Annual Report 2021
TX Group

Key figures

in CHF mn		2021	2020	Change [1]
Income statement				
Revenues		957.4	935.8	2.3%
Operating income / (loss) before depreciation and amortisation (EBITDA)		177.7	130.6	36.0%
Margin [2]		18.6%	14.0%	4.6 %p
Operating income / (loss) before effects of business combinations (EBIT b. PPA)		127.9	83.3	53.5%
Margin [2]		13.4%	8.9%	4.5 %p
Operating income / (loss) (EBIT)		63.3	(70.9)	n.a.
Margin [2]		6.6%	–7.6%	14.2 %p
Net income / (loss) (EAT)		832.7	(94.6)	n.a.
Margin [2]		87.0%	–10.1%	97.1 %p
Segment share of total revenues with third parties				
TX Markets		21.4%	21.3%	0.1 %p
Goldbach		12.4%	11.5%	0.9 %p
20 Minuten		12.1%	11.1%	1 %p
Tamedia		46.3%	47.9%	–1.6 %p
Group & Ventures		7.8%	8.2%	–0.4 %p
Employee key data				
Number of employees (FTE) [3]		3 627	3 632	–0.1%
Revenue per employee	in CHF 000	264.0	257.6	2.5%
Balance sheet				
Current assets		859.0	606.1	41.7%
Non-current assets		2 904.4	2 145.6	35.4%
Total assets as of 31 December		3 763.4	2 751.6	36.8%
Liabilities		783.3	755.2	3.7%
Equity		2 980.1	1 996.4	49.3%
Cash flow				
Cash flow from (used in) operating activities		160.6	128.1	25.3%
Cash flow after investing activities		66.2	(11.8)	n.a.
Cash flow after investing activities in property, plant and equipment and intangible assets (FCF b. M&A)		130.1	94.5	37.8%
Cash flow after investing activities (FCF)		226.8	116.3	95.0%
Cash flow (used in) financing activities		(65.6)	(131.4)	–50.0%
Change in cash and cash equivalents		160.3	(15.0)	n.a.
Financial key data				
Equity ratio [4]		79.2%	72.6%	6.6 %p
Return on equity [5]		27.9%	4.5%	23.4 %p
Net debt / (net liquidity) [6]		(302.8)	(182.9)	65.6%
Debt factor [7]	x	–	–	n.a.
Key figures per share				
Net income / (loss) per share (undiluted)	in CHF	75.68	(10.61)	n.a.
Dividends per share	in CHF	7.40 [8]	–	n.a.
Dividend yield [9]		4.7%	0.0%	4.7 %p
Price/earnings ratio [9]	x	2.1	(6.7)	n.a.
Share price	in CHF	156.40	70.80	120.9%
Market capitalisation		1 656.9	750.1	120.9%

1 No indication is given for changes in comparative variables with different signs (n.a.). The change in relative values (e.g. margins) is given in percentage points (%p).
2 As a percentage of revenue
3 Average number of employees, excluding employees in associates / joint ventures
4 Equity to total assets
5 Net income / (loss) including non-controlling interests to shareholders' equity as of 31.12.
6 Current and non-current financial liabilities less cash and cash equivalents
7 Net debt to cash flow from/(used in) operating activities
8 According to the proposal of the Board of Directors
9 Based on year-end price

Dr. Pietro Supino,
Chairman & Publisher

Dear Shareholders
The unexpected outbreak of the coronavirus pandemic at the beginning of 2020 also impacted the 2021 financial year. Initial hopes arose during the second half of 2020 for an upcoming normalization of the situation, and the budgets for 2021 were accordingly planned with confidence. Unfortunately, the healthcare crisis continued in waves and to weigh on every-day life. In parallel, the general economic situation developed surprisingly strong.

The defining event with historical significance for our Group last year was the establishment of the SMG Swiss Marketplace Group. The merger of the TX Markets platforms Ricardo, tutti.ch, Homegate as well as Car For You with ImmoScout24, AutoScout24, MotoScout24, FinanceScout24 and anibis.ch has created a strong Swiss digital company. The shareholder base is made up of TX Group, Mobiliar and Ringier, as well as the globally active growth investor General Atlantic. To enable the entry of General Atlantic, TX Group sold 10 per cent of its share capital to it. With a 31 per cent stake, TX Group remains the largest single shareholder in the joint venture, aiming for an IPO in the medium term.

