184)	(6 605)	–	**(69 181)**
Impairment	–	0	–	(85 000)	0	–	**(85 000)**
Operating income / (loss) (EBIT)	**45 865**	**384**	**9 853**	**(97 041)**	**(9 595)**	**(20 325)**	**(70 859)**
Margin [2]	22.9%	0.2%	9.0%	–20.6%	–4.8%	–	–7.6%
Number of employees (FTE) [3]	**584**	**615**	**251**	**1 482**	**700**		**3 632**

in CHF 000	TX Markets	Goldbach	20 Minuten	Tamedia	Group & Ventures	Eliminations and reconciliation IAS 19	**Total**
2019 – after restatement [1]							
Revenue third parties	213 901	128 687	142 789	518 795	75 376	–	**1 079 548**
Revenue intersegment	1 110	38 045	4 044	29 287	94 639	(167 125)	**–**
Revenues	**215 011**	**166 732**	**146 833**	**548 082**	**170 015**	**(167 125)**	**1 079 548**
Operating expenses	(138 331)	(130 631)	(112 824)	(501 361)	(178 399)	162 305	**(899 241)**
Share of net income / (loss) of associates / joint ventures	9 267	63	5 593	1 520	22	–	**16 466**
Operating income / (loss) before depreciation and amortisation (EBITDA)	**85 947**	**36 164**	**39 602**	**48 241**	**(8 361)**	**(4 820)**	**196 773**
Margin [2]	40.0%	21.7%	27.0%	8.8%	–4.9%	–	18.2%
Depreciation and amortisation	(4 564)	(5 917)	(112)	(12 868)	(18 084)	–	**(41 545)**
Operating income / (loss) before effects of business combinations (EBIT adj.)	**81 383**	**30 247**	**39 490**	**35 373**	**(26 445)**	**(4 820)**	**155 228**
Margin [2]	37.9%	18.1%	26.9%	6.5%	–15.6%		14.4%
Amortisation resulting from business combinations	(22 683)	(17 681)	(2 030)	(10 134)	(7 534)	–	**(60 061)**
Impairment	–	–	–	(24 730)	–	–	**(24 730)**
Operating income / (loss) (EBIT)	**58 700**	**12 567**	**37 460**	**510**	**(33 979)**	**(4 820)**	**70 438**
Margin [2]	27.3%	7.5%	25.5%	0.1%	–20.0%	–	6.5%
Number of employees (FTE) [3]	**556**	**622**	**247**	**1 559**	**678**		**3 662**

1 The values from the previous period were adjusted due to the adjustment of the corporate structure, see explanations below.
2 The margin relates to revenue.
3 Average number of employees, excluding employees in associates / joint ventures.

As of 1 January 2020, a decentralised organisational structure was formed under the umbrella of TX Group comprising four largely self-contained companies. All 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 will be run under the name Tamedia in future. The Group's ventures and services are grouped within the Group & Ventures segment. Segment reporting reflects the corporate structure and is in line with internal reporting. Information on assets, liabilities, interest, investments and income taxes is not disclosed as this is not reported internally by segment either.

Revenues in the consolidated income statement correspond to revenues (after eliminations and IAS 19 reconciliations) in segment reporting. The individual revenue categories are generated as follows in the individual segments: over three-quarters of the advertising revenue achieved in the Tamedia and 20 Minuten segments is from the sale of commercial advertising spaces. The revenues from classifieds & services include the sale of digital classified advertising, which is particularly associated with the TX Markets segment (including JobCloud, Homegate and Ricardo) and the Group & Ventures segment (including Zattoo and Doodle). The marketing and intermediation revenue is realised in the Goldbach segment and print revenue almost exclusively in the Tamedia segment as this is where the printing centres are allocated. Over half of other revenue is generated by the Tamedia segment, while most of the other income in the reporting year relates to the Group & Ventures segment due to the income recorded from the sale of Renovero.

Until the end of 2019, buildings and machinery associated with the three printing centres were part of the Tamedia segment, which used to bear the operating expenses as well as depreciation and amortisation up to that point in time. As part of the restructuring process, the buildings and machinery associated with the three printing centres were sold to TX Group AG as of 1 January 2020 and have been part of the Group & Ventures segment since then. This segment has borne the operating costs and depreciation and amortisation for these facilities since that point in time. Also since then, Group & Ventures has been charging rent to Tamedia's printing centres for their use.

As regards 20 Minuten Advertising AG and Goldbach Publishing AG, the two companies founded as of the end of 2019, 51.0 per cent is owned by Goldbach and 49.0 per cent by 20 Minuten and Tamedia respectively. The two companies are therefore deemed to be fully consolidated within the Goldbach segment. The 20 Minuten and Tamedia segments show the share of net income (loss) of associated companies attributable to them. These shares of net income (loss) are eliminated in the reconciliation to the group view. No single customer accounted for more than 10 per cent of consolidated revenues.

All material revenues are earned in Switzerland and all material non-current asset items are located in Switzerland. The revenues achieved in foreign currencies by foreign Group companies and their non-current assets in foreign currencies are not deemed to be material as regards the consolidated income statement and the consolidated balance sheet (for more information on Group companies abroad, see Note 37 "Investments in other companies").

Further information on the individual segments can be found in the operational reporting section on pages 20 to 29.

The segment information from the previous year has been adapted to the new segment structure (see table above). In the previous year, disclosure for the segments was still in accordance with the old structure:

in CHF 000	Paid Media	Free Media and Commercialisation	Marketplaces and Ventures	Eliminations and reconciliation IAS 19	**Total**
2019 – before restatement					
Revenue third parties	512 886	293 733	272 929	–	**1 079 548**
Revenue intersegment	38 601	7 128	13 797	(59 527)	**–**
Revenues	**551 487**	**300 862**	**286 726**	**(59 527)**	**1 079 548**
Operating expenses	(509 148)	(232 639)	(212 161)	54 707	**(899 241)**
Share of net income / (loss) of associates / joint ventures	1 520	5 657	9 289	–	**16 466**
Operating income / (loss) before depreciation and amortisation (EBITDA)	**43 860**	**73 879**	**83 855**	**(4 820)**	**196 773**
Margin [1]	8.0%	24.6%	29.2%	–	18.2%
Depreciation and amortisation	(27 664)	(6 028)	(7 853)	–	**(41 545)**
Operating income / (loss) before effects of business combinations (EBIT adj.)	**16 195**	**67 851**	**76 002**	**(4 820)**	**155 228**
Margin [1]	2.9%	22.6%	26.5%		14.4%
Amortisation resulting from business combinations	(10 134)	(19 710)	(30 217)	–	**(60 061)**
Impairment	(24 730)	–	–	–	**(24 730)**
Operating income / (loss) (EBIT)	**(18 668)**	**48 141**	**45 785**	**(4 820)**	**70 438**
Margin [1]	–3.4%	16.0%	16.0%	–	6.5%
Number of employees (FTE) [2]	**1 738**	**971**	**954**		**3 662**

1 The margin relates to revenue.
2 Average number of employees, excluding employees in associates / joint ventures.

Restatement of the segment information takes account of the effects described below.

Transactions that have taken place within a segment prior to restatement and were therefore eliminated within the segment accordingly will now take place with another segment in some cases. They are now therefore shown as revenues and expenses vis-à-vis other segments (e.g. marketing and brokerage revenues between Goldbach and 20 Minuten).

Now, intermediation revenues are shown as third-party revenues in the segments for which the revenues were brokered, and the intermediation commission for these advertising revenues is shown as intersegment revenues in the Goldbach segment. Until now, revenues brokered for other segments have been shown under the commercialisation business as third-party revenues (and the share of revenues passed on to the segments as a reduction in revenues). As regards the segments for which the revenues were brokered, these were shown as intersegment revenues.

Prior to restatement, any central services that cannot be allocated directly were passed on to the segments with the help of an allocation key. Now, these costs accrue to Group & Ventures and are charged to the segments. The employees of core functions are now listed under Group & Ventures. Here too, an allocation key was used to allocate things to the segments prior to restatement.

Note 3

Foreign currency conversion

The following exchange rates were applied to convert foreign currencies:

in CHF	2020	2019
Exchange rate at year's end		
1 EUR	1.08	1.09
100 DKK	14.56	14.53
100 ILS	27.46	28.01
Average exchange rate		
1 EUR	1.07	1.11
100 DKK	14.39	14.90
100 ILS	27.36	27.81

Note 4

Revenues

Revenues reduced by CHF 143.8 million or 13.3 per cent, compared with the previous year, from CHF 1079.5 million to CHF 935.8 million. The effect of the change in the group of consolidated companies is negligible as the decline in revenues associated with the sales of Starticket AG at the end of 2019 and Olmero AG as well as Trendsales ApS in 2020 was somewhat offset by the access to revenues associated with the purchase of the Zattoo Group in the first half of 2019.

Advertising revenue

Advertising revenue accounted for 29.2 per cent of total revenues (previous year 33.0 per cent). The decline in advertising revenues and the cancellations as a result of the coronavirus crisis saw revenues fall by a significant CHF 83.0 million or 23.3 per cent to CHF 273.5 million in 2020. Tamedia's daily and Sunday titles and the free media offered by 20 Minuten have been particularly badly affected by the reduction in revenues. Revenues from the sale of out-of-home advertising spaces also declined significantly on account of the difficult economic conditions.

Revenues from classifieds & services

The sale of digital classified advertising declined due to the coronavirus crisis, with the revenues from classifieds & services decreasing from CHF 271.6 million to CHF 252.2 million in the reporting year. Revenues from classifieds & services account for 27.0 per cent of total revenues (previous year: 25.2 per cent).

Revenues from commercialisation and intermediation activities

The tense situation on the advertising market had a negative impact on revenues from commercialisation and intermediation activities, which fell from CHF 87.1 million to CHF 72.4 million.

Revenues from subscriptions and individual sales

Revenues from subscriptions and individual sales of paid media only decreased slightly by 1.7 per cent from CHF 246.1 million to CHF 241.8 million. Revenues from subscriptions and individual sales contributed 25.8 per cent of the total revenues for TX Group. While revenues from sales of printed newspapers and magazines were down slightly on the previous year, there was an increase in sales of digital subscriptions.

Print revenue

in CHF 000	2020	2019
Newspaper printing	41 616	49 785
Other printing revenues	18 239	26 829
Total	**59 855**	**76 615**

Print revenue for 2020 is CHF 59.9 million, which represents a decline of CHF 16.8 million or 21.9 per cent. This decline can be attributed to the much lower volumes of printed products due to the coronavirus crisis (particularly during lockdown) and the lower price of paper compared with the previous year. In contrast, no significant changes in print titles had to be recorded.

Other operating revenue

in CHF 000	2020	2019
Transport	12 808	13 249
Gain on buildings used for operational purposes	3 391	3 047
Sale of out-of-home technology and digital solutions	1 514	1 589
Marketing services including sales and services marketing concepts	8 482	8 436
Various items	7 930	10 339
Total	**34 125**	**36 659**

Other operating revenue fell by CHF 6.9 per cent to CHF 34.1 million. The material items of other operating revenue can be seen in the table above.

Transport revenues were relatively unchanged in the reporting year at CHF 12.8 million. No significant change was recorded either, compared with the previous period, for income from buildings used for operational purposes at CHF 3.4 million, sales of out-of-home technology and digital solutions at CHF 1.5 million or revenues from marketing services, including sales and services, or marketing concepts. The various items incorporate various sources of revenue such as income from the staff restaurant, income from management fees and services involving associates or third parties, merchandise revenues, sale of petrol, handling fees, dispatch costs and other items which would not be material on their own.

Other income

in CHF 000	2020	2019
Gain on disposal of property, plant and equipment	1 132	4 047
Revaluation gain on previously non-consolidated investments	–	292
Various items	692	617
Total	**1 824**	**4 955**

Other income includes the proceeds from the sale of Renovero in the amount of CHF 1.1 million, which was sold by Olmero AG in April 2020 (the previous year included the profit from the sale of Annabelle).

Note 5

Costs of materials and services

in CHF 000	2020	2019
Costs of material	40 013	55 402
Costs of services	118 523	131 586
Merchandise expenses	1 721	1 852
Total	**160 257**	**188 839**

Costs of materials and services decreased by CHF 28.6 million to CHF 160.3 million and accounted for 17.1 per cent of revenues as of the end of 2020 (previous year: 17.5 per cent). The reduction can be attributed to the lower costs for publishing and editorial services and reduced expenditure on paper. This reduction in expenditure on paper of CHF 13.7 million is due in turn to both a reduction in paper volumes and the lower price of paper. The CHF 13.1 million decline in services is largely attributable to the lower expenditure for printing services and for both editorial and publishing services. Expenditure on IT development and IT project costs also fell, with the previous year recording extraordinary costs associated with ongoing digitalisation, the introduction of the new ERP software and the transformation to a cloud solution (cloud services).

Note 6

Personnel expenses

in CHF 000	2020	2019
Salaries and wages	343 498	372 755
Social security	63 577	63 772
Employee benefit expense [1]	20 487	4 820
Other personnel expense	14 844	17 121
Total	**442 406**	**458 468**

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 20. The impact from interest payable and the anticipated returns on plan assets is recognised under Net financial result (loss).

Personnel expenses fell by CHF 16.1 million, compared with the previous year, to CHF 442.4 million. Around CHF 5.4 million of this can be attributed to a change to the group of consolidated companies. TX Group claimed CHF 21.2 million compensation for short-time work in the reporting year. Again due to reduced working hours, the welfare fund also contributed CHF 4.4 million to make up for shortfalls for employees. Another reason for the reduction was the fact that profit share payments for management and employees were CHF 7.8 million lower. Provisions in the amount of CHF 2.3 million were recorded for the social plan in relation to the restructuring of central services announced in June. Employee benefit expense as per IAS 19 increased by CHF 15.7 million compared with the previous year. Besides the increase in the current employee service cost, this is attributable in particular to provisions made for the TX Group welfare fund covering the costs of funding the above shortfalls for employees in the amount of CHF 4.4 million and for expected social plan benefits to the value of CHF 5.8 million. Disregarding one-off effects and the change to the group of consolidated companies, current personnel expenses were up by around CHF 4.5 million compared with the previous year. External salaries are now shown as services under the “costs of materials and services” item. The values for the previous year were adjusted accordingly.

The restructuring of TX Group as of 1 January 2020 also involved an adjustment to the employee profit participation programme. The purpose of the profit participation programme is to encourage employees to participate in the business performance of the TX Group and that of the individual companies TX Markets, 20 Minuten, Goldbach and Tamedia. Group & Ventures employees participate in the business performance of the Group based on the consolidated net income for the respective reporting year, without taking into account the effects of IAS 19. Compensation for employees at the companies is based on consolidated EBIT for the company concerned.

Number of employees

Number	2020	2019
As of 31 December	3 557	3 669
Average	3 632	3 662

The number of employees (converted to full-time equivalents) shrank by 112 FTEs or 3.1 per cent from 3,669 to 3,557 FTEs by year end. The average number of employees for the year was 3,632, which represents a decrease of 30 FTEs or 0.8 per cent on the previous year.

Other operating expenses

Note 7

in CHF 000	2020	2019
Distribution and sales expenses	85 971	95 756
Advertising and public relations	48 963	76 159
Rent, lease payments and licences	10 313	9 260
General operating expenses	58 764	68 711
Loss from asset disposals	775	267
Impairment on financial assets	2 523	1 782
Total	**207 309**	**251 935**
of which barter transactions	13 106	26 872

Other operating expenses fell by CHF 44.6 million to CHF 207.3 million. CHF 4.1 million of this decline is attributable to a change to the group of consolidated companies.

While distribution and sales expenses largely mirrored the decline in revenues, the reduction in expenditure for advertising and public relations was disproportionately large. Rent, lease payments and licences include, on the one hand, exceptions from IFRS 16 relating to short-term leases with a term of less than a year, low-value underlying assets (see Note 32) and also rent, lease payments and licences not covered under the IFRS 16 standard. General operating expenses include, among other things, expenditure for purchases and repairs, expenditure on consultancy, general administrative expenditure, expenses incurred by people travelling on behalf of and representing the Group and other operating expenditure. Around CHF 6.3 million of the decline in general operating expenses is attributable to the reduction in consultancy expenditure, which had been extraordinarily high the previous year. The impairments on financial assets recorded in 2020 amount to CHF 2.5 million (previous year: CHF 1.8 million) and include among other things specific valuation allowances for receivables due from Publicitas in the amount of CHF 1.9 million.

Associates/joint ventures

Note 8

in CHF 000	2020	2019
Share of net income / (loss) of associates / joint ventures	4 796	16 466
Equity share in associates / joint ventures	61 179	65 897

The share of net income (loss) of associated companies and joint ventures for the 2020 reporting year amounts to CHF 4.8 million, which is down CHF 11.7 million on the previous year. This decline reflects the very challenging economic environment in 2020, which – not unlike the financial performance of TX Group – meant the associated companies and joint ventures also experienced a big reduction in operating income.

Impairment testing for the carrying amounts recorded for investments also found that impairment was needed on the goodwill recorded for Zürcher Oberland Medien AG, based on a DCF valuation, in the amount of CHF 1.0 million, which had a negative impact on the share of the net income for associates and joint ventures for 2020. In addition, the valuation of an investment in the associated company Karriere.at GmbH was no longer deemed reliable (based on a DCF valuation), so Karriere.at GmbH recorded an impairment on this investment accordingly. This impairment reduces the share of net income of Karriere.at GmbH by around CHF 1.9 million.