The partnership is the achievement of a long process and a major step for all parties involved. It offers a promising perspective for Switzerland as a business location in an increasingly competitive international market. The merger seeks to stimulate the growth of the digital marketplaces by increasing the relevance of its services for users as a key driver for its success. This will enable greater efficiency to be offered to business customers. Collectively, greater investment in product development is made possible, which in turn increases the company’s attractiveness as an employer.

The merger will result in a high book profit and a strong increase in total assets and cash and cash equivalents. As previously announced, the Board of Directors will propose a special dividend of 4.20 Swiss francs per share from this in 2022, 2023 and 2024.

With organic sales growth of 6 per cent, we can look back on the 2021 financial year with satisfaction. Above all, we can be proud of the performance of our employees and management. With our busy digital platforms and our traditional newspapers and magazines, they have contributed to the functioning of society and the well-being of the population in a difficult time. On behalf of the Board of Directors and the Group Management, I would like to take this opportunity to thank and express our appreciation to all our colleagues for their great commitment, for their quality awareness, and for their reliability!

I would also like to thank you, our shareholders, for your trust and your loyalty. After no dividend was paid for the crisis year 2020 and in context with the recovery of the operating business, the Board of Directors proposes the distribution of an ordinary dividend of 3.20 Swiss francs per share for the financial year 2021. This corresponds to around one-third of the free cash flow before the effects of business combinations and after dividends to minorities and, together with the special dividend, results in a total dividend of 7.40 Swiss francs per share.

After the eventful year 2021, our focus continues to be essential. In particular, we want to build up the newly established SMG and to further develop the Group. A spotlight is on our traditional activities, which are undergoing a process of transformation. We want to continue to address this with creativity and innovation. The changes offer us at least as many opportunities as they do challenges.

As we look into the future, journalism and quality in journalism remain our concern. The transformation of the media world is being accompanied by a trend towards activism. Over many years, media development moved away from ideologically motivated publications towards forum newspapers and open platforms. Most recently however, there has been a renaissance of media that stand for specific positions or opinions. Several successful examples of this exist in the digital world. For us, this is simply not an option. We believe that the trust of our broad readership is a core value.

We strive to create public spaces that bring a large number of people together and enable an open exchange. We want to help as many citizens as possible to create their own opinions. That is our task. Even if the contemporary trend is inclined towards a fragmentation of society, we remain convinced that we are on the right path with professional and inclusive journalism. This approach is widely supported in our company and has been our conviction for the past 129 years.

Dr. Pietro Supino
Chairman & Publisher

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 such, he manages the holding company and is Chairman of the Boards of Directors of the three Group companies Goldbach, 20 Minuten and Tamedia. In addition, he is a member of various bodies of companies belonging to the Group or in which the Group holds an interest (namely the Boards of Directors of JobCloud Ltd and SMG Swiss Marketplace Group Ltd). 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. She is a partner and executive member of the Board of Directors of the IT start-up Crossiety, and also holds directorships at BernExpo AG and the Galenica Group. She is an honorary Member of the Board of the Schwab Foundation for Social Entrepreneurship. A political scientist with a Master’s degree from the University of Zurich, she looks back on a long political career as a former Member of the National Council, President of the National Council and Member of the Council of States, which she ended in 2019 in favour of a move into business.