The decline in the shares of net income recorded in the income statement is also reflected in the equity share in associates and joint ventures, which decreased by a net CHF 4.7 million to CHF 61.2 million.

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 the 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 000	2020 [1]	2019 [1]
Name	Karriere.at GmbH	Karriere.at GmbH
Share of Group capital	24.5%	24.5%
Balance sheet		
Current assets	20 352	30 658
Non-current assets	36 753	35 003
Total assets	**57 105**	**65 662**
Current liabilities	17 778	17 895
Non-current liabilities	–	–
Total equity	39 328	47 767
of which attributable to TX Group	13 489	16 384
Liabilities and shareholders' equity	**57 105**	**65 662**
Income Statement		
Revenues	47 750	52 762
Income / (loss) before taxes	**21 098**	**35 733**
Income taxes	(5 217)	(8 300)
Net income / (loss)	**15 880**	**27 433**
Other comprehensive income / (loss)	–	–
Total comprehensive income / (loss)	**15 880**	**27 433**
of which attributable to TX Group	5 037	9 410
Dividends received (pro-rata)	7 989	8 217

1 Karriere.at GmbH is a 49 per cent stake of JobCloud AG in which TX Group holds a 50 per cent interest. Based on the current agreements, TX Group expects JobCloud AG to have a 34.3 per cent net income claim against Karriere.at GmbH for the 2020 reporting year. From the 2021 reporting year, the net income claim will be 49 per cent.

As of the end of 2020, the other associates and joint ventures are assessed as not material on an individual basis.

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

in CHF 000	Karriere.at GmbH	Other associates	Joint ventures	**Total**
2020				
Current assets	6 981	16 982	11 024	34 986
Non-current assets	12 606	45 535	3 992	62 133
Assets	**19 587**	**62 517**	**15 015**	**97 120**
Current liabilities	6 098	10 123	10 500	26 721
Non-current liabilities	–	8 842	379	9 220
Equity	13 489	43 553	4 137	61 179
Liabilities	**19 587**	**62 517**	**15 015**	**97 120**
Share of net income (loss) of associates/joint ventures				
Revenues	16 378	48 659	12 853	77 891
Income / (loss) before taxes	6 826	(62)	457	7 221
Income taxes	(1 790)	(517)	(118)	(2 425)
Share of net income / (loss) of associates / joint ventures	**5 037**	**(580)**	**339**	**4 796**
Other comprehensive income / (loss)	–	–	–	–
Total comprehensive income / (loss)	**5 037**	**(580)**	**339**	**4 796**

in CHF 000	Karriere.at GmbH	Other associates	Joint ventures	**Total**
2019				
Current assets	10 516	18 453	9 177	38 146
Non-current assets	12 006	47 457	2 770	62 233
Assets	**22 522**	**65 910**	**11 947**	**100 379**
Current liabilities	6 138	11 711	7 560	25 409
Non-current liabilities	–	8 610	463	9 073
Equity	16 384	45 589	3 924	65 897
Liabilities	**22 522**	**65 910**	**11 947**	**100 379**
Share of net income / (loss) of associates / joint ventures				
Revenues	18 097	54 391	15 422	87 910
Income / (loss) before taxes	**12 256**	**7 649**	**994**	**20 899**
Income taxes	(2 847)	(1 334)	(252)	(4 433)
Share of net income / (loss) of associates / joint ventures	**9 410**	**6 314**	**742**	**16 466**
Other comprehensive income / (loss)	–	–	–	–
Total comprehensive income / (loss)	**9 410**	**6 314**	**742**	**16 466**

Associates and joint ventures are accounted for using the equity method. 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.

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 38.

Note 9

Depreciation, amortisation and impairment

in CHF 000	2020	2019
Depreciation and amortisation	47 298	41 545
Amortisation resulting from business combinations	69 181	60 061
Impairment	85 000	24 730
Total	**201 479**	**126 335**
of which depreciation of property, plant and equipment	24 284	22 393
of which depreciation of right-of-use assets from leases	14 877	12 061
of which amortisation of intangible assets	77 317	67 151
of which impairment on goodwill	85 000	24 730

Total depreciation and amortisation increased by CHF 14.9 million from the previous year to CHF 116.5 million, with no material effect to be recorded due to any change to the group of consolidated companies. CHF 9.1 million of the increase in depreciation and amortisation is attributable to increased depreciation and amortisation associated with business combinations. The increase is mainly due to depreciation and amortisation associated with Tamedia brands amounting to CHF 11.1 million in the reporting year. In regard to depreciation and amortisation on brands, it has already been pointed out in the 2019 financial statements that the useful life of Tamedia brands is no longer regarded as indefinite and these are being amortised with effect from 1 January 2020. The expected useful life was defined for each brand in the light of the expected decline in revenues. For the brands concerned, based on an amount of CHF 115.5 million (as of 31 December 2019), the useful life determined is between 8 and 20 years.

Based on a goodwill impairment test for the cash-generating unit Tamedia, an impairment on goodwill in the amount of CHF 85.0 million was recorded already for half year closure. The impairment is shown in the Tamedia segment. See Note 22 "Goodwill and intangible assets with an indefinite useful life".

Financial result

in CHF 000	2020	2019
Interest income	98	133
Gains from sale of investments	43	25 895
Currency exchange gains	4 403	3 644
Financial income from IAS 19	362	383
Other financial income	323	43
Financial income	**5 229**	**30 098**
Interest expense	(668)	(625)
Interest expense from leases	(1 037)	(783)
Currency exchange losses	(4 633)	(3 953)
Financial expense from IAS 19	(92)	(211)
Loss from the sale of investments	(18 734)	(4)
Other financial expense	(667)	(97)
Financial expense	**(25 832)**	**(5 672)**
Total	**(20 603)**	**24 426**

The financial result for 2020 amounts to CHF -20.6 million (previous year: CHF 24.4 million). The sale of the two companies Olmero AG and Trendsales ApS in October 2020 resulted in a consolidated disposal loss of CHF 18.7 million. This contrasts with the previous year, when a profit totalling CHF 25.9 million was achieved from the sale of investments, much of which was attributable to the sale of Swisscom Directories AG and Starticket AG.

Net interest amounts to CHF -1.6 million (previous year: CHF -1.3 million), with the increase attributable to higher interest associated with the recording of lease liabilities. Exchange rate effects amount to CHF -0.2 million (previous year: CHF -0.3 million), while net financial income in accordance with IAS 19 amounts to CHF 0.3 million (previous year: CHF 0.2 million).

Other financial expenses include among other things the 2020 adjustment to the purchase price for Starticket AG (see Note 1) and the adjustment for the shares in Matter Funds Ltd., where the investment is reported as a non-current financial asset.

Note 11

Income taxes

in CHF 000	2020	2019
Current income taxes	20 486	26 877
Deferred income taxes	(17 306)	(29 772)
Total	**3 180**	**(2 895)**

Analysis of tax expense

in CHF 000	2020	2019
Income / (loss) before taxes	(91 462)	94 863
Average income tax rate	13.4%	21.8%
Expected tax expense (using weighted average tax rates)	**(12 268)**	**20 677**
Credits and income taxes incurred from previous periods	723	(1 859)
Use of previously unrecognised loss carryforwards	(82)	(3 766)
Unrecognised deferred tax assets on tax loss carryforwards	2 175	2 601
Expiry of capitalised tax loss carryforwards	–	713
Impact of Swiss participation exemption and other non-taxable items	(2 025)	(3 098)
Expenses not deductible from tax and income not credited to the income statement	(129)	(408)
Non-tax-deductible impairment on goodwill	14 849	4 750
Change in deferred taxes due to change in tax rates	1 151	(14 609)
Tax effects on investments	(1 308)	(7 873)
Other impacting items	94	(22)
Income taxes	**3 180**	**(2 895)**
Effective tax rate	–3.5%	–3.1%

The expected average tax rate was 13.4 per cent in 2020 (previous year: 21.8 per cent). The weighted tax rate of 13.4 per cent is based on the weighting for the expected tax rates for each company. 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, therefore resulting – in conjunction with lower tax rates – in a lower expected tax rate compared with the previous year.

The effective tax rate changed from -3.1 per cent to -3.5 per cent. The non-tax-deductible impairment on goodwill with a theoretical tax effect in the amount of CHF 14.8 million (previous year: CHF 4.8 million) is attributable to the impairment on goodwill of CHF 85 million (previous year: CHF 24.7 million) for the Tamedia segment. More information on goodwill and the impairment testing performed can be found in Note 22. 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. The tax effects on investments, which mainly resulted from book depreciation and amortisation on their carrying amounts (without any deferred tax consequences) and significantly reduced the tax expenses, were much less pronounced in 2020.

In 2019, the adjustments to the cantonal tax laws with effect from 1 January 2019 and 1 January 2020 led to new income tax rates. These adjustments reduced deferred tax liabilities by CHF 14.6 million in net terms, resulting in tax revenue of the same amount in 2019.

Deferred tax assets and liabilities

in CHF 000	2020	2019
Employee benefit obligations	4 287	7 202
Intangible assets	–	42
Capitalised tax loss carryforward	13 680	17 587
Provisions	260	403
Other balance sheet items	197	365
Total deferred tax assets, gross	**18 424**	**25 599**
Trade accounts receivable	(994)	(1 355)
Property, plant and equipment	(16 801)	(17 660)
Financial assets	(226)	(411)
Employee benefit plan assets	(21 716)	(24 247)
Intangible assets	(112 322)	(131 094)
Provisions	(2 714)	(2 714)
Other balance sheet items	(326)	(648)
Total deferred tax liabilities, gross	**(155 100)**	**(178 129)**
Total deferred tax assets, net	**(136 676)**	**(152 530)**
of which deferred tax assets stated in the consolidated balance sheet	8 540	7 805
of which deferred tax liabilities stated in the consolidated balance sheet	(145 216)	(160 335)

Deferred tax assets and liabilities are offset within the consolidated companies if they have the right to do so and if they relate to taxes levied by the same tax authority. Such offsetting amounted to CHF 9.9 million in 2020 (previous year: CHF 17.8 million). The change in deferred taxes is shown in the following table:

in CHF 000	2020	2019
As of 1 January	**(152 530)**	**(164 000)**
Change in group of consolidated companies	2 856	(5 221)
Deferred tax income	17 306	29 772
Taxes on other comprehensive income	(4 278)	(13 166)
Currency translation differences	(30)	85
As of 31 December	**(136 676)**	**(152 530)**

Tax loss carryforwards

in CHF 000	2020	2019
Recognised tax loss carryforwards	**13 680**	**17 587**
Weighted average income tax rate	19.4%	18.8%
Corresponding to effective tax loss carryforwards	**(70 426)**	**(93 675)**
Past due 1 year	(471)	–
Past due 2 to 5 years	(19 889)	(41 817)
Past due after more than 5 years	(50 065)	(51 858)

Whether or not the capitalised tax loss carryforwards can be realised depends on the taxable profits generated in the future. Detailed analyses of anticipated future profits over a period of several years, which also take into account known changes to existing tax laws, form the basis for the assessment of the likelihood of their realisation. The companies affected fulfil the prerequisites for realisation based on their current and expected financial performance. As of 31 December 2020, (net) deferred tax assets of CHF 5.6 million (previous year: deferred tax assets of CHF 1.6 million) had been capitalised for Group subsidiaries that suffered losses in this or the previous year.

in CHF 000	2020	2019
Unrecognised tax loss carryforwards	**(92 356)**	**(117 596)**
Past due 1 year	(3 906)	–
Past due 2 to 5 years	(27 866)	(49 056)
Past due after more than 5 years	(60 584)	(68 540)

Note 13

Assets held for sale

As was the case in the previous year, there were no assets held for sale as of 31 December 2020. There are also no material individual business segments being held for sale which need to be reported separately as discontinued operations (same as previous year).

Note 14

Non-controlling interests in net income

in CHF 000	2020	2019
Non-controlling interests in income	24 228	40 602
Non-controlling interests in loss	(6 572)	(7 605)
Total	**17 656**	**32 998**

Disclosures on the subsidiaries with non-controlling interests are provided in Note 30.

Note 15

Earnings per share

		2020	2019
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)		11 662	2 819
Number of outstanding shares (weighted average)		**10 588 338**	**10 597 181**
Undiluted			
Net income / (loss) attributable to shareholders	in CHF 000	(112 298)	64 760
Weighted average of outstanding shares applicable for this calculation		10 588 338	10 597 181
Net income / (loss) per share	in CHF	**(10.61)**	**6.11**
Diluted			
Net income / (loss) attributable to shareholders	in CHF 000	(112 298)	64 760
Weighted average of outstanding shares applicable for this calculation		10 595 911	10 620 933
Net income / (loss) per share	in CHF	**(10.60)**	**6.10**

The dilution takes into account the possible impact of share-based payments to the Management Board of TX Group AG.

Trade accounts receivable

Note 16

in CHF 000	2020	2019
Trade accounts receivable from third parties	213 653	252 510
Trade accounts receivable from associates / joint ventures	13 564	3 190
Provisions for doubtful trade accounts receivable	(12 822)	(12 770)
Total	**214 396**	**242 930**

Trade accounts receivable amount to CHF 214.4 million and are therefore down CHF 28.5 million on the previous year. The decline can be attributed to lower revenues, changes to the group of consolidated companies, the usual fluctuations and therefore the record day consideration. Like the previous year, provisions of CHF 12.8 million have been set aside for doubtful trade accounts receivable.

Trade accounts receivable are non-interest bearing and are typically due within a period of 30 days. Their due dates as of the balance sheet date are shown in the table below.

Due dates of trade accounts receivable from third parties and associates/joint ventures

in CHF 000	2020	2019
Not yet due	182 661	203 800
Past due up to 30 days	20 387	21 790
Past due 30 to 60 days	7 312	8 626
Past due 60 to 90 days	3 349	4 304
Past due 90 to 120 days	553	240
Past due over 120 days	12 955	16 940
As of 31 December	**227 218**	**255 700**

The change in provisions for doubtful trade accounts receivable is shown in the following table:

in CHF 000	2020	2019
As of 1 January	**(12 770)**	**(13 252)**
Change in group of consolidated companies	608	109
Increase	(2 875)	(1 764)
Reversals	1 155	755
Used during the financial year	1 060	1 311
Currency translation differences	–	71
As of 31 December	**(12 822)**	**(12 770)**

Inventories

Note 17

in CHF 000	2020	2019
Raw, auxiliary and operating materials	4 923	6 699
Total	**4 923**	**6 699**

Inventories are down CHF 1.8 million to CHF 4.9 million, which is attributable both to things being assessed on the reporting date and the lower valuation of paper resources due to the reduction in purchase prices.

Note 18

Property, plant and equipment

in CHF 000	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 31 December 2018	**65 879**	**313 916**	**256 845**	**18 313**	**8 149**	**–**	**663 102**
Effect of introduction IFRS 16 “Leases” [1]	–	–	–	–	–	54 427	**54 427**
As of 1 January 2019	**65 879**	**313 916**	**256 845**	**18 313**	**8 149**	**54 427**	**717 528**
Additions of consolidated companies	–	184	1 446	67	–	1 087	**2 784**
Disposals of consolidated companies	–	–	(199)	(17)	–	–	**(216)**
Additions	–	44	5 875	433	6 842	1 187	**14 381**
Disposals	–	(4 996)	(14 569)	(1 674)	–	(976)	**(22 216)**
Transfers	–	1 654	10 344	1 030	(13 028)	–	**–**
Currency effects	–	(7)	(25)	(13)	–	(6)	**(52)**
As of 31 December 2019	**65 879**	**310 794**	**259 717**	**18 139**	**1 963**	**55 719**	**712 210**
Additions of consolidated companies	–	–	–	–	–	–	**–**
Disposals of consolidated companies	–	(75)	(702)	(461)	–	(392)	**(1 631)**
Additions	–	3 895	4 512	1 824	8 589	38 775	**57 595**
Disposals	–	(6 053)	(5 237)	(2 152)	–	(1 260)	**(14 702)**
Transfers	–	937	4 453	995	(6 385)	–	**–**
Currency effects	–	(5)	(13)	(2)	–	(11)	**(31)**
As of 31 December 2020	**65 879**	**309 493**	**262 730**	**18 343**	**4 166**	**92 830**	**753 442**
Cumulative amortisation, depreciation and impairment							
As of 31 December 2018	**–**	**173 441**	**204 653**	**13 744**	**–**	**–**	**391 838**
Disposals of consolidated companies	–	–	(93)	(17)	–	–	**(109)**
Depreciation and amortisation	–	9 221	11 988	1 185	–	12 061	**34 455**
Disposals	–	(4 803)	(14 354)	(1 231)	–	(293)	**(20 681)**
Currency effects	–	(4)	(20)	(8)	–	–	**(32)**
As of 31 December 2019	**–**	**177 855**	**202 174**	**13 672**	**–**	**11 768**	**405 470**
Disposals of consolidated companies	–	(75)	(529)	(339)	–	(254)	**(1 198)**
Depreciation and amortisation	–	9 309	13 316	1 659	–	14 877	**39 162**
Disposals	–	(5 819)	(4 632)	(2 120)	–	(697)	**(13 268)**
Currency effects	–	0	(12)	(1)	–	(4)	**(16)**
As of 31 December 2020	**–**	**181 270**	**210 316**	**12 872**	**–**	**25 691**	**430 150**
Net carrying value of assets							
As of 31 December 2019	**65 879**	**132 939**	**57 543**	**4 466**	**1 963**	**43 950**	**306 741**
As of 31 December 2020	**65 879**	**128 223**	**52 414**	**5 471**	**4 166**	**67 139**	**323 292**

1 As of 1 January 2019, TX Group has recognised right-of-use assets and lease liabilities. The capitalised right-of-use assets correspond to the fair value of the liabilities from leases as of 1 January 2019.

Property, plant and equipment grew by CHF 16.6 million during the reporting year and amounted to CHF 323.3 million as of the balance sheet date. The sale of the two companies Olmero AG and Trendsales ApS resulted in a non-material reduction in property, plant and equipment in the amount of CHF 0.4 million.

Investments increased by CHF 43.2 million from CHF 14.4 million to CHF 57.6 million. The CHF 43.2 million increase is primarily attributable to newly recorded right-of-use assets associated with leased properties (CHF 38.8 million). Material effects included the capitalisation of the lease for new premises of JobCloud AG in Albisrieden, the extension of the lease for Goldbach Media (Switzerland) AG and the recording of leases in the out-of-home area. Besides the increase in capitalised right-of-use assets, there were further material investments in terms of tenant improvements and furnishings at the new head office of JobCloud AG as well as investments in technical equipment and machinery at various Group companies.

Depreciation and amortisation increased by CHF 4.7 million to CHF 39.2 million. Particularly given the material increase in capitalised right-of-use assets associated with leases, related depreciation and amortisation increased as well. Although non-material in their own individual right, various net assets worth a total of CHF 1.4 million (previous year: CHF 1.5 million) were sold in the reporting year. Details on the pledging of property, plant and equipment are given in Note 36.

Other non-current financial assets

Note 19

in CHF 000	**2020**	**2019**
Other investments	32 866	22 842
Non-current loans to third parties	456	457
Non-current loans to associates / joint ventures / related parties	305	–
Other non-current financial assets	2 336	3 489
Total	**35 963**	**26 789**

Other non-current financial assets increased by CHF 9.2 million to CHF 36.0 million, mainly as a result of the investments made in 2020 and fair value adjustments associated with other investments. In 2020, TX Group AG made further investments in the amount of CHF 1.9 million in neon Switzerland AG and acquired 11.7 per cent of the shares in Switzerlend AG for CHF 4.0 million. Their business involves the offering, structuring and conversion of loans via a platform for matching borrowers and lenders. In December 2020, TX Group AG also took an 11.0 per cent share in Selma Finance Oy, Helsinki (investment of CHF 1.6 million). In the reporting year, positive changes were made to measurements associated with MoneyPark AG and neon Switzerland AG, which were recorded in the statement of comprehensive income.

Non-current loan receivables and other non-current financial assets have only changed slightly compared with the previous year. The investment in the fintech start-up Lykke Corp. is still regarded as a non-current financial asset (the investment in Lykke Coins was made in 2018 and can be converted at any time into a fixed number of shares in Lykke Corp.). The TX Group measures Lykke Coins at fair value and records gains – net after taxes – in the statement of comprehensive income. A negative change in the measurement of the asset amounting to CHF 0.5 million was made in 2020 (previous year: CHF 1.5 million).

Details on the fair values of financial assets are given in Note 35. Details on pledges of other financial assets can be found in Note 36.

Note 20

Employee benefits

TX Group has a range of defined benefit plans in Switzerland. These plans are managed in accordance with the legal requirements and are managed 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 60 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	2020	2019
Discount rate as of 1 January	0.30	0.80
Discount rate as of 31 December	0.20	0.30
Expected salary increases	1.00	1.00
Expected pension increases	–	–
Mortality table	BVG2015 GT	BVG2015 GT
Date of most recent actuarial calculation	31.10.2020	31.10.2019

Amounts recognised in the balance sheet

in CHF 000	2020	2019
Employee benefit obligations as of 31 December	(1 838 463)	(1 844 406)
Employee benefit plan assets as of 31 December	1 933 382	1 937 718
Overfunding / (liabilities) as of 31 December	**94 919**	**93 312**
Adjustment of asset limit	–	–
Net plan assets / (net plan liabilities) as of 31 December	**94 919**	**93 312**
of which net plan assets	137 774	136 310
of which employee benefit obligations	(42 854)	(42 998)

Amounts recognised in the income statement

in CHF 000	2020	2019
Current employer service cost	(35 052)	(31 661)
Past service cost	1 508	407
Effect of plan curtailments / settlements	(375)	1 713
Interest cost for employee benefit obligations	(5 454)	(14 164)
Interest income on plan assets	5 726	14 326
Administration costs (excl. asset management costs)	(920)	(901)
Other effects	(10 216)	–
Company's net periodic pension cost	**(44 783)**	**(30 280)**
of which employee benefit expense and administration costs	(45 055)	(30 442)
of which net interest on net plan assets/(net plan liabilities)	272	162

In 2019 and 2020, the past service cost was mainly attributable to plan amendments (lowering of the technical interest rate). The plan amendments relate to various follow-on agreements with collective foundations. Other effects in 2020 are the use of the employer contribution reserve for the TX Group welfare fund to settle compensation for short-time work at a rate of 100 per cent, in the amount of CHF 4.4 million, and the creation of CHF 5.8 million worth of reserves for the funding of various social plans.

Amounts recognised in the statement of comprehensive income

in CHF 000	2020	2019
Actuarial gains / (losses) on employee benefit obligations	(43 742)	(92 632)
Gain on plan assets, excluding interest	63 254	170 504
Total	**19 512**	**77 872**

Composition of actuarial gains / (losses)

in CHF 000	2020	2019
Actuarial gains / (losses) through changes in		
financial assumptions	(26 568)	(113 526)
demographic assumptions	(35)	–
adjustments due to experience	(17 139)	20 894
Total	**(43 742)**	**(92 632)**

Changes in employee benefit obligations

in CHF 000	2020	2019
Present value as of 1 January	(1 844 406)	(1 808 673)
Interest cost	(5 454)	(14 164)
Current employer service cost	(35 052)	(31 661)
Employee contributions	(22 044)	(22 000)
Benefits paid	103 155	112 899
Effect of plan curtailments / settlements	1 508	8 714
Past service cost	–	407
Change in group of consolidated companies	8 492	3 605
Administration costs (excl. asset management costs)	(920)	(901)
Other effects	–	–
Actuarial gains/(losses)	(43 742)	(92 632)
Present value as of 31 December	**(1 838 463)**	**(1 844 406)**
of which plan liabilities for current employees	(782 671)	(782 432)
of which plan liabilities for retired employees	(1 055 792)	(1 061 974)

Changes in plan assets

in CHF 000	2020	2019
Fair value as of 1 January	1 937 718	1 829 532
Interest income on plan assets	5 726	14 326
Employer contributions	24 359	24 390
Employee contributions	22 044	22 000
Benefits paid	(103 155)	(112 899)
Effect of plan curtailments/settlements	(375)	(7 001)
Change in group of consolidated companies	(5 972)	(3 134)
Other effects	(10 216)	–
Gain on plan assets, excluding interest	63 254	170 504
Fair value as of 31 December	**1 933 382**	**1 937 718**

Allocation of plan assets

in CHF 000	2020	2019
Listed market prices		
Cash and cash equivalents	7 485	7 025
Equity securities	646 626	613 766
Bonds	626 994	618 644
Real estate	265 715	325 239
Other	4 701	4 303
Total listed market prices	**1 551 521**	**1 568 977**
Non-listed market prices		
Real estate	276 419	266 040
Other	105 442	102 701
Total non-listed market prices	**381 861**	**368 741**
Total assets at fair value	**1 933 382**	**1 937 718**
of which TX Group AG shares	–	–
of which assets used by Group companies	–	–

Expected contributions for the coming year

in CHF 000	2020	2019
Employer contributions	23 725	23 992
Employee contributions	21 175	21 437

Maturity of employee benefit obligations

in years	2020	2019
Weighted average duration of employee benefit obligations in years	14.6	14.6

Sensitivity analysis

in CHF 000	2020	2019
Effects on employee benefit obligations as of 31 December in the event of		
Decrease of the discount rate by 0.25%	(69 373)	(69 439)
Increase of discount rate by 0.25%	64 881	64 945
Decrease in salary increases by 0.25%	4 649	4 678
Increase of salary increases by 0.25%	(4 665)	(4 700)
Decrease in life expectancy by 1 year	72 005	69 572
Increase of life expectancy by 1 year	(71 074)	(68 703)

Contributions to defined contribution plans

in CHF 000	2020	2019
Total	641	959

Liabilities to employee benefit funds

in CHF 000	2020	2019
Liabilities to TX Group employee benefit funds	1 060	2 050
Liabilities to other employee benefit funds	–	–
Total	**1 060**	**2 050**

Note 21

Intangible assets

in CHF 000	Goodwill	Publishing rights, brand rights and other legal rights	Recognised software project costs	Other intangible assets, assets under construction	**Total**
Historical cost					
As of 31 December 2018	**1 074 254**	**1 024 844**	**77 104**	**1 071**	**2 177 275**
Additions of consolidated companies	7 313	13 733	15 811	–	**36 857**
Disposals of consolidated companies	(7 303)	(10 863)	(9 047)	(83)	**(27 296)**
Additions	–	1 354	2 126	6 445	**9 925**
Disposals	–	(7)	(5 242)	(395)	**(5 644)**
Transfers	–	–	6 244	(6 244)	**–**
Currency effects	(1 299)	(496)	(335)	–	**(2 130)**
As of 31 December 2019	**1 072 965**	**1 028 565**	**86 663**	**794**	**2 188 988**
Additions of consolidated companies	–	–	–	–	**–**
Disposals of consolidated companies	(59 687)	(24 948)	(7 922)	(2)	**(92 559)**
Additions	–	–	3 236	12 712	**15 948**
Disposals	–	(1 255)	(17 369)	(39)	**(18 664)**
Transfers	–	–	8 534	(8 534)	**–**
Currency effects	(453)	(133)	(22)	–	**(607)**
As of 31 December 2020	**1 012 825**	**1 002 229**	**73 121**	**4 931**	**2 093 106**
Cumulative amortisation, depreciation and impairment					
As of 31 December 2018	**48 409**	**225 018**	**59 938**	**16**	**333 381**
Disposals of consolidated companies	–	(7 066)	(7 398)	–	**(14 464)**
Depreciation and amortisation	–	54 891	12 218	41	**67 151**
Impairment	24 730	–	–	–	**24 730**
Disposals	–	(2)	(5 213)	(16)	**(5 231)**
Currency effects	(641)	(95)	(256)	–	**(993)**
As of 31 December 2019	**72 497**	**272 747**	**59 289**	**41**	**404 574**
Disposals of consolidated companies	(16 479)	(11 064)	(7 252)	(2)	**(34 797)**
Depreciation and amortisation	–	64 477	12 830	10	**77 317**
Impairment	85 000	–	–	–	**85 000**
Disposals	–	(781)	(16 717)	(29)	**(17 528)**
Currency effects	(186)	(73)	(20)	–	**(279)**
As of 31 December 2020	**140 832**	**325 306**	**48 129**	**20**	**514 287**
Net carrying value of assets					
As of 31 December 2019	**1 000 468**	**755 819**	**27 375**	**753**	**1 784 414**
As of 31 December 2020	**871 993**	**676 923**	**24 992**	**4 911**	**1 578 819**

Intangible assets decreased by CHF 205.6 million from CHF 1,784.4 million to CHF 1,578.8 million. The change to the group of consolidated companies, which includes the disposals of Olmero AG and Trendsales ApS, led to a decline in intangible assets in the amount of CHF 57.8 million. Further information on this is provided in Note 1 on changes to the group of consolidated companies. As in the previous year, investment focused primarily on IT software that can be capitalised (such as investments in platforms). Depreciation and amortisation amount to CHF 77.3 million (previous year: CHF 67.2 million), whereby this increase is a result of depreciation and amortisation associated with Tamedia brands, which began in 2020 (see Note 9

"Depreciation and amortisation"). Impairment on goodwill amounting to CHF 85.0 million was recognised in the Tamedia segment in the reporting year (previous year: CHF 24.7 million). Further information on this can be found in Note 22 below. In 2020, intangible assets with a net investment value of CHF 1.1 million (previous year: CHF 0.4 million) were sold, much of which is attributable to the sale of Renovero recorded in the first half of 2020.

Goodwill and intangible assets with an indefinite useful life

Note 22

in CHF 000	2020	2019 [1]
Goodwill per business segment		
TX Markets	499 140	510 813
Goldbach	120 103[2]	109 084
20 Minuten	146 193[2]	148 967
Tamedia	85 367[2]	178 628
Group & Ventures	21 190	52 976
Total	**871 993**	**1 000 468**

1 The previous year's figures were adjusted to the new segment structure.
2 In the new business structure, the Goldbach subsidiaries 20 Minuten Advertising and Goldbach Publishing market all the titles of 20 Minuten and Tamedia. In this context, goodwill from 20 Minuten and Tamedia amounting to CHF 11.0 million was reallocated to Goldbach.

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

in CHF 000	2020	2019 [1]
Intangible assets with indefinite useful lives per business segment		
TX Markets	170 709	173 902
Goldbach	39 281	38 979
20 Minuten	22 318	22 440
Tamedia	–[2]	115 279
Group & Ventures	7 867	14 655
Total	**240 176**	**365 255**

1 The previous year's figures were adjusted to the new segment structure.
2 The brands in the Tamedia business division are amortised from the start of 2020 and are therefore no longer reported as intangible assets with an indefinite useful life.

Goodwill of CHF 290.1 million and intangible assets with indefinite useful lives of CHF 91.0 million apply to the largest cash-generating unit. 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 2020. 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 2021 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, NET-Metrix) and are based on the current reader or user figures. Future changes in these numbers are forecast individually. Measures serving to improve net income are taken into account only if they have been officially approved and are already being implemented. The business plans take account of business risks with differing assessments. The business plans cover a period of four years. For the following years, the growth rate was set at -5.2 per cent for Tamedia, 0.0 per cent for 20 Minuten, 0.6 per cent for Goldbach and 1.0 per cent for TX Markets and Group & Ventures (previous year: –4.4 per cent for Tamedia, 0.0 per cent for 20 Minuten and Goldbach and 1.0 per cent for TX Markets and Group & Ventures).

For one cash-generating unit in the TX Markets segment, the realisable value (estimated sale proceeds less transaction costs) was established on the basis of a fair value determined not on the basis of observable market data but using comparable transactions.

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

WACC before tax	2020	2019 [1]
TX Markets	9.4–12.3%	8.6–11.7%
Goldbach	9.2–11.9%	6.5–8.2%
20 Minuten	7.9–8%	7.2–9.6%
Tamedia	8.8%	7.6%
Group & Ventures	12.3–12.5%	11.4–12.1%

1 The previous year's figures were adjusted to the new segment structure.

The discount rates before tax applied to the significant cash-generating units amount to 8.8 per cent (previous year: 7.6 per cent) for Tamedia, 7.9 per cent (previous year: 7.2 per cent) for 20 Minuten, 9.2 per cent (previous year: 6.2 per cent) for Goldbach, 10.2 per cent (previous year: 9.5 per cent) for TX Markets and 12.3 per cent (previous year: 9.5 per cent) for Group & Ventures.

Printed newspapers are suffering from falling advertising revenues, with the decline being accelerated by the coronavirus crisis, and their number of subscribers is also in decline. New digital subscriptions and revenues from online advertising are not yet able to compensate for these declines over the medium to long term. Lower cash flows are therefore to be expected in future for the Tamedia segment.

In view of these developments, the goodwill and intangible assets with indefinite useful lives were tested for impairment for the cash-generating unit Tamedia as early as the middle of 2020. These were tested for impairment on the basis of the value in use, growth rate calculation, discount rate and other assumptions. The values in use were calculated using the discounted cash flow method and are based on the values generated in the current year, the forecast for 2020 and the medium-term expectations for Tamedia. The latest estimates relating to changes in revenues and costs are also considered. In view of current developments and the ongoing uncertainty regarding the long-term market prospects for paid media, estimates for expected future cash flows were lowered, with growth forecasts reduced accordingly from -4.4 per cent to -5.4 per cent. The increase in the discount rate before tax from 7.6 per cent to 8.5 per cent also had a negative impact on valuation. The test showed a recoverable amount of CHF 176.0 million and that impairment of CHF 85.0 million was needed for Tamedia, which has already been reflected accordingly in the half-year results for TX Group.

The impairment testing at the end of 2020 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.

In the previous year, an impairment of CHF 24.7 million was recorded on goodwill for the Paid Media cash-generating unit.

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 effects as at 31 December are presented on the basis of an assumed reduction in free cash flow and an increase in WACC.

in CHF 000	2020	2019 [1]
Effects on goodwill and intangible assets with unlimited use of a reduction in cash flow by		
10%		
TX Markets	–	(7 138)
Goldbach	(22 438)	–
20 Minuten	(979)	(2 188)
Tamedia	(6 537)	(50 244)
Group & Ventures	–	–
20%		
TX Markets	–	(28 342)
Goldbach	(62 568)	–
20 Minuten	(2 389)	(3 506)
Tamedia	(22 998)	(75 757)
Group & Ventures	–	–
WACC increased by 2%		
TX Markets	(2 599)	(39 544)
Goldbach	(69 535)	–
20 Minuten	(2 699)	(4 154)
Tamedia	(15 689)	(77 916)
Group & Ventures	–	–

1 The previous year's figures were adjusted to the new segment structure.

A 10 or 20 per cent decline in free cash flow for the cash-generating unit Tamedia would give an achievable value of CHF 6.5 million or CHF 23.0 million below the carrying amount. A 2 per cent increase in WACC would give an achievable value of CHF 15.7 million below the carrying amount. A 10 or 20 per cent decline in free cash flow for the cash-generating unit Goldbach Group would give an achievable value of CHF 22.4 million or CHF 62.6 million below the carrying amount. A 2 per cent increase in WACC would give an achievable value of CHF 69.5 million below the carrying amount. Considered individually, any impact on the other units is not significant.