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 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 Master of Advanced Studies ZFH in 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 Goldbach and, beyond TX Group, at the Migros-Genossenschafts-Bund, Zürichsee Medien AG and Mühlemann & Popp Online Media 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, last as CEO in Hungary and Romania. 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

Ursula Nötzli

Daniel Mönch

Pietro Supino
Chairman
of Group Executive 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 such, he manages the holding company and is Chairman of the Boards of Directors of the three Group companies Goldbach, 20 Minuten and Tamedia. In addition, he is a member of various bodies of companies belonging to the Group or in which the Group holds an interest (namely the Boards of Directors of JobCloud Ltd and SMG Swiss Marketplace Group Ltd). 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 Executive Board
(until end of 2021)

Samuel Hügli (CH/1970) has been a member of the Group Executive Board from January 2017 until end of 2021 and was 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
Chief Operating Officer and member of the Group Executive Board

Dr Sandro Macciacchini (CH/1966) has been a member of the Group Executive Board since 1 January 2008 and is responsible for the Group Operations division. He joined TX Group (formerly Tamedia) in 2000, became Head of Legal Services in 2003 and Head of Finance in 2008, which also included IT and Real Estate. As of 2017, he was responsible for the Finance and Human Resources division. Sandro Macciacchini completed his law studies in 1995, qualifying as an attorney-at-law; in April 2003 he completed his dissertation on media law. In 2009, he obtained a Master of Advanced Studies Corporate Finance. In 2016 and 2017 he completed further training in strategy, leadership and general management at MAB Swiss Executive School in St. Gallen, before taking a Corporate Governance course for board members at the Swiss Board School in St. Gallen.

Ursula Nötzli
Chief Communications & Sustainability Officer and member of the Group Executive Board (since 2022)

Dr Ursula Nötzli (CH/1974) has been a member of the Group Executive Board since 1 January 2022 and is responsible for Group Communications & Sustainability. She joined TX Group in April 2021 as Head of Corporate Communications and Investor Relations. Until 2020, she headed the Group Content & Social Media department at Credit Suisse. She also held senior communications positions at Credit Suisse's Global External Asset Management and GAM Holding. At the beginning of her career, Ursula Nötzli was a business editor for Finanz und Wirtschaft and during six years for Neue Zürcher Zeitung. In April 2007, she completed her dissertation on corporate governance in Swiss family businesses, in 1999 her MBA at the University of St.Gallen.

Daniel Mönch
Chief Strategy Officer and member of the Group Executive Board (since 2022)

Daniel Mönch (DE/1986) has been a member of the Group Executive Board since 1 January 2022 and is responsible for Group Development. He joined TX Group in 2015 as part of Corporate Development. From 2020, Daniel Mönch was Head of Corporate Development and M&A and in this function was responsible for cross-divisional strategy projects and the inorganic further development of the Group. Previously, he worked for the international management consultancy Horváth & Partners in Munich in the CFO Strategy & Transformation division. Daniel Mönch holds an Executive MBA in Business Engineering from the University of St.Gallen (HSG). He completed his studies in business administration at the University of Ulm and the University of South Florida (Tampa/USA) in 2011.

Organisational chart as of 1 January 2022

Shareholders Meeting TX Group Ltd

Board of Directors

Group Executive Board

Chairman and Publisher
Pietro Supino

Group Operations
Sandro Macciacchini

- Services from a single source, incl. finance, HR, IT, security, legal services and procurement
- TX Services in Belgrade

Group Communications & Sustainability
Ursula Nötzli

- Communications incl. investor relations and public relations
- Corporate Social Responsibility

Group Development
Daniel Mönch

- Strategy development, transformation, data management, market research
- M&A, TX Ventures, Doodle, Zattoo

Companies

TX Markets
Oliver Rihs

SMG
JobCloud

Goldbach
Michi Frank

20 Minuten
Marcel Kohler

Tamedia
Marco Boselli
Andreas Schaffner

The companies Goldbach, 20 Minuten and Tamedia as well as the participations of TX Markets and TX Ventures each have their own CEO and are managed independently by their management boards.
The Group Management of the TX Group is divided into the divisions Group Operations, Group Communications & Sustainability and Group Development. The divisions ensure the holding functions and provide certain services for the companies of the Group. Together with the Chairman and Publisher, the persons in charge of the divisions form the Group Management. The separation between the management of the operational business and the management of the Group ensures checks and balances as well as a flat and efficient structure.

Sustainability

As one of Switzerland's largest media and technology companies, the TX Group reaches nearly 80 percent of the country's population each day and employs more than 3,000 people. With its quality journalism and a variety of digital platforms, the TX Group seeks to support a free and democratic society in which people can form their own opinions and are able to make informed choices. TX Group provides a network of platforms and ventures that offers users information, guidance, entertainment and help in relation to their daily lives. This is the foundation upon which the TX Group plans to further develop its portfolio and create value for the long term.