Note 23

Financial liabilities

in CHF 000	2020	2019
Current liabilities to banks	2 000	22 072
Current financial liabilities from leases	13 938	11 223
Other current financial liabilities to third parties	350	603
Other current financial liabilities to associates / joint ventures	3 000	–
Current financial liabilities	**19 289**	**33 898**
Non-current liabilities to banks	–	–
Non-current liabilities from leases	54 247	33 036
Non-current loans to related companies	17 855	15 121
Other non-current financial liabilities to third parties	1 838	2 225
Non-current financial liabilities	**73 940**	**50 382**
Financial liabilities	**93 228**	**84 280**
Weighted average interest rate		
Due within 1 year	1.0%	0.6%
Due 1 to 5 years	0.9%	1.3%
Due beyond 5 years	n/a	n/a

Current and non-current financial liabilities increased by CHF 8.9 million to CHF 93.2 million. The bank liability of Goldbach Group AG in the amount of CHF 20.0 million was repaid in January 2020, which means the Goldbach Group no longer had any open bank liability as of the end of 2020. Other current bank liabilities increased by CHF 0.5 million to CHF 2.0 million.

As of the balance sheet date, there were current lease liabilities in the amount of CHF 13.9 million (previous year: CHF 11.2 million) and non-current lease liabilities in the amount of CHF 54.2 million (previous year: CHF 33.0 million). The increase in lease liabilities is partly attributable to the recording of the lease for new premises of JobCloud AG, the extension of the lease for Goldbach Media (Switzerland) AG and the recording of leases in the out-of-home area.

Besides the increased lease liability, there is also an increase in non-current financial liabilities due to higher loans from related parties to Group companies. Other non-current financial liabilities to third parties still comprise the contractually assumed obligation of CHF 1.5 million (previous year: CHF 1.7 million) in connection with the “ETH Media Technology Initiative” development partnership. The current portion of this, CHF 0.3 million, has been recognised under other current financial liabilities.

Cash flow associated with net financial liabilities

in CHF 000	Cash and cash equivalents	Current financial assets	Current financial receivables	Current financial liabilities	Non-current financial liabilities	Net financial liabilities
As of 31 December 2018	**145 923**	**1 187**	**26 354**	**(125 680)**	**(33 193)**	**14 590**
Effect of introducing IFRS 16 "Leases"	–	–	–	(10 167)	(44 259)	**(54 427)**
As of 1 January 2019	**145 923**	**1 187**	**26 354**	**(135 848)**	**(77 453)**	**(39 836)**
Addition / Disposal of cash and cash equivalents and current financial assets	278 025	–	6 940	–	–	**284 965**
Proceeds of financial liabilities	6 601	–	–	(1 495)	(5 106)	**–**
Repayment of financial liabilities	(128 377)	–	–	126 970	1 407	**–**
Repayments of leasing liabilities	(11 875)	–	–	11 875	–	**–**
Investment in consolidated companies	(6 397)	–	–	–	–	**(6 397)**
Disposals of consolidated companies	7 904	–	–	–	–	**7 904**
Other non-cash changes	–	(1 187)	–	(4 178)	(454)	**(5 819)**
Transfers	–	–	–	(31 223)	31 223	**–**
Currency effects	(608)	–	–	–	–	**(608)**
As of 31 December 2019	**291 194**	**–**	**33 294**	**(33 898)**	**(50 382)**	**240 208**
As of 1 January 2020	**291 194**	**–**	**33 294**	**(33 898)**	**(50 382)**	**240 208**
Addition / Disposal of cash and cash equivalents and current financial assets	(3 577)	–	(9 581)	–	–	**(13 158)**
Proceeds of financial liabilities	7 792	–	–	(3 500)	(4 292)	**–**
Repayment of financial liabilities	(22 032)	–	–	20 599	1 433	**–**
Repayments of leasing liabilities	(15 386)	–	–	15 386	–	**–**
Disposals of consolidated companies	18 173	–	–	–	–	**18 173**
Other non-cash changes	–	311	12 225	(15 161)	(23 414)	**(26 038)**
Transfers	–	–	–	(2 715)	2 715	**–**
Currency effects	(11)	–	–	–	–	**(11)**
As of 31 December 2020	**276 153**	**311**	**35 938**	**(19 289)**	**(73 940)**	**219 174**

Note 24

Trade accounts payable

in CHF 000	2020	2019
Trade accounts payable to third parties	67 554	79 769
Trade accounts payable to associates / joint ventures	1 518	1 368
Total	**69 073**	**81 137**

At CHF 69.1 million, trade accounts payable are down CHF 12.1 million on the previous year. Trade accounts payable are non-interest bearing and are normally payable within a period of 30 days.

Note 25

Other current liabilities

in CHF 000	2020	2019
Liabilities to public authorities	19 689	15 976
Liabilities to insurance companies	5 142	6 751
Liabilities to employee benefit funds	1 060	2 050
Liabilities to employees	169	162
Advance payments from customers	12 174	10 731
Other current liabilities	15 234	10 339
Total	**53 468**	**46 010**

Other current liabilities amount to CHF 53.5 million and are therefore up by around CHF 7.5 million on the previous year. This higher amount is primarily due to an increase in liabilities to public authorities in the amount of CHF 3.7 million, and an increase in other current liabilities in the amount of CHF 4.9 million. Other current liabilities are non-interest bearing and are normally payable within a period of 30 days.

Note 26

Deferred revenues and accrued liabilities

in CHF 000	2020	2019
Deferred subscription revenues	155 842	158 428
Deferred online revenues	57 324	68 652
Deferred revenues from commercialisation and intermediation activities	32 160	32 063
Deferred personnel expenses	23 287	31 634
Other accrued liabilities	60 280	47 028
Total	**328 894**	**337 805**
of which deferred revenues from contracts with customers	245 326	259 144
of which other accrued liabilities	83 568	78 662

Deferred revenues and accrued liabilities decreased by CHF 8.9 million from CHF 337.8 million to CHF 328.9 million. Changes to the group of consolidated companies result in a decrease of around CHF 5.9 million. Total deferred revenue declined by CHF 13.8 million. The decline in accruals relating to personnel by CHF 8.3 million to CHF 23.3 million is particularly due to the lower accruals for employee performance bonuses and profit participation arrangements for the Group Management.

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 201.3 million (previous year: 188.5 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).

Provisions

in CHF 000	Long service awards	Personnel provisions/ Restructuring	Restoration costs + inherit-ed pollution	Litigation risk, other	**Total**
As of 1 January 2019	**10 419**	**2 280**	**600**	**2 082**	**15 381**
Additions of consolidated companies	–	–	–	–	**–**
Disposals of consolidated companies	(97)	–	–	–	**(97)**
Increase	986	1 948	68	1 059	**4 061**
Reversal	(4)	(410)	–	(689)	**(1 103)**
Used during the financial year	(259)	(2 650)	–	(533)	**(3 442)**
Currency effects	–	–	–	(45)	**(45)**
As of 31 December 2019	**11 045**	**1 168**	**668**	**1 873**	**14 754**
Due within 1 year	1 085	1 168	–	702	**2 955**
Due between 1 and 5 years	9 960	–	668	1 171	**11 799**

As of 1 January 2020	**11 045**	**1 168**	**668**	**1 873**	**14 754**
Additions of consolidated companies	–	–	–	–	**–**
Disposals of consolidated companies	(121)	(64)	–	–	**(185)**
Increase	1 867	2 306	(68)	795	**4 900**
Reversal	(14)	(156)	–	(687)	**(858)**
Used during the financial year	(1 106)	(1 299)	–	(557)	**(2 962)**
Currency effects	–	–	–	(8)	**(8)**
As of 31 December 2020	**11 671**	**1 954**	**600**	**1 416**	**15 641**
Due within 1 year	1 148	1 954	–	49	**3 151**
Due between 1 and 5 years	10 522	–	600	1 367	**12 490**

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.

Current and non-current provisions amounted to CHF 15.6 million, an increase of CHF 0.9 million year-on-year. No material change in provisions needs to be recorded for long-service awards or restoration costs. The restructuring of central services is designed to reduce costs over a period of three years in order to achieve savings of approximately CHF 20.0 million. Plans here include reducing the cost of materials and shedding approximately 40 jobs. Provisions in the amount of CHF 2.3 million were recorded for the social plan in connection with the latter measure. The use of existing personnel-related provisions is attributable among other things to the utilisation of the provisions set aside the previous year in connection with the social plans for Le Matin and Friday. The provisions for litigation risks and the other provisions declined to CHF 1.4 million as a result among other things of the settlement of various legal cases. The reversal of provisions no longer required was reflected in the income statement under other income.

Note 28

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. The members to the shareholders' agreement currently own 69.10 per cent of the shares.
On 3 April 2020, the shareholders approved the proposal of the Board of Directors that a dividend of CHF 3.50 per share be distributed for the 2019 financial year. For the 2020 financial year, the Board of Directors will recommend to the Annual General Meeting of 9 April 2021 that no dividend should be paid out.

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.

Note 29

Treasury shares

		2020	2019
Number of treasury shares			
As of 1 January		9 266	25 609
Additions		16 241	9 266
Disposals		(21 081)	(25 609)
As of 31 December		**4 426**	**9 266**
Initial value of treasury shares	in CHF 000		
As of 1 January		914	3 579
Additions		1 475	914
Disposals		(2 062)	(3 579)
As of 31 December		**327**	**914**
Market value		**313**	**868**
Paid / received prices	in CHF		
Additions (weighted average)		90.84	98.62
min.		63.60	92.16
max.		106.51	98.62
Disposals (weighted average)		97.82	139.75
min.		92.34	139.75
max.		98.62	139.75

The year-end price of treasury shares was CHF 70.8, compared with CHF 93.7 at the end of the previous year. Share price changes over time can be seen in the chart on page 41.

As part of the profit participation programme for members of the Management Board (see also Note 39), 21,081 treasury shares with a total value of CHF 2.1 million were issued. In total, 16,241 additional treasury shares were purchased in the 2020 financial year.

Further disclosures in relation to the consolidated financial statements

Subsidiaries with non-controlling interests

Note 30

The Group companies of TX Group and their respective shares of capital and voting rights are detailed in Note 37. 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 000	2020	2019	2020	2019
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 attributable to non-controlling interests	50.0%	50.0%	46.0%	46.0%
Balance sheet				
Current assets	56 844	84 473	86 999	103 692
Non-current assets	498 911	478 436	236 743	244 080
Assets	**555 755**	**562 909**	**323 742**	**347 773**
Current liabilities	61 256	58 987	68 534	77 290
Non-current liabilities	43 510	37 210	19 096	35 766
Equity, attributable to TX Group shareholders	230 495	238 356	127 500	126 747
Attributable to non-controlling interests	220 494	228 356	108 611	107 970
Liabilities	**555 755**	**562 909**	**323 742**	**347 773**
Income statement				
Revenues	93 781	113 310	50 952	64 412
Income / (loss) before taxes	**46 659**	**64 436**	**9 392**	**22 779**
Income taxes	(8 464)	(6 971)	(1 760)	(1 314)
Net income / (loss)	**38 195**	**57 466**	**7 632**	**21 465**
Other comprehensive income / (loss)	24	(2 527)	(5)	(586)
Total comprehensive income / (loss)	**38 219**	**54 938**	**7 627**	**20 879**
of which attributable to non-controlling interests	19 109	27 469	3 508	9 604
Dividends paid to non-controlling interests	27 000	26 000	13 495	14 097
Cash flows				
Cash flow from / (used in) operating activities	52 558	58 527	19 292	37 547
Cash flow from / (used in) investing activities	3 415	(12 754)	(251)	546
Cash flow from / (used in) financing activities	(55 143)	(50 935)	(30 835)	(31 905)
Change in cash and cash equivalents	**830**	**(5 162)**	**(11 794)**	**6 189**

With regard to JobCloud AG, TX Group and Ringier have agreed on a control option that enables TX Group to carry out its consolidation pursuant to IFRS.

Note 31

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

in CHF 000	2020	2019
Sureties and subordinated claims in favour of related parties	650	2 176
Sureties and subordinated claims in favour of third parties	1 493	1 826
Total	**2 143**	**4 002**

As of the balance sheet date, there are sureties and subordinated claims to the benefit of related parties and third parties totalling CHF 2.1 million (previous year CHF 4.0 million). There are no further sureties, subordinated claims or guarantee obligations.

Note 32

Leases

The principles of accounting to be applied with IFRS 16 “Leases” are set out in the section on measurement principles.

Currently, there are leases for both property and machinery and furnishings (vehicles, IT and other items). The leases for machinery and furnishings have a residual term of between one and four years and fixed conditions. The residual terms of the property rental agreements are between one and 11 years. Various rental agreements feature options to extend the rental period. Any assessment of the residual term of leases with extension options involves estimates and assumptions. These estimates are inherently uncertain and may not prove to be accurate.

The capitalised right-of-use assets, the lease liabilities, 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 to the consolidated financial statements. By way of summary, IFRS 16 “Leases” has the following impact on the consolidated financial statements:

in CHF 000	31.12.2020	31.12.2019
Balance sheet		
Right of use, leasing – real estate	90 022	53 713
Cumulative depreciation in right of use – real estate	(24 290)	(10 955)
Right of use, leasing – operating and office equipment	2 808	2 006
Cumulative depreciation in right of use – operating and office equipment	(1 401)	(813)
Assets	**67 139**	**43 950**
Lease obligations	68 185	44 259
Liabilities	**68 185**	**44 259**

in CHF 000	2020	2019
Income statement		
Depreciation in right of use, leasing – real estate	(14 045)	(11 454)
Depreciation in right of use, leasing – operating and office equipement	(833)	(607)
Depreciation in right of use, leasing	**(14 877)**	**(12 061)**
Financial expense leasing	(1 037)	(783)
Financial income, net leasing	**(1 037)**	**(783)**

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 2.1 million (short-term leases) and CHF 1.0 million (low-value underlying assets) (previous year: CHF 2.4 million and CHF 1.0 million).

In the reporting year, the 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.

Pending transactions

Note 33

There are out-of-home advertising contracts with an obligation to provide future services intended to generate a specific level of revenue in the amount of CHF 54.3 million. The management estimates that the agreed revenue targets will be achieved. Provisions would be formed for loss-generating contracts. There were also out-of-home advertising contracts in the previous year with an obligation to generate a minimum revenue. These amounted to CHF 85.2 million, with the management estimating that these revenue targets will be reached. The previous year's value had to be adjusted due to new information in respect of the out-of-home advertising agreements.

Framework agreements are entered into with major suppliers for the procurement of newsprint and magazine paper. Some of these contracts had already been concluded before the end of 2020 for the following year, including a purchase agreement worth CHF 19.5 million as of 31 December 2020. In the previous year, there were no such agreements in relation to future delivery periods.

There are no other pending transactions as of the balance sheet date.

Information on financial risk management

Note 34

The Audit Committee at TX Group AG monitors risk management of the company and approves the consolidated risk report. Risk management is broken down into risk spheres, which are dealt with centrally within the TX Group or locally within the sub-groups. The risk officers designated by the Group management board identify, assess and manage risks with targeted measures throughout a periodic, systematic process.

Key drivers of risks are the acceleration of structural change within the media industry as a result of the COVID-19 pandemic, changes in the behaviour of media consumers and advertising customers, tougher competition through new media offerings from global providers such as Facebook, Amazon, YouTube, Instagram or TikTok and changes in the broader economic and legal situation.

Market risks are considered for the individual sub-groups and addressed with targeted measures.

Market risks for TX Markets include the significant increase in pressure from the competition. This pressure in the core markets served by TX Markets is mainly increasing on account of massive investments in general classifieds by major international players (Google, Facebook, etc.). The efforts to contend with the pressure are focused on market and portfolio consolidation in Switzerland, investments in market-leading positions and expansion both along the value chain and, selectively, at an international level. There is also a risk to the wider economy, particularly in the job market, due to developments relating to COVID-19. This is being met with specific customer support measures and cost management.

Following a slump in revenue in 2020, Goldbach is expecting the advertising market to recover over the following year. Gloomier economic forecasts represent a market risk. Another risk would be a failure to anticipate an acceleration in the decline in the print advertising market as a result of the pandemic. Measures are evaluated with publishers, and the aim is to tap into new income sources by way of compensation.

In terms of the TV market, the decline in coverage associated with time-shifted television and the related avoidance of advertisements as well as the increasing competition from streaming providers represents a major risk. As regards the online business, there is a risk that ad impressions will decline as a result of greater focus on net coverage and the death of the cookie. Measures include the development of a measurement methodology, the creation of new advertising formats and the introduction of a convergence approach.

The COVID-19 pandemic and its consequences for public life have accelerated the migration of advertising expenditure from print to digital at 20 Minuten. Given the significant coverage in Switzerland, a loss of market share due to domestic and foreign competition represents a further significant risk. To best facilitate the transition from print to digital, ongoing improvements are being made to the print product and strict cost management is being applied. Further investments are also being made in the digital presence, with more prominence being given to audio (particularly podcasts) as part of a targeted approach. The video and story lines have seen the successful launch of new formats (NOW!, One Love, etc.). There is a policy of actively dedicating resources to new platforms (TikTok etc.) that are finding favour with the young target group in particular. From an organisational perspective, resources are being pooled in French-speaking Switzerland to create a specialist new social media team from 1 January 2021. Additional measures were put before the Board of Directors of the sub-group in December 2020.

For Tamedia, the main risks are the disruptive slump in the print advertising market, the decline in the print readers market and short-terms dips in third-party customer business at the printing centres. In close collaboration with Goldbach Publishing, there is a drive towards variable marketing costs and improvements are being made to advertising offerings. The consistent focus on mobile content, improving product usability and automated guidance of customers down the sales funnel has led to gains in the digital user market that are helping to cushion losses in the print readers market. 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.

As regards the portfolio companies of TX Ventures, there is a risk that valuation multiples (e.g. EV/sales or EV/EBITDA) for comparable companies might tail off on the capital market, which would have a negative effect on the value of the respective company. This risk is addressed by means of conservative valuation mechanisms and continuous valuation. Investments that have still show a positive EBITDA are exposed to certain funding risks (access to capital). Continuous liquidity planning is intended to facilitate early detection of any funding risks. We also monitor regulatory risks that could have an impact on the bottom line (price/service offering). These risks are generally addressed by adjusting pricing and packages.

New projects at home and abroad, technical faults affecting IT systems and the rise of cyber crime are also considered to present risks. Patch management and new cyber defence systems are being introduced to counter these. In contrast, risks associated with operational errors and weaknesses or natural hazards are assessed as being less critical.

Interest rate risk

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 000	2020 Variable interest rate	2020 Fixed interest rate	2019 Variable interest rate	2019 Fixed interest rate
Assets				
Cash and cash equivalents	276 153	–	291 194	–
Loans receivable	–	761	–	457
Liabilities				
Liabilities to banks and bank loans	–	2 000	–	22 072
Loans payable	2 885	14 970	4 318	10 803
Impact on earnings before taxes at a change of +/– 0.1%	+/– 273		+/– 287	

Currency risk

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 Swiss francs, 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 74.7 million in 2020 (previous year: CHF 99.2 million). The risks applied for the most part to transactions in euro and were hedged for paper purchases in 2021 in the amount of CHF 29.8 million (hedging in 2019 for paper purchases in 2020 amounted to CHF 41.7 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 2019 using forward exchange transactions can be found in Note 35. 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 in euro, US dollars, Danish krone, Serbian dinar and Israeli shekel amounted to CHF -0.1 million as at the end of 2020 (previous year: CHF -0.8 million).

Credit default risk

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 (see also: Measurement guideline for accounts receivable). 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 16 "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.

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 table below.

in CHF 000	Not yet due/ at call	Up to 3 months	4 to 12 months	Due between 1 and 5 years	Due beyond 5 years	**Total**
2020						
Financial liabilities	5 072	4 484	10 860	57 908	18 596	**96 920**
of which derivative financial instruments	–	–	–	–	–	**–**
of which lease liabilities	–	4 450	10 410	38 039	18 596	**71 495**
Trade accounts payable	69 073	–	–	–	–	**69 073**
Other liabilities	15 234	–	–	–	–	**15 234**
Total	**89 379**	**4 484**	**10 860**	**57 908**	**18 596**	**181 226**
2019						
Financial liabilities	21 827	3 362	9 975	47 181	5 497	**87 843**
of which derivative financial instruments	–	143	429	–	–	**572**
of which lease liabilities	–	3 186	9 103	29 790	5 497	**47 577**
Trade accounts payable	81 137	–	–	–	–	**81 137**
Other liabilities	10 339	–	–	–	–	**10 339**
Total	**113 303**	**3 362**	**9 975**	**47 181**	**5 497**	**179 319**

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 net income and to report an equity ratio that is significantly higher than 50 per cent over the long term.

Financial instruments

Note 35

in CHF 000	Category	2020 Carrying value	2020 Fair value	2019 Carrying value	2019 Fair value
Cash and cash equivalents	1	276 153	276 153	291 194	291 194
Current financial assets		311	311	–	–
of which forward exchange contracts	4	311	311	–	–
Trade accounts receivable	2	214 396	214 396	242 930	242 930
Current financial receivables	2	35 938	35 938	33 294	33 294
Other non-current financial assets		35 963	35 846	26 789	26 717
of which other investments – equity instruments	3	32 699	32 699	22 497	22 497
of which other investments – no equity instruments	4	168	168	345	345
of which loans receivable	2	761	644	457	385
of which other non-current financial assets – equity instruments	3	–	–	467	467
of which other non-current financial assets – no equity instruments	2	2 336	2 336	3 023	3 023
Current financial liabilities		5 350	5 350	22 675	22 675
of which forward exchange contracts	6	0	0	572	572
of which other current financial liabilities	5	5 350	5 350	22 103	22 103
Trade accounts payable	5	69 073	69 073	81 137	81 137
Other liabilities	5	15 234	15 234	10 339	10 339
Non-current financial liabilities		19 693	19 985	17 346	17 921
of which liabilities to banks and loans	5	17 855	18 147	15 121	15 696
of which purchase price obligations	6	–	–	30	30
of which obligations to purchase own equity instruments	6	382	382	454	454
of which other non-current financial liabilities	6	1 456	1 456	1 741	1 741
Categorisation of financial instruments as per IFRS 9					
Cash and cash equivalents – at amortised cost	1	276 153	276 153	291 194	291 194
Loans and receivables – at amortised cost	2	253 430	253 313	279 704	279 632
Financial assets – at fair value with value adjustments in other comprehensive income	3	32 699	32 699	22 964	22 964
Financial assets – at fair value with value adjustments in profit or loss	4	479	479	345	345
Financial liabilities – at amortised cost	5	(107 512)	(107 804)	(128 700)	(129 275)
Financial liabilities – at fair value with value adjustments in profit or loss	6	(1 838)	(1 838)	(2 797)	(2 797)

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 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 they amount to CHF 0.3 million net and, not therefore being material, no further disclosure is made in respect of them.

Among other things, equity instruments associated with other financial assets (Lykke Coins) and any purchase prices due are classified as Level 3 in the fair value hierarchy. Here too, a more detailed disclosure is not made as these are not deemed to be material. Other investments recorded under other non-current financial assets are also classified as Level 3. 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 investment. These 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 two other most important investments, in quantitative terms, in MoneyPark AG and Joveo Inc., which are recorded in the balance sheet with a value of CHF 18.5 million as of 31 December 2020, the valuation was performed on a DCF basis during the second half of 2020. 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 000	2020	2019
Other investments – as of 1.1.	**22 842**	**12 125**
Additions	7 482	11 960
Disposals	(177)	–
Valuation increase via other comprehensive income	2 720	500
Valuation reduction via other comprehensive income	–	(1 743)
Other investments – as of 31.12.	**32 866**	**22 842**

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.

Forward exchange transactions

in CHF 000	2020	2019
Contract volume	29 786	40 290
Fair value, due	311	(572)
Due within 1 year	311	(572)
Due within 1 and 5 years	–	–
Due beyond 5 years	–	–
Cash flow hedge disclosures		
Cash flow hedges recognised directly in other comprehensive income	251	452
Used for hedging as planned	886	1 069
Recognised directly in the income statement	–	–

Forward euro contracts totalling CHF 28.5 million existed as of the balance sheet date to hedge the foreign currency risk arising from the framework agreements for the purchase of newsprint and magazine paper. The hedging transactions are recognised in the income statement upon realisation, together with the underlying transactions.

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.

Assets pledged or as collateral or subject to liens

Note 36

in CHF 000	2020	2019
Assets securing subscription insurance	165	267
from securities with a value of	165	267
Assets pledged as collateral or subject to liens	**165**	**267**
from assets with a consolidated value of	**165**	**267**

As with the previous year, there are no insurance arrangements relating to charges on land or buildings as of 31 December 2020.

Investments in other companies

Note 37

The companies of the TX Group included the following on 31 December 2020:

Name	Domicile	Currency	Share capital (in 000)	Segment	Consolidation method	Share of [4] Group capital 2020	Share of [4] Group capital 2019
TX Group AG	Zurich	CHF	106 000	G&V/20M	V	–	–
20 minuti Ticino SA	Lugano	CHF	300	20M	E	50.0%	50.0%
AdAgent AG [2]	Lucerne	CHF	100	20M	E	–	40.0%
Book a Tiger Household Services GmbH	Berlin	EUR	139	G&V	A	–	3.6%
CAR FOR YOU AG	Zurich	CHF	100	TXM	V	50.0%	50.0%
GOWAGO AG	Zurich	CHF	181	TXM	E	25.7%	25.7%
DJ Digitale Medien GmbH	Vienna	EUR	71	20M	V	51.0%	51.0%
Doodle AG	Zurich	CHF	100	G&V	V	100.0%	100.0%
Doodle Deutschland GmbH	Berlin	EUR	250	G&V	V	100.0%	100.0%
Doodle USA Inc.	Delaware	USD	20	G&V	V	100.0%	–
Meekan Solutions Ltd. [2]	Kibutz Shefaim	ILS	150	G&V	V	100.0%	100.0%
Edita SA	Luxembourg	EUR	50	20M	E	50.0%	50.0%
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	Küsnacht	CHF	100	GB	V	100.0%	100.0%
TX Markets AG (formerly Adextra AG)	Zurich	CHF	100	GB	V	100.0%	100.0%
AdManufaktur AG	Küsnacht	CHF	100	GB	V	100.0%	100.0%
Goldbach neXT AG (previously Digital Ad Services 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%	–
Goldbach Search GmbH	Konstanz	EUR	25	GB	V	100.0%	100.0%
dreifive (Switzerland) AG	Küsnacht	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%

1 Sole proprietorship
2 Liquidated or in liquidation
3 Founded in January 2021
4 Unless indicated, the share of Group votes corresponds to the share of Group capital
5 The share of voting rights is 50 per cent
6 No longer operational
7 Merged with Goldbach Group AG

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

Consolidation and measurement methods
V = Full consolidation
E = Accounted for using the equity method
A = Valued at market value

Name	Domicile	Currency	Share capital (in 000)	Segment	Consolidation method	Share of [4] Group capital 2020	Share of [4] Group capital 2019
Goldbach Germany GmbH	Munich	EUR	25	GB	V	97.0%	97.0%
Goldbach DooH (Germany) GmbH	Munich	EUR	25	GB	V	97.0%	97.0%
Goldbach SmartTV GmbH	Munich	EUR	25	GB	V	97.0%	97.0%
Goldbach TV (Germany) GmbH	Munich	EUR	25	GB	V	97.0%	97.0%
Goldbach Video GmbH	Munich	EUR	25	GB	V	97.0%	97.0%
Goldbach Management AG [7]	Küsnacht	CHF	100	GB	V	–	100.0%
Goldbach Media (Switzerland) AG	Küsnacht	CHF	416	GB	V	54.0% [5]	54.0% [5]
AGFS (Arbeitsgemeinschaft Fernsehwerbung Schweiz) AG	Berne	CHF	115	GB	E	23.2%	23.2%
Goldbach Ost GmbH [6]	Munich	EUR	25	GB	V	100.0%	100.0%
ARBOmedia GmbH [6]	Munich	EUR	3 916	GB	V	100.0%	100.0%
ARBOmedia Deutschland GmbH [6]	Munich	EUR	1 023	GB	V	100.0%	100.0%
EMI European Media Investment AG [6]	Munich	EUR	1 000	GB	V	100.0%	100.0%
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%
Homegate AG	Zurich	CHF	1 000	TXM	V	100.0%	90.0%
ImmoStreet.ch SA	Lausanne	CHF	700	TXM	V	100.0%	90.0%
JobCloud AG	Zurich	CHF	100	TXM	V	50.0%	50.0%
Jobsuchmaschine 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	400	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%	6.2%
MetroXpress A/S	Copenhagen	DKK	662	20M	V	100.0%	100.0%
BTMX General Partner ApS	Copenhagen	DKK	50	20M	E	30.0%	30.0%
BTMX P/S	Copenhagen	DKK	1 000	20M	E	30.0%	30.0%
MoneyPark AG	Freienbach	CHF	452	G&V	A	4.6%	4.6%
neon Switzerland AG	Zurich	CHF	261	G&V	A	16.5%	10.0%
Olmero AG	Opfikon	CHF	208	G&V	V	–	97.7%
Picstars AG	Zurich	CHF	222	G&V	A	11.4%	11.4%

1 Sole proprietorship
2 Liquidated or in liquidation
3 Founded in January 2021
4 Unless indicated, the share of Group votes corresponds to the share of Group capital
5 The share of voting rights is 50% per cent
6 No longer operational
7 Merged with Goldbach Group AG

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Name	Domicile	Currency	Share capital (in 000)	Segment	Consolidation method	Share of [4] Group capital 2020	Share of [4] Group capital 2019
Ricardo AG	Zug	CHF	200	TXM	V	100.0%	100.0%
ricardo France Sàrl	Valbonne	EUR	15	TXM	V	100.0%	100.0%
Selma Finance Oy	Helsinki	EUR	3	G&V	A	11.0%	–
Switzerland AG	Zurich	CHF	670	G&V	A	11.7%	–
Tamedia Espace AG	Berne	CHF	4 900	Tam	V	100.0%	100.0%
DZB Druckzentrum Bern AG	Berne	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	Thun	CHF	500	Tam	E	50.0%	50.0%
Schaer Thun AG	Thun	CHF	100	Tam	V	100.0%	100.0%
Thuner Amtsanzeiger [1]	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%
Actua Immobilier SA	Carouge	CHF	330	Tam	E	39.0%	39.0%
CIL Centre d'Impression Lausanne SA	Lausanne	CHF	10 000	Tam	V	100.0%	100.0%
Riviera Chablais SA [3]	Vevey	CHF	100	Tam	E	49.0%	–
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	Berne	CHF	2 857	Tam	E	24.4%	24.4%
Newsnet [1]	Zurich	CHF	–	Tam	V	100.0%	100.0%
SMD Schweizer Mediendatenbank AG	Zurich	CHF	108	Tam	E	33.3%	33.3%
Swissdox AG	Zurich	CHF	100	Tam	E	33.3%	33.3%
Tamedia Abo Services AG	Zurich	CHF	100	Tam	V	100.0%	100.0%
Tamedia Basler Zeitung AG	Basle	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%
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%	25.8%
Trendsales ApS	Copenhagen	DKK	310	TXM	V	–	55.6%
TVtäglich [1]	Zurich	CHF	–	Tam	E	50.0%	50.0%
TX Services d.o.o.	Belgrade	RSD	2 000	G&V	V	100.0%	100.0%
Ultimate Media B&M GmbH	Vienna	EUR	35	20M	E	25.5%	25.5%
AHVV Verlags GmbH	Vienna	EUR	36	20M	E	25.5%	25.5%
Zattoo International AG	Zurich	CHF	992	G&V	V	50.0%	50.0%
Zattoo Europa AG	Zurich	CHF	300	G&V	V	50.0%	50.0%
Zattoo Inc.	Ann Arbor	USD	2	G&V	V	50.0%	50.0%
Zattoo Deutschland GmbH	Berlin	EUR	25	G&V	V	50.0%	50.0%
VIRTUAL NETWORK S.A.	Nyon	CHF	100	G&V	E	25.2%	25.2%

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Disclosures detailing material changes to the consolidated investments are provided in Note 1, and to investments in associated companies and joint ventures in Note 8.

Note 38

Transactions with related parties and companies

Transactions between TX Group and its associates and joint ventures were mostly restricted to the areas of printing and media revenue.

in CHF 000	Associates [1]		Joint ventures [1]		Pension funds		Board of Directors and Group Management	
	2020	2019	2020	2019	2020	2019	2020	2019
Revenues	3 683	4 692	8 392	8 351	–	–	145	271
Operating expenses	(6 547)	(8 226)	(229)	(63)	(24 359)	(24 390)	(164)	(167)
Net financial income / (loss)	7	–	(6)	–	–	–	(45)	(151)
Trade accounts receivable	1 015	650	361	423	–	–	–	1
Other current receivables	300	175	641	–	–	–	–	–
Loans receivable	365	–	–	–	–	–	–	–
Trade accounts payable	28	18	11	2	–	–	6	4
Other current payables	–	10	2 983	–	–	–	–	–
Current financial liabilities	–	–	–	–	–	–	2 688	2 709
Non-current financial liabilities	–	–	2 500	2 500	–	–	2 749	5 527

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

Besides the transactions disclosed in Note 39 and in the Compensation Report in relation to members of the Board of Directors and Group Management, TX Group did not achieve any material revenues. In the previous year, revenues totalling CHF 0.3 million were achieved for office rent and for printing services through Schweizer Bauer, over which Martin Kall exerts a significant influence. Compensation to the Board of Directors and Group Management and transactions with companies controlled by members of the TX Group Board of Directors explained in Note 39 and in the Compensation Report are recognised under transactions with the Board of Directors and Group Management. The rents mentioned in Note 39, 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.

Note 39

Compensation of the Board of Directors, the Advisory Board and the Group Management or the Management Board

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 Group Management 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, the Advisory Board and the Group Management. Within the framework of the new corporate structure, the Advisory Board for Media Technology and Innovation was dissolved with effect from 1 January 2020.