Social responsibility towards various stakeholders is extremely important to TX Group. For many years now, we have been extensively discussing and addressing the various aspects of sustainability. One example of what we have accomplished here is the quality monitoring process that we introduced in 2017, which serves as the basis for high-quality and independent journalism throughout TX Group. In 2021 - following an open letter from 78 women journalists - a focus was placed on diversity, inclusion and equal opportunities and, among other things, a consistent analysis of gender balance in the workforce and also in media coverage was carried out.

Sustainability was made a strategic Group Management topic at the beginning of 2022. As a result, the TX Group's Chief Communications & Sustainability Officer will now work closely with the Group companies to develop and implement a sustainability strategy that includes specific goals and targets. Indeed, qualitative sustainability goals for the current financial year are now being defined and introduced for the highest management level at TX Group and its companies.

Our constant dialogue with various stakeholder groups, as well as a benchmark analysis, have enabled us to obtain initial insight into sustainability issues that are relevant for TX Group. This section provides an introduction to the topics of "Journalistic responsibility", "Diversity, inclusion and equality of opportunity" and "Climate protection". In future, the TX Group will publish a comprehensive sustainability report in accordance with an internationally recognised standard. This report will be reviewed and approved by the Board of Directors in advance.

Journalistic responsibility

The freedom and independence of the media is essential for a democracy, and especially in a direct democracy like Switzerland. That's because the opportunity to engage in dialogue and exchange information, arguments and opinions is crucial for the proper functioning of a democracy. The media also has a role to play as an institution that monitors the powerful. In this sense, simply the knowledge that a strong and independent media exists helps maintain order in society. It is clear that this monitoring function is associated with a special responsibility, as journalists by their very nature often investigate individuals and the inner workings of institutions – in many cases against the wishes of the people and institutions involved. The media therefore must set high standards for their work, since this is also the only way to ensure they can remain credible and thus effectively perform their vital role in democracies.

TX Group is the leading private media company in Switzerland and is very much aware of the special role it plays and the responsibilities it has in this regard. Quality assurance and social responsibility are two of the issues we focus on to ensure we can always live up to our journalistic responsibility.

Quality monitoring

Tamedia, the paid media division of TX Group, has been conducting a structured quality monitoring process since 2017, while 20 Minuten, the free media segment of the TX Group, has been doing the same since 2021. This monitoring process is based on the "Quality in the Media" manual.

> Excerpt from the introduction by Pietro Supino and Andreas Strehle:
> Everyone knows what is good – and in journalism especially, the subjective factor plays a key role with regard to journalists and readers. This has to do with the nature of perception, and thus writing and reading as well. It's therefore all the more important to try to remain objective and to establish the validity of statements beyond one's own subjective perception of validity. In 2017, Pietro Supino and Res Strehle wrote a manual that was meant to serve as a basis for a new quality monitoring process. In this manual, they revised the concept of quality and made it more objective wherever possible. The manual describes four pillars of quality: compliance with the rules of the trade, value creation in accordance with the stated goals of editors-in-chief and the publisher – regardless of the given news situation; perceptions and reactions of readers, media users and the public, and firm incorporation of the quality process into editorial office operations.

The defined monitoring approach intentionally gives the individual media the space they need to define for themselves quality requirements that go beyond the rules of the trade and rules governing language and wording. After all, ultimately it is the task of the editorial team to propose the dimensions in which it wishes to create value for its readers and users, and to also set the priorities and a "cadence" for this, and define the form such value creation should take. The quality monitoring process includes regular audits on randomly selected dates.

At Tamedia, a committee consisting of the editor-in-chief, a media science expert and the quality monitoring manager evaluates the quality of a particular medium or outlet on the basis of the criteria described in the aforementioned manual. The results of this procedure are then discussed in the presence of the publisher with the editorial team in question. Quality reporting at Tamedia is conducted transparently alongside reporting on figures (reader and user figures, financial reporting). Results are published in an annual Quality Monitoring Report. The results are also incorporated into the internal organisation and the annual reviews conducted by the various editorial teams.