Total compensation paid to the Board of Directors, the Advisory Board and the Group Management or Management Board

in CHF 000	Directors [1]	Advisory Board Digital	Group Management	Total
2020				
Number of members per balance sheet date	8.0	–	3.0	**11.0**
Annual average of members	7.2[2]	–	3.5[3]	**10.7**
Fees/salaries	2 125	–	1 458	**3 583**
Profit participation for managers and share of profits for Group Management paid in cash	–	–	500	**500**
Share of profits for Group Management paid in shares 2020[5]	–	–	–[6]	**–**
Share of profits for Group Management paid in shares 2019[5]	–	–	105	**105**
Share of profits for Group Management paid in shares 2018[5]	–	–	186	**186**
Share of profits for Group Management paid in shares 2017[5]	–	–	167	**167**
Pension and social security contributions	226	–	410	**636**
Expense reimbursements	114	–	56	**170**
Non-monetary payments	–	–	–	**–**
Other compensation	–	–	–	**–**
Total	**2 464**	**–**	**2 882**	**5 347**

2019	Directors	Advisory Board Digital	Management Board	**Total**
Number of members per balance sheet date	7.0	3.0	8.0	**18.0**
Annual average of members	7.0[4]	3.0	8.0	**18.0**
Fees/salaries	2 060	60	4 304	**6 425**
Performance bonus and share of profits paid in cash	–	–	2 418	**2 418**
Share of profits paid in shares 2019[5]	–	–	173[6]	**173**
Share of profits paid in shares 2018[5]	–	–	351	**351**
Share of profits paid in shares 2017[5]	–	–	420	**420**
Share of profits paid in shares 2016[5]	–	–	274	**274**
Pension and social security contributions	231	–	1 331	**1 562**
Expense reimbursements	108	–	176	**284**
Non-monetary payments	–	–	–	**–**
Other compensation	–	–	–	**–**
Total	**2 399**	**60**	**9 448**	**11 907**

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:
Pascale Bruderer since 3 April 2020
Christoph Tonini since 1 July 2020
Marina de Planta until 3 April 2020
3 For the determination of the annual average number of members, entries and exits are the relevant criteria:
Christoph Tonini until 30 June 2020
4 For the determination of the annual average number of members, entries and exits are the relevant criteria:
Andreas Schulthess since 5 April 2019
Martin Coninx until 5 April 2019
5 See information on the share in profits of the Group Executive Board 2020 and the share in profits programme 2019.
6 Note 39 of the consolidated financial statements reports the share-based payments based on the amounts recognised in the income statement in the reporting year. In contrast, share-based payments are disclosed in the compensation report at the time of their allocation.

Additional fees and compensation

In the reporting year, TX Group paid compensation for rent for office premises totalling CHF 3.2 million (previous year: CHF 3.0 million) to Groupe Edipresse, over which Pierre Lamunière exerts a significant influence.

Profit participation programme for Group Management or the Management Board

The current profit participation programme is valid for 2020 only. 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 the 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 the 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. Recognition in the income statement is made on a pro rata basis over four years. Recognition over this period could result in pro rata disclosures even during reporting periods in which no new entitlement to profit participation is acquired.

For the shares allotted in the 2017, 2018 and 2019 financial years, personnel expenses of CHF 0.1 million, CHF 0.2 million and CHF 0.2 million respectively were recognised in the current year. Group Management will not receive any profit participation payments for the 2020 financial year.

As part of the profit participation system, a total of 20,251 treasury shares were issued in 2020 to members of Group Management for the 2016 financial year and, in the case of Christoph Tonini – due to him leaving Group Management – for the 2017 to 2019 financial years too. Measured in terms of market value on the allocation date, the total value of these shares is CHF 2.6 million. The table also shows 6,720 no longer recognised entitlements of members of the former Management Board and 1,030 lapsed entitlements.

Share-based component of the Group Management's or the Management Board's profit participation

number	2020	2019
As of 1 January	32 960	54 555
Entitlements of members of the former Management Board no longer taken into account	(6 720)	–
Exercised	(20 251)	(25 609)
Forfeited	(1 030)	–
Allocated	–	4 014
As of 31 December	**4 959**	**32 960**
of which exercisable	2 156	7 101

in CHF/ number of shares	Allocation date	Blocked until	Fair value as of grant date	Fair value as of 31 December	Outstanding entitlements 2020	Outstanding entitlements 2019
	31.12.2016	31.12.2019	156.0	70.8	–	7 101
	31.12.2017	31.12.2020	138.0	70.8	2 156	11 413
	31.12.2018	31.12.2021	105.5	70.8	1 957	10 432
	31.12.2019	31.12.2022	93.7	70.8	846	4 014
	31.12.2020	31.12.2023	–	–	–	–

Note 40

Important events after the balance sheet date

The arbitration case against the sellers of Trendsales at the arbitration court in Copenhagen, which was conducted under the Danish Institute of Arbitration, was concluded on 1 March 2021. As a result of these proceedings, TX Group will receive a payment of USD 13.25 million, which will be recognised in TX Group's financial result 2021. The majority share in the vintage platform Trendsales, which has since been sold, was acquired by Tamedia AG (now the TX Group) in 2014. In 2016, a case of fraud involving Trendsales was reported (see the 2016 Tamedia Annual Report). Another legal proceeding is ongoing and it is not clear what its outcome will be.

Report of the statutory auditor

to the General Meeting of TX Group AG

Zürich

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 balance sheet as at 31 December 2020 and the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements pages 43 to 107 give a true and fair view of the consolidated financial position of the Group as at 31 December 2020 and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with the 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 Auditing Standards. 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 IESBA Code of Ethics for Professional Accountants, 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 6'000'000

We conducted full scope audit work at ten reporting units in Switzerland. At one of these companies, the audit was performed by another audit firm. Our audit scope addressed 88% of total assets and 81% 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 6'000'000
How we determined it	0.75% of revenues
Rationale for the materiality benchmark applied	We chose revenues as the benchmark because, in our view, it is an important benchmark for the 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 600'000 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 in order to perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industry in which the Group operates.

The Group comprises five business divisions – TX Markets, Goldbach, 20 Minuten, Tamedia and Group & Ventures – and it is primarily active in Switzerland, although it owns small foreign subsidiaries. The Group audit team performed the audit work at nine of the ten Group companies subject to a full scope audit.

The full scope audit of one company was performed by another audit firm. As the Group auditor, we were adequately involved in the audit of the other audit firm in order to assess whether sufficient appropriate audit evidence was obtained from the audit procedures on the financial information of this company to provide a basis for our opinion. Our involvement comprised communicating the risks identified at Group level as well as determining the materiality thresholds, conducting discussions and inspecting the reporting during the interim audit and the year-end audit of this company.

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 Goodwill (CHF 872 million) and intangible assets with an indefinite useful life (CHF 240 million). In 2020 the Group recognized impairments of goodwill in its Tamedia division of CHF 85 million during the year. The Tamedia division represents one cash-generating unit. The goodwill of the 20 Minuten division consists of three,	We performed the following specific audit procedures: • We assessed, with the support of internal specialists, 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

Goldbach of two, TX Markets of five and Group & Ventures of two cash-generating units.

To test the goodwill and intangible assets with an indefinite useful live of a cash-generating unit for impairment, its carrying value is compared with the recoverable amount, calculated as the net present value of the future cash flows (discounted cash flows or DCF) of the cash-generating unit in question. This requires assumptions to be made regarding the growth of revenue and cost and the discount rate applied to the forecast cash flows.

The outlook for the cash generating units is evaluated using a standard forecasting model in a multi-stage process. This process considers external research, non-recurring events, past results and general cyclical 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 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 focused on these areas in view of the significance of the amounts of goodwill and intangible assets with an indefinite useful life on the consolidated balance sheet. The assessment of the recoverable amount of the cash-generating units is dependent on management's estimation of future cash flows and the discount rate used in their DCF model.

Please refer to the note 22 - pages 86-88 (Notes to the consolidated financial statements)

checked it for logical consistency and mathematical correctness.

- We compared the 2020 business results with the forecasts made in 2019 for the cash-generating units. This allowed us to assess the accuracy of the forecasts made by Management.
- We reconciled the projections to the business plans that were subject to scrutiny and approval by the Board of Directors.
- We compared the assumptions concerning the long-term growth of the cash generating units with economic and industry-specific forecasts.
- We checked for plausibility the applied discount rates against the cost of capital of the Group and comparable media companies.
- We compared the carrying value of the goodwill and intangible assets with an indefinite useful life of all the cash-generating units with analogous publishing and digital 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) and future free cash flows forecasts.

As a result of our procedures, we did not propose any adjustments to the amount of impairment recognized in 2020. For goodwill and intangible assets with an indefinite useful live where management determined that no impairment was required, we found that the assessments made by management were based upon reasonable assumptions, consistently applied.

Other information in the annual report

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

Our opinion on the consolidated financial statements does not cover the other information in the annual report 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 in the annual report and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors for the consolidated financial statements

The Board of Directors is responsible for the preparation of the consolidated financial statements that 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 Swiss Auditing Standards 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 Swiss Auditing Standards, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made.
- 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 to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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 Swiss Auditing Standard 890, we confirm that an internal control system exists which has been designed for the preparation of consolidated financial statements according to the instructions of the Board of Directors.

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

PricewaterhouseCoopers AG

Patrick Balkanyi	Christian Jäger
Audit expert Auditor in charge	Audit expert

Zürich, 02 March 2021

Income statement

in CHF 000	Note	2020	2019
Media revenue		100 242	322 680
Print revenue		–	783
Other operating revenue and other income	5	121 714	116 108
Revenues		**221 956**	**439 571**
Costs of material and services		(43 902)	(96 567)
Personnel expenses		(79 303)	(189 142)
Other operating expenses	5	(70 932)	(128 643)
Operating income / (loss) before depreciation and amortisation (EBITDA)		**27 819**	**25 219**
Depreciation and amortisation		(15 699)	(7 856)
Operating income / (loss) (EBIT)		**12 120**	**17 362**
Financial income	5	56 610	254 141
Financial expense	5	(66 026)	(165 924)
Income / (loss) before taxes		**2 703**	**105 580**
Direct taxes		222	(2 298)
Net income / (loss)		**2 925**	**103 282**

Balance sheet

in CHF 000	Note	31.12.2020	31.12.2019
Cash and cash equivalents		74 646	66 372
Trade accounts receivable	3	1 902	74 359
Other current receivables	3	165 560	42 182
Inventories		0	37
Accrued income and prepaid expenses		15 825	6 531
Current assets		**257 933**	**189 481**
Financial assets	3/4/8/12	89 524	46 702
Investments	7/8	885 531	1 083 244
Property, plant and equipment	4	153 999	157 238
Intangible assets		9 490	6 783
Non-current assets		**1 138 544**	**1 293 968**
Total assets		**1 396 477**	**1 483 449**
Trade accounts payable	3	3 275	17 538
Current interest-bearing liabilities	3/4	31 030	30 648
Other current liabilities	3	140 988	21 094
Deferred revenues and accrued liabilities	4	14 616	104 641
Current provisions		1 695	1 393
Current liabilities		**191 604**	**175 313**
Non-current interest-bearing liabilities	3/4	94 772	161 563
Non-current provisions		1 846	4 402
Non-current liabilities		**96 618**	**165 965**
Total liabilities		**288 222**	**341 279**
Share capital		106 000	106 000
Statutory capital reserves			
Reserves from capital contributions		100	100
Other capital reserves		26 961	26 961
Statutory capital reserves		27 060	27 060
Statutory retained earnings		53 000	53 000
Voluntary retained earnings	4	919 597	853 742
Net income / (loss)		2 925	103 282
Treasury shares	9	(327)	(914)
Shareholders' equity		**1 108 256**	**1 142 170**
Liabilities and shareholders' equity		**1 396 477**	**1 483 449**

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 37 to the consolidated financial statements.

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

Advertising & Free Media
- 20 Minuten
- 20 minutes

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

Restructuring
As of 1 January 2020, a decentralised organisational structure was formed under the umbrella of TX Group AG comprising four largely self-contained companies. Within the framework of the restructuring process, the operating units in the Advertising and Paid Media segments were transferred to subsidiaries of TX Group AG.

Disclosures on the principles applied in the annual financial statements

Note 1

These annual financial statements of TX Group AG, Zurich were prepared in compliance with the provisions of the Swiss Accounting and Financial Reporting Act (Title 32 of the Swiss Code of Obligations).

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 up to 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.

Inventories
Inventories are measured at cost less a valuation allowance of up to 1/3 of the inventory value as permitted under tax law. Valuation allowances are made when the current cost is lower than the historic cost.

Financial assets
Non-current 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.

Note 2

Number of staff

The average annual number of staff is over 250 full-time employees for the period from 1 January to 31 December 2020 and for the equivalent period of the previous year.

Receivables and liabilities from/to investments

Note 3

in CHF 000	2020 Investments	2020 Third party	2020 Total
Total assets			
Trade accounts receivable	82	1 820	**1 902**
Other current receivables	150 471	15 088	**165 560**
Financial assets	75 327	14 197	**89 524**
Liabilities and shareholders' equity			
Trade accounts payable	544	2 731	**3 275**
Current interest-bearing liabilities	31 000	30	**31 030**
Other current payables	135 021	5 967	**140 988**
Non-current interest-bearing liabilities	93 316	1 456	**94 772**

in CHF 000	2019 Investments	2019 Third party	2019 Total
Total assets			
Trade accounts receivable	6 494	67 865	**74 359**
Other current receivables	34 356	7 826	**42 182**
Financial assets	39 342	7 360	**46 702**
Liabilities and shareholders' equity			
Trade accounts payable	8 073	9 465	**17 538**
Current interest-bearing liabilities	30 648	–	**30 648**
Other current payables	6 023	15 070	**21 094**
Non-current interest-bearing liabilities	159 823	1 741	**161 563**

Notes and disclosures on additional balance sheet items

Note 4

Financial assets

in CHF 000	2020	2019
Loans to subsidiaries	75 327	39 342
Loans to third parties	150	150
Total loans	**75 477**	**39 492**
Shares in other investments	13 780	6 476
Other non-current financial assets (Lykke Coins)	0	467
Blocked account subscription insurance	267	267
Total other financial assets	**14 047**	**7 210**
Total financial assets	**89 524**	**46 702**

Property, plant and equipment

in CHF 000	2020	2019
Fixtures and fittings	2 727	1 972
IT equipment	1 759	1 640
Plant and machinery	17 279	20 138
Other movable property, plant and equipment	4 441	1 504
Total movable property, plant and equipment	**26 205**	**25 254**
Buildings	55 325	58 518
Land	56 116	56 116
Installations and building fixtures	15 192	17 199
Tenant fittings	1 161	151
Total real estate	**127 794**	**131 984**
Total property, plant and equipment	**153 999**	**157 238**

Current interest-bearing liabilities

in CHF 000	2020	2019
Current account liabilities	3 030	30 648
Other current interest-bearing liabilities	28 000	–
Total current interest-bearing liabilities	**31 030**	**30 648**

Deferred revenues and accrued liabilities

in CHF 000	2020	2019
Subscriptions	(287)	71 243
Personnel	3 769	15 711
Direct taxes	–	2 352
Other accrued liabilities	11 134	15 334
Total deferred revenues and accrued liabilities	**14 616**	**104 641**

Non-current interest-bearing liabilities

in CHF 000	2020	2019
Loans	93 316	159 823
Other non-current interest-bearing liabilities	1 456	1 741
Total non-current interest-bearing liabilities	**94 772**	**161 563**

Voluntary retained earnings

in CHF 000	2020	2019
Balance as of 1 January	**853 742**	**837 333**
Withdrawal/Allocation from appropriation of net income	66 226	17 056
Price loss realised on treasury shares	(372)	(647)
Balance as of 31 December	**919 597**	**853 742**

Realised price losses from the use of treasury shares have been recognised under Voluntary retained earnings without affecting net income.

Notes and disclosures on income statement items

Note 5

Other operating revenue and other income

in CHF 000	2020	2019
Management fees	80 779	74 810
Transport revenues	4	27 959
Revenue from real-estate	32 313	5 532
Change in provisions for doubtful accounts	5 253	611
Other operating revenue	3 366	7 197
Total other operating revenue and other income	**121 714**	**116 108**

Other operating expenses

in CHF 000	2020	2019
Distribution and sales expenses	(14 582)	(64 453)
Advertising and PR expenses	(2 855)	(21 199)
Rent, lease payments and licences	(7 983)	(7 135)
Management fees	(22 049)	(5 760)
Other operating expenses	(23 464)	(30 096)
Total other operating expenses	**(70 932)**	**(128 643)**

Financial result

in CHF 000	2020	2019
Interest income	1 997	2 399
Revenue from investments	53 084	46 859
Gain from sale of investments	–	203 477
Other financial income	1 528	1 408
Total financial income	**56 610**	**254 141**
Interest expense	(1 552)	(4 159)
Impairment on financial assets	(466)	(1 537)
Impairment on investments	(34 644)	(150 462)
Loss from the sale of investments	(27 642)	(6 319)
Other financial expenses	(1 722)	(3 447)
Total financial expenses	**(66 026)**	**(165 924)**
Total financial result	**(9 417)**	**88 217**

Net reversal of hidden reserves

Note 6

in CHF 000	2020	2019
Material net reversal of hidden reserves	7 639	–

Direct and indirect investments

Note 7

The direct and indirect investments held by TX Group AG are disclosed in Note 37 to the consolidated financial statements.

In addition, substance dividends amounting to CHF 228.0 million were distributed to TX Group AG by subsidiaries in the previous year, and CHF 117.1 million in substance withdrawals were recognised in the subsidiaries (no substance dividends and substance withdrawals in 2020).

Note 8

Annual impairment testing of investments and loans

As of 31 December 2020, 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 no valuation allowance for the loans. With regard to the investments, the analysis led to a valuation allowance of CHF 34.4 million (previous year: CHF 27.3 million).

Note 9

Treasury shares

	2020		2019	
	number	in CHF 000	number	in CHF 000
Balance as of 1 January	9 266	914	25 609	3 579
Acquisition of treasury shares	16 241	1 475	9 266	914
Sale of treasury shares	(21 081)	(2 062)	(25 609)	(3 579)
Balance as of 31 December	**4 426**	**327**	**9 266**	**914**

Treasury shares were sold in connection with the profit participation programme for the Management Board (see Note 39 to the consolidated financial statements).

Note 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 000	2020	2019
Liabilities from leases equivalent to purchase agreements	178	50
Liabilities from fixed rental contracts	23 233	12 340

Note 11

Liabilities to employee benefit funds

in CHF 000	2020	2019
Liabilities to employee benefit funds	55	261

Note 12

Total amount of subordinated claims on borrowings

in CHF 000	2020	2019
Subordinated claims in favour of investments	30 520	16 581
Subordinated claims in favour of thirds	1 061	1 091

Note 13

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

in CHF 000	2020	2019
Securities	267	267
Total	**267**	**267**

Note 14

Contingent liabilities

TX Group, 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.

A letter of comfort in the amount of CHF 3.0 million has been issued for the benefit of a domestic subsidiary in order to hedge against any possible financial shortfall.

Shares and options for corporate bodies and staff

Note 15

	2020		2019	
	number	in CHF 000	number	in CHF 000
Shares allocated during financial year to members of the Management Board	–	–	4 014	376

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

Shareholdings of the Board of Directors and Group Management or the Management Board

Note 16

The disclosure of compensation in accordance with the Ordinance Against Excessive Compensation in Listed Stock Corporations can be found in the compensation report. Information on the shareholdings of the Board of Directors and Group Management or the Management Board is also disclosed below in accordance with the provisions of the Swiss Code of Obligations Art. 663c.

Board of Directors

No. of shares	2020 Shares owned	2020 Total shares [1] owned including those held by related parties	2019 Shares owned	2019 Total shares [1] owned including those held by related parties
Pietro Supino	33 338	1 439 160	33 338	1 439 160
Pascale Bruderer	–	–	n.a.	n.a.
Marina de Planta	–	–	–	–
Martin Kall	–	–	–	–
Pierre Lamunière	2 000	3 804	2 000	3 804
Sverre Munck	–	–	–	–
Konstantin Richter	16 229	726 295	16 229	726 295
Andreas Schulthess	200	1 256 633[2]	200	1 256 633[2]
Christoph Tonini	37 698	37 698	n.a.	n.a.

1 Including rights of usufruct and benefits
2 The stock includes the 586,022 registered shares with rights of usufruct owned by Annette Coninx Kull. The usufructuary rights expired with the passing of Annette Coninx Kull in February 2021.

Group Management or Management Board

No. of shares	2020 Shares owned	2020 Total shares owned including those held by related parties	2019 Shares owned	2019 Total shares owned including those held by related parties
Pietro Supino [1]	–	–	–	–
Christoph Tonini [1]	–	–	23 444	23 444
Christoph Brand	–	–	4 848	4 848
Michi Frank	–	–	–	–
Samuel Hügli	700	700	700	700
Marcel Kohler	–	–	2 935	2 935
Sandro Macciacchini	6 459	6 459	5 687	5 687
Serge Reymond	–	–	–	–
Andreas Schaffner	–	–	6 722	6 722

1 The shareholdings of Pietro Supino and Christoph Tonini are reported under shareholdings of the Board of Directors.

Note 17

Shareholdings of major shareholders

Name	2020 [1]	2019 [1]	2018 [1]
Dr. Severin Coninx, Berne	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.	11.85%[3]	11.85%[3]	11.85%[3]
Ellermann Lawena Stiftung, FL-Vaduz	6.87%	6.87%	6.87%
Ellermann Pyrit GmbH, Stuttgart, Germany	4.31%	4.31%	4.31%
Ellermann Rappenstein Stiftung, FL-Vaduz	5.86%	5.86%	5.86%
Other members of the shareholders' agreement	2.14%[4]	2.14%	2.14%
Total members of the shareholders' agreement	**69.10%**	**69.10%**	**69.11%**
Tweedy Browne Company LLC	**4.66%**	**4.73%**	**4.51%**
Regula Hauser-Coninx, Weggis	**4.63%**	**4.63%**	**4.63%**
Montalto Holding AG, Zug	1.83%	1.83%	1.83%
Epicea Holding AG, Zug	1.42%	1.42%	1.42%
Other members of the shareholders' group	0.69%	0.69%	0.69%
Total members of the shareholders' group Reinhardt-Scherz	**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 of usufruct in relation to 586,021 registered shares owned by Fabia Schulthess (Zurich) and rights of usufruct in relation to 586,022 registered shares owned by Andreas Schulthess (Wettswil). The usufructuary rights expired with the passing of Annette Coninx Kull in February 2021.
4 The other members of the shareholders' agreement comprise the following persons:
Pietro Calcagni
Prof. Dr. Anna Coninx Mona
Caspar Coninx
Christoph Coninx
Claudia Isabella Coninx-Kaczynski
Franziska Nicolasina Coninx
Martin Coninx
Salome Coninx
Luca Kaczynski
Antonia Kaestner
Dr. Franziska Kaestner-Richter
Antje Landshoff-Ellermann
Saskia Landshoff
Konstantin Richter
Sabine Richter-Ellermann
Fabia Schulthess
Andreas Schulthess
Dr. Anna P. Supino Calcagni
Dr. Pietro Supino

Note 18

Important events after the balance sheet date

See Note 40 to the consolidated financial statements.

The Board of Directors' proposed appropriation of available earnings

For the 2020 financial year, the Board of Directors will recommend to the Annual General Meeting of 9 April 2021 that no dividend shall be distributed. In the previous year, the Annual General Meeting decided in favour of the proposal of the Board of Directors, resolving to distribute a dividend of CHF 3.50 per share.

in CHF 000	2020	2019
At the disposal of the General Meeting		
Balance brought forward	–	–
Net income / (loss)	2 925	103 282
Retained earnings	**2 925**	**103 282**
Motion of the Board of Directors		
Retained earnings	**2 925**	**103 282**
Dividend payment	–	(37 100)
Allocation to voluntary retained earnings	(2 925)	(66 182)
Balance to be carried forward	**–**	**–**

Zurich, 2 March 2021

On behalf of the Board of Directors

Chairman
Pietro Supino

Head of Finances & Human Resources
Sandro Macciacchini

Report of the statutory auditor

to the General Meeting of TX Group AG

Zürich

Report on the audit of the financial statements

Opinion

We have audited the financial statements of TX Group AG, which comprise the balance sheet as at 31 December 2020, income statement and notes to the annual financial statements for the year then ended, including a summary of principals applied in the financial statements.

In our opinion, the financial statements pages 113 to 122 as at 31 December 2020 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 Auditing Standards. 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 entity 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 6'000'000

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 entity, the accounting processes and controls, and the industry in which the entity operates.

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

- Valuation of investments in 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 6'000'000
How we determined it	0.5% of total assets
Rationale for the materiality benchmark applied	We chose total assets as the benchmark 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 600'000 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.

Report on key audit matters based on the circular 1/2015 of the Federal Audit Oversight Authority

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 in and loans to subsidiaries

Key audit matter	How our audit addressed the key audit matter
As at 31 December 2020, TX Group AG has investments in subsidiaries in the amount of CHF 885.5 million and loans to subsidiaries of CHF 75.3 million. An impairment of investments in subsidiaries of CHF 34.4 million was recognized in 2020. Investments are measured individually at cost less impairment. Loans to subsidiaries are measured at their nominal value less impairment. To test investments in and loans to subsidiaries for impairment, the carrying values are compared with the recoverable amount. The recoverable amount is calculated as the value-in-use from the present value of the future cash flows. Calculating the value-in-use requires assumptions to be made to determine the cash flows, especially regarding future growth of revenue and cost. Other assumptions relate to the determination of the discount rate that is applied to the forecast cash flows. Management has a defined process in place to make its forecasts for the separate business divisions. The Board of	We performed the following specific audit procedures: • We assessed, with the support of an internal valuation expert, the appropriateness of the valuation model and checked it for logical consistency and mathematical correctness. • We compared the business results in 2020 with the forecasts made in 2019. This allowed us to assess with hindsight the accuracy of the estimates made by Management. • We compared the assumptions concerning the long-term growth with economic and industry-specific forecasts. • We compared the discount rates with the costs of capital of the Group and of analogous media companies. As a result of our procedures, we did not propose any adjustments to the amount of impairment recognized in 2020. For investments in and loans to subsidiaries where management determined that no impairment was required, we

Directors monitors this process and assesses whether the assumptions used are in line with the business plans that it has approved. Please refer to the note 8 - pages 119 (Notes to the annual financial statements of TX Group AG).	found that the assessments made by management were based upon reasonable assumptions, consistently applied.

Responsibilities of the Board of Directors for the financial statements

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

In preparing the financial statements, the Board of Directors is responsible for assessing the entity'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 entity 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 Swiss Auditing Standards 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 Swiss Auditing Standards, we exercise professional judgment 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 entity'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 entity'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 entity 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 to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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 Swiss Auditing Standard 890, we confirm that an internal control system exists which has been designed for the preparation of financial statements according to the instructions of the Board of Directors.

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

PricewaterhouseCoopers AG

Patrick Balkanyi	Christian Jäger
Audit expert Auditor in charge	Audit expert

Zürich, 02 March 2021

Compensation Report

Content and method of determining compensation and shareholding programmes

TX Group restructuring

As of 1 January 2020, a decentralised organisational structure was formed under the umbrella of the TX Group comprising four largely self-contained companies. The Compensation Report was therefore modified in line with the new organisational structure. The disclosures for the financial year comprise the compensation for the Board of Directors and the Group Management Board. Information on compensation was disclosed in the 2019 financial year in line with the previous organisational structure.

Governance

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 determined within the framework of the compensation policy and principles defined by the Board of Directors and based on recommendations to the Board of Directors by the Chairman of the Group Management Board. Any significant amendments to existing compensation models are made with the help of external consultants. The compensation principles are based on Articles 26 to 29 of the Articles of Incorporation[1] of TX Group AG.

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 Group Management
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. The 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. The salary policy is also formulated in line with business development at the TX Group and macro-economic indicators. If necessary, benchmarks are created in cooperation with specialised consulting firms and then utilised to design compensation components.

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

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.

Chairman and Publisher of the TX Group

In addition to duties relating to the Chairmanship of the Board of Directors, the responsibilities of the Chairman and Publisher include the performance of the task of publisher and Chairman of the Group Management Board of the TX Group. The Chairman serves as both the Chairman of the Board of Directors of TX Group AG and Chairman of the Boards of Directors of the direct subsidiaries of TX Group AG. The Chairmanship is designed as a full-time role so as to avoid any conflict of interest with other mandates. 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.

Advisory Board for Media Technology and Innovation

Compensation paid to members of the Advisory Board for Media Technology and Innovation consisted of a fixed annual fee in 2019. Expenses were reimbursed according to the actual costs incurred. Within the framework of the new corporate structure, the Advisory Board for Media Technology and Innovation was dissolved with effect from 1 January 2020.

Compensation of members of Group Management in 2020

Compensation paid to the members of Group Management in 2020 was made up of a fixed amount and a variable component comprising group management profit participation and profit participation.

Overview of compensation components

	Purpose	Basis	Type of compensation
Fixed compensation	Attraction and retention	Position, qualification, experience	Monthly cash payment
Profit participation for managers (STI)	Promotion of an entrepreneurial approach	Group financial targets and strategic and other targets	Annual cash payment
Share of profits for Group Management (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

Fixed component

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 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 in 2020 (STI)

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

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

in CHF		Targets			
Sample annual salary	Profit participation for managers as a % of annual salary	80% share Group financial targets Target achievement	20% share strategic targets Target achievement	Pay-out rate	Sample profit participation for managers
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 the proportion of the target that exceeds a specific hurdle, whereby there is no upper limit. The expected proportion of the target above the hurdle is normally defined and communicated by the Board of Directors of the Group 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 2020 financial year, 52 per cent of the expected value was achieved.

Group Management profit participation in 2020 (LTI)

The current profit participation programme is valid for 2020 only. 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 the 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 the 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.

Group Management will not receive any profit participation payments for the 2020 financial year.

Contracts for members of Group Management

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

Compensation of members of the Management Board in 2019

Compensation paid to the members of the Management Board was made up of a fixed amount and a variable component comprising management profit participation and profit participation.

Performance bonus in 2019

The performance bonus amounted to 22.5 per cent of the fixed component for members of the Management Board (except for the CEO of the Goldbach Group), 33.75 per cent for the Deputy CEO and 45 per cent for the CEO. Payment was made if the net income of the Tamedia Group reached or exceeded 4 per cent of revenues (hurdle). So achievement was measured in relation to an expected value defined for the portion of net income in excess of the hurdle. The Board of Directors defined this expected value each year at the request of the CEO and in consultation with the Compensation Committee. The performance bonus was 100 per cent achieved if the portion of net income in excess of the hurdle matched the expected value. No upper limit was applied (in terms of the amount paid out). In the 2019 financial year, 97.39 per cent of the expected value was achieved.

For the performance bonus paid to the CEO of the Goldbach Group, a continuation of the previous remuneration system up until the end of 2020 was agreed upon in the context of the acquisition of Goldbach. The performance bonus was based on the Goldbach Group's compensation model and was structured so as to amount to 83 per cent of the CEO's fixed component if targets were met. He was only entitled if he exceeded 80 per cent of the target. If 80 per cent or less of the target was achieved, there was no entitlement in respect of the relevant target. The performance bonus was capped at 140 per cent in accordance with the Goldbach Group's compensation regulations. For measurement purposes, half (i.e. 41.5 per cent) of the performance bonus was based on net income in excess of the hurdle for the Tamedia Group and the other half was based on net income in excess of the hurdle for the Goldbach Group. These targets and their weightings were set by the Board of Directors of Tamedia AG on behalf of the Nomination and Compensation Committee.

The CEO of the Goldbach Group also participated in a long-term incentive plan (LTIP) for selected members of Goldbach Group management. The amount due under the LTIP comprised the following two components in 2019:

– 6.4 per cent of the Goldbach Group's net profit attributable to shareholders of Goldbach Group AG
– 25 per cent of the increase in adjusted net profit from 2018 to 2019

The Board of Directors of the Goldbach Group took the sum calculated in this way and used an allocation matrix to allocate amounts due in the accounting year in which the entitlement was acquired. Amounts due were paid out in cash. 70 per cent of the amounts due to Swiss employees and 60 per cent of those due to foreign employees was blocked for three years (from the date of allocation). The remaining 30 and 40 per cent respectively was not subject to any such qualifying period. Blocked amounts due were only paid out 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 amount was acquired. Amounts due were calculated in accordance with the following principles in particular:

– Only the net profit attributable to shareholders of Goldbach Group AG was relevant.
– The difference over three years determines the amounts due. No allocations were made if net income had decreased.
– Only an entitlement to a share of the LTIP could secure an annual allocation.
– The proportion of the bonus due to members of the Management Board plus the variable salary components was not allowed to exceed the upper limit for the performance bonus.

A certain amount, to the value CHF 0.4 million, of the LTIP entitlements payable to the CEO of the Goldbach Group for the 2019 financial year was recognised on a pro rata basis (since the acquisition of the Goldbach Group by Tamedia) in the Compensation Report. 70 per cent of this is blocked for three years.

Profit participation in 2019 (participation programme for members of the Management Board)
Members of the Management Board were entitled to participate as of their second year of service. A payment was made when the profit margin (net income in relation to revenues) reported by the Tamedia Group was or exceeded 8.0 per cent. A profit participation, which was determined in each case, was 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 was paid out after the publication of the consolidated financial statements of Tamedia. The shares were allocated in the accounting year in which entitlement was acquired. The number of shares to be allocated was determined based on the average share price over the last 30 days before 31 December of the respective financial year. The shares were only transferred if the beneficiary had 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 2019 financial year, the Management Board was granted a profit participation of CHF 0.72 million, with CHF 0.36 million being for the shares allocated.

As part of the profit participation programme of the Management Board, 25,609 treasury shares were issued in 2019 for the 2015 financial year to the members of the Management Board. Measured in terms of market value on the allocation date, the total value of these shares is CHF 4.4 million.

Pension benefits and insurance, expenses and non-monetary benefits

Members of Group Management or the Management Board are insured against old age, death and disability in accordance with the prevailing social insurance legislation.

Members of Group Management are insured under two pension schemes here. The benefits offered are designed to ensure sufficient cover for the insured individuals and their family members upon retirement, as well as adequate cover in the event of disability or death. The members of Group Management or the Management Board participate in the pension fund that is available to all employees in Switzerland, and they are also covered by a management pension fund. Annual income of up to CHF 853,200 is insured via these insurance solutions. The contributions, which are paid in equally by the employer and the employee, vary depending on the age of the individual in question. Employees can choose a plan in which their savings contributions are lower than those of their employer. The benefits offered by the TX Group exceed what is legally required in accordance with the Swiss Federal Law on Occupational Old-Age, Survivors' and Disability Benefits (BVG).

Members of the Board of Directors and Group Management or the Management Board 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. The TX Group does not provide company cars to the members of Group Management or the Management Board, with one exception (in the previous year with one exception). 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 and Group Management or the Management Board.

Compensation of the Board of Directors, the Advisory Board and Group Management or the Management Board

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, the Advisory Board and the Management Board.

Total compensation paid to the Board of Directors, the Advisory Board and Group Management or the Management Board

in CHF 000	Directors [1]	Advisory Board Digital	Group Management	Total
2020				
Number of members per balance sheet date	8.0	–	3.0	**11.0**
Annual average of members	7.2[2]	–	3.5[3]	**10.7**
Fees/salaries	2 125	–	1 458	**3 583**
Profit participation for managers and share of profits for Group Management paid in cash	–	–	500	**500**
Share of profits for Group Management paid in shares 2020 [5]	–	–	–[6]	**–**
Pension and social security contributions	226	–	382	**608**
Expense reimbursements	114	–	56	**170**
Non-monetary payments	–	–	–	**–**
Other compensation	–	–	–	**–**
Total	**2 464**	**–**	**2 396**	**4 860**

2019	Directors	Advisory Board Digital	Management Board	Total
Number of members per balance sheet date	7.0	3.0	8.0	**18.0**
Annual average of members	7.0[4]	3.0	8.0	**18.0**
Fees/salaries	2 060	60	4 304	**6 425**
Performance bonus and share of profits paid in cash	–	–	2 428	**2 428**
Share of profits paid in shares 2019 [5]	–	–	365[6]	**365**
Pension and social security contributions	231	–	1 280	**1 511**
Expense reimbursements	108	–	176	**284**
Non-monetary payments	–	–	–	**–**
Other compensation	–	–	–	**–**
Total	**2 399**	**60**	**8 553**	**11 012**

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:
Pascale Bruderer since 3 April 2020
Christoph Tonini since 1 July 2020
Marina de Planta until 3 April 2020
3 For the determination of the annual average number of members, entries and exits are the relevant criteria:
Christoph Tonini until 30 June 2020
4 For the determination of the annual average number of members, entries and exits are the relevant criteria:
Andreas Schulthess since 5 April 2019
Martin Coninx until 5 April 2019
5 See information on the share in profits of the Group Executive Board 2020 and the share in profits programme 2019.
6 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 39 of the consolidated financial statements.

Compensation paid to the Board of Directors[1]

in CHF 000	Fees/ salaries[1]	Profit participation for managers and share of profits for Group Management	Pension and social security contributions	Expense reimbursements	Other compensation	**Total**
2020						
Pietro Supino	1 464	–	204	36	–	**1 704**
Martin Kall	100	–	5	12	–	**117**
Pascale Bruderer	75	–	2	9	–	**86**
Marina de Planta	25	–	7	3	–	**35**
Pierre Lamunière	100	–	7	12	–	**119**
Sverre Munck	100	–	–	12	–	**112**
Konstantin Richter	100	–	–	12	–	**112**
Andreas Schulthess	100	–	–	12	–	**112**
Christoph Tonini	60	–	–	6	–	**66**
Total	**2 125**	**–**	**226**	**114**	**–**	**2 464**
2019						
Pietro Supino	1 460	–	202	36	–	**1 698**
Martin Coninx	25	–	2	3	–	**30**
Marina de Planta	100	–	7	12	–	**119**
Martin Kall	100	–	–	12	–	**112**
Pierre Lamunière	100	–	5	12	–	**117**
Sverre Munck	100	–	1	12	–	**113**
Konstantin Richter	100	–	7	12	–	**119**
Andreas Schulthess	75	–	6	9	–	**90**
Total	**2 060**	**–**	**231**	**108**	**–**	**2 399**

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

Additional fees and compensation

In the reporting year, the TX Group paid compensation for rent for office premises totalling CHF 3.2 million (previous year: CHF 3.0 million) to Groupe Edipresse, over which Pierre Lamunière exerts a significant influence.

Shares owned by members of the Board of Directors

No. of shares	2020 Shares owned	2020 Total shares owned including those held by related parties[1]	**2019 Shares owned**	**2019 Total shares owned including those held by related parties**[1]
Pietro Supino	33 338	1 439 160	33 338	1 439 160
Pascale Bruderer	–	–	n.a.	n.a.
Marina de Planta	–	–	–	–
Martin Kall	–	–	–	–
Pierre Lamunière	2 000	3 804	2 000	3 804
Sverre Munck	–	–	–	–
Konstantin Richter	16 229	726 295	16 229	726 295
Andreas Schulthess	200	1 256 633[2]	200	1 256 633[2]
Christoph Tonini	37 698	37 698	n.a.	n.a.

1 Including rights of usufruct and benefits
2 The stock includes the 586,022 registered shares with rights of usufruct owned by Annette Coninx Kull. The usufructuary rights expired with the passing of Annette Coninx Kull in February 2021.

Compensation paid to the Advisory Board for Media Technology and Innovation

The Advisory Board for Media Technology and Innovation was dissolved with effect from 1 January 2020. No disclosure is therefore made for 2020. Compensation for 2019 is shown on page 132 in an overview of the total compensation paid to the Board of Directors, the Advisory Board and Group Management or the Management Board.

Shares owned by members of the Advisory Board for Media Technology and Innovation

The members of the Advisory Board for Media Technology and Innovation held no shares in 2019.

Compensation paid to Group Management in 2020

in CHF 000	Fees/salaries	Profit participation for managers and share of profits for Group Management	Pension and social security contributions	Expense reimbursements	Other compensation	**Total**
2020						
Pietro Supino [1]	–	–	–	–	–	**–**
Christoph Tonini [2]	516	376	121	11	–	**1 024**
Samuel Hügli	481	56	119	23	–	**679**
Sandro Macciacchini	461	67	141	23	–	**693**
Total	**1 458**	**500**	**382**	**56**	**–**	**2 396**

1 The compensation paid to Pietro Supino is reported under compensation paid to the Board of Directors.
2 Christoph Tonini's compensation is taken into account pro rata until 30.06.2020.

Highest compensation paid to a member of the Management Board in 2019

in CHF 000	**2019** [1]
Type of compensation	
Fees/salaries	1 031
Performance bonus and share of profits paid in cash	672
Share of profits paid in shares	177
Pension and social security contributions	237
Expense reimbursements	23
Total	**2 140**

1 Compensation paid to Christoph Tonini (Chief Executive Officer)

Share-based component of Group Management or the Management Board's profit participation

number	2020	2019
As of 1 January	32 960	54 555
Entitlements of members of the former Management Board no longer taken into account	(6 720)	–
Exercised	(20 251)	(25 609)
Forfeited	(1 030)	–
Allocated	–	4 014
As of 31 December	**4 959**	**32 960**
of which exercisable	2 156	7 101

in CHF/ number of shares	Allocation date	Blocked until	Fair value as of grant date	Fair value as of 31 December	Outstanding entitlements 2020	Outstanding entitlements 2019
	31.12.2016	31.12.2019	156.0	70.8	–	7 101
	31.12.2017	31.12.2020	138.0	70.8	2 156	11 413
	31.12.2018	31.12.2021	105.5	70.8	1 957	10 432
	31.12.2019	31.12.2022	93.7	70.8	846	4 014
	31.12.2020	31.12.2023	–	–	–	–

Shares owned by members of Group Management or the Management Board

No. of shares	2020 Shares owned	2020 Total shares owned including those held by related parties	2019 **Shares owned**	2019 **Total shares owned including those held by related parties**
Pietro Supino [1]	–	–	–	–
Christoph Tonini [1]	–	–	23 444	23 444
Christoph Brand	–	–	4 848	4 848
Michi Frank	–	–	–	–
Samuel Hügli	700	700	700	700
Marcel Kohler	–	–	2 935	2 935
Sandro Macciacchini	6 459	6 459	5 687	5 687
Serge Reymond	–	–	–	–
Andreas Schaffner	–	–	6 722	6 722

1 The shareholdings of Pietro Supino and Christoph Tonini are reported under shareholdings of the Board of Directors.

Report of the statutory auditor

to the General Meeting of TX Group AG

Zürich

We have audited the remuneration report of TX Group AG for the year ended 31 December 2020. The audit was limited to the information according to articles 14–16 of the Ordinance against Excessive Compensation in Stock Exchange Listed Companies (Ordinance) contained in the tables on pages 127 to 135 of the remuneration report.

Board of Directors' responsibility

The Board of Directors is responsible for the preparation and overall fair presentation of the remuneration report in accordance with Swiss law and the Ordinance against Excessive Compensation in Stock Exchange Listed Companies (Ordinance). The Board of Directors is also responsible for designing the remuneration system and defining individual remuneration packages.

Auditor's responsibility

Our responsibility is to express an opinion on the accompanying remuneration report. We conducted our audit in accordance with Swiss Auditing Standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the remuneration report complies with Swiss law and articles 14–16 of the Ordinance.

An audit involves performing procedures to obtain audit evidence on the disclosures made in the remuneration report with regard to compensation, loans and credits in accordance with articles 14–16 of the Ordinance. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatements in the remuneration report, whether due to fraud or error. This audit also includes evaluating the reasonableness of the methods applied to value components of remuneration, as well as assessing the overall presentation of the remuneration report.

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

Opinion

In our opinion, the remuneration report of TX Group AG for the year ended 31 December 2020 complies with Swiss law and articles 14–16 of the Ordinance.

PricewaterhouseCoopers AG

Patrick Balkanyi	Christian Jäger
Audit expert Auditor in charge	Audit expert

Zürich, 02 March 2021

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Corporate Governance

Group structure and shareholders

Group structure
The Group's operational structure is shown on page 10 of the Annual Report.

The scope of consolidation includes the following listed company:

Name:	TX Group Ltd (formerly Tamedia AG), Zurich
Location of registration:	SIX Swiss Exchange, Switzerland
	listed since 2 October 2000
Market capitalisation:	see section "Capital structure"
Treasury shares (as of 31 December 2020):	4,426
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 37 of the consolidated financial statements (pages 102 to 104).

Significant shareholders
Significant shareholders and significant groups of shareholders and their holdings in the TX Group, to the extent known to the 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	2020 [1]	2019 [1]	2018 [1]
Dr. Severin Coninx, Berne	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.	11.85%[3]	11.85%[3]	11.85%[3]
Ellermann Lawena Stiftung, FL-Vaduz	6.87%	6.87%	6.87%
Ellermann Pyrit GmbH, Stuttgart, Germany	4.31%	4.31%	4.31%
Ellermann Rappenstein Stiftung, FL-Vaduz	5.86%	5.86%	5.86%
Other members of the shareholders' agreement	2.14%[4]	2.14%	2.14%
Total members of the shareholders' agreement	**69.10%**	**69.10%**	**69.11%**
Tweedy Browne Company LLC	**4.66%**	**4.73%**	**4.51%**
Regula Hauser-Coninx, Weggis	**4.63%**	**4.63%**	**4.63%**
Montalto Holding AG, Zug	1.83%	1.83%	1.83%
Epicea Holding AG, Zug	1.42%	1.42%	1.42%
Other members of the shareholders' group	0.69%	0.69%	0.69%
Total members of the shareholders' group Reinhardt-Scherz	**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 of usufruct in relation to 586,021 registered shares owned by Fabia Schulthess (Zurich) and rights of usufruct in relation to 586,022 registered shares owned by Andreas Schulthess (Wettswil). The usufructuary rights expired with the passing of Annette Coninx Kull in February 2021.
4 The other members of the shareholders' agreement comprise the following persons:
Pietro Calcagni
Prof. Dr. Anna Coninx Mona
Caspar Coninx
Christoph Coninx
Claudia Isabella Coninx-Kaczynski
Franziska Nicolasina Coninx
Martin Coninx
Salome Coninx
Luca Kaczynski
Antonia Kaestner
Dr. Franziska Kaestner-Richter
Antje Landshoff-Ellermann
Saskia Landshoff
Konstantin Richter
Sabine Richter-Ellermann
Fabia Schulthess
Andreas Schulthess
Dr. Anna P. Supino Calcagni
Dr. Pietro Supino

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

In conjunction herewith, the following central features of the shareholders' agreement of the founding family are also made available to the public:

- 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 as of the date of registration for a period of eight years, and was extended in 2008 until 2017. During the course of 2015 the founding family of the TX Group renewed its shareholders' agreement, which was due to expire in 2017, early and for an indefinite period.
- Among other things, the pool agreement serves the purpose of coordinating the exercise of the voting rights of 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 the approval of shareholders, such as determining dividends.
- Pool shareholders are notified in advance of any other issues to be brought before the shareholders at the Annual General Meeting. If two thirds of the voting rights represented by the pool shareholders are cast for any such issue at a meeting of pool shareholders, the pool shareholders must unanimously vote in favour of this issue at the General Meeting. Otherwise, pool members are at liberty to exercise their voting rights as they choose.

- The agreement does not relate to matters which lie within the responsibility of the Board of Directors or Group Management of the 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 the 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 the 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.

The Reinhardt-Scherz group of shareholders consists of Erwin Reinhardt, Muri, and Franziska Reinhardt-Scherz, Muri, and the entities under their control, Montalto Holding, Zug, and Epicea Holding AG, Zug.

The persons united in this group of shareholders jointly hold an investment of 417,342 registered shares of TX Group AG or 3.94 per cent of the share capital.

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	2020	2019	2018
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 47 of the consolidated financial statements.

Registered shares

number		2020	2019	2018
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		10 595 574	10 590 734	10 574 391
Total number of voting rights		10 595 574	10 590 734	10 574 391
Number of outstanding shares (weighted average)		10 588 338	10 597 181	10 582 947
Number of treasury shares (as of balance sheet due date)		4 426	9 266	25 609

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 41.

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 is provided in the Annual Report on pages 6 to 7.
Article 31 of the Articles of Incorporation[1] regulates the number of other functions permitted.

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	2021		
Martin Kall	Vice-Chairman	2013	2021		C
Pascale Bruderer	Member	2020	2021	M	
Pierre Lamunière	Member	2009	2021		M
Sverre Munck	Member	2018	2021	C	
Konstantin Richter	Member	2004	2021	M	
Andreas Schulthess	Member	2019	2021		M
Christoph Tonini	Member	2020	2021		

C: Committee chairman
M: Member

1 The period of office of all members of the Board of Directors ends at the next Annual General Meeting on 9 April 2021.

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

Lead Director

If the Chairman of the Board of Directors is appointed as Chairman of Group Management Board, the Board of Directors shall designate someone from within its ranks – the Vice Chairman or another, non-executive member – to serve as Lead Director, to whom the Chairman of Group Management Board reports.

Authorities

The Board of Directors is responsible for defining the Group strategy. It reviews the Company's fundamental plans and objectives and identifies external risks and opportunities. The risks are explained in Note 34 of the consolidated financial statements (pages 96 to 99). The authorities and responsibilities of the Board of Directors and its committees, as well as the schedule of approval authorities with respect to the Management Board, are laid down in the Internal Governance Rules, which can be viewed online at www.tx.group[1]. These include, in particular, the supervisory and control functions for the Board of Directors with the direct support of external parties, as well as the ongoing and comprehensive provision of information for all members of the Board.

The Board of Directors is also responsible for overseeing and monitoring Group Management. Group Management informs the Board of Directors during its regular meetings and upon special request with regard to the business developments and the Group's planned activities. Also in attendance at these meetings are the Chairman of Group Management Board as well as other members of Group Management and other executive members of staff for business matters of relevance to them.

The full Board of Directors is informed by means of monthly written reports with regard to the consolidated monthly financial statements, business developments within the individual divisions and any further relevant business issues. Each quarter, all members of the Board of Directors are provided with written information on the development of the market share and every six months a report is sent with explanations to the semi-annual and annual financial statements. In addition, the Board of Directors also receives the minutes of meetings held by Group Management as well as of those held by the two committees of the Board of Directors. The Chairman of Group Management Board also informs the Chairman of the Board of Directors and/or the Lead Director on a regular basis with regard to any incidents of particular significance.

Passing resolutions

The Board of Directors constitutes a quorum when the majority of its members are present. It makes decisions based on a majority vote of the members present. 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	Duration (hours)
Directors	4[1]	10:00
Compensation Committee	5	2:25
Audit Committee	5	2:00

1 One was a two-day retreat. In addition, five video conferences (1.5 hours per VC) were held (four due to Covid-19)

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

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 make any binding decisions, but instead report to the Board of Directors as a whole, submit proposals for decisions 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 mostly 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 with the general compensation system including profit participation.

The committee comprises three to four 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 Chairman of Group Management Board 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 their 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 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 Group Management and their other functions and business interests is provided in the Annual Report on pages 8 to 9. Article 31 of the Articles of Incorporation[1] regulates the number of other functions permitted.

Management contracts

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

Compensation, shareholdings and loans

Information on compensation, shareholdings and loans granted to the Board of Directors, the Advisory Board for Media Technology and Innovation and Group Management can be found in the Compensation report on pages 127 to 135.

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 makes 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 the TX Group's normal publications (see further information in section "Information policy" on page 147).

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.

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

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.

Audit fee

The fees for the audit of the consolidated financial statements and the separate financial statements total CHF 1.0 million (previous year: CHF 0.8 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 financial services and IT advisory services amounted to CHF 0.1 million. Fees amounting to CHF 0.1 million had been incurred in the previous year for additional financial services and IT advisory services.

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

Information policy and ad-hoc publicity requirements

The 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 48 to 59).

An agenda including the date of the General Meeting and the date of publication of the half-year report can be found on page 41.

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

As a listed company, the 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, the TX Group also provides information regularly on current changes and developments.

For more detailed information on the company, visit the website at 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.

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[1] https://tx.group/articles-of-incorporation

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