The criteria used for the quality monitoring of the 20 Minuten free media organisations are also based on the "Quality in the Media" manual. These criteria were adapted in line with the circumstances and requirements at free media organisations and important additional criteria were added as well. These include the ability to reach the young target group and the quality of online comments and community and user-generated content. The monitoring process itself is very similar to that used at Tamedia. Quality monitoring for 20 Minuten is conducted across all languages and countries. Another important step that has been taken in order to increase the quality of the free media involves the introduction of an international conference of the editors-in-chief of 20 Minuten, 20 minutes, L'essentiel and heute.at. This conference, which will now be conducted annually, is designed to promote the exchange of ideas and the discussion of cooperation possibilities and ways to improve the quality of free media.

Social Responsibility Board

In December 2020, 20 Minuten established a Social Responsibility Board with the aim of promoting non-offensive language and reporting in a time in which debates in the media have become increasingly emotional and heated. The Board also offers advice on the use of images.

The five pillars of the Social Responsibility Board

Discussions in the board

- Regular plenary sessions
- Almost 24/7 via chat
- Advisory service for the editorial team (daily)

Advisory Board	Manuals	Serviceboxes	Sheet Reviews
• Around 30 experts advise the board • Regular feedback • No financial compensation or preferential treatment for journalists • Additionally: annual exchange meeting	• 28 manuals from femicide to homelessness to body positivity • Step by step introduction	• Service to Community: • More than 40 boxes link to help for people in need • Online, print & video • 100 organisations • Regular new admissions	• Place for criticism, praise and discussion • Internal: We discuss cases from past week(s) in an editorial meeting • External: We invite professional organisations to comment on our work

Within the framework of the activities conducted by the Social Responsibility Board, board members worked with specialist organisations to develop language guidelines for approximately 30 issues such as anti-Semitism, racism and homophobia in order to help journalists keep their reporting on such topics balanced. Service boxes containing contact information for social organisations that provide advice and support are now also placed at the end of relevant articles. The Social Responsibility Board has received praise from various NGOs and experts for its approach, and in 2021, the "Schweizer Journalist:in" magazine presented the Social Responsibility Board with a special award for its commitment to anti-discrimination measures.

Diversity, inclusion and equality of opportunity

TX Group sees the diversity of its workforce as an opportunity and a key to success, as well as a central element of its strategic focus. Different points of view strengthen innovation, promote competitiveness and help employees better understand customers' needs and requirements.

Our commitment to a diverse corporate culture has been a firm component of the TX Group mission statement for several years now, as evidenced by the following mission statement elements: TX brings together a wide variety of people and talents with their individual skills and interests. This diversity makes us strong. We provide space for exchanges and new ideas.

In the spring of 2021, 78 female Tamedia journalists wrote and signed an open letter in which they claimed that women were being "held back, rebuked or intimidated". In response, the TX Group stepped up its efforts in the areas of diversity, equity and inclusion and adopted appropriate measures both throughout the Group and specifically at Tamedia. The Group's focus in 2021 was on "Gender Balance".

TX Group

- **Pay gap analysis**
  A pay gap analysis was conducted in 2021 in order to guarantee equal pay for men and women at TX Group. This analysis, was conducted by external experts on the basis of a scientific method verified in Switzerland. The analysis did not reveal any inexplicable wage difference of more than 5 per cent to the disadvantage of women, which means that equal pay in the workplace is considered to have been complied with. Nevertheless, our aim is to further reduce remaining wage inequality, and to this end, the individual companies at TX Group will be taking appropriate measures as we move ahead.

- **Diversity Benchmarking**
  By taking part in the annual Diversity Benchmarking programme conducted by the University of St. Gallen, the TX Group can compare its diversity performance with that of other media companies and obtain feedback on its strengths and weaknesses, as well as specific recommendations from independent experts.
  In 2021, the proportion of women entering positions with personnel responsibility was above the industry average (35 percent vs. 28 percent). However, women are still underrepresented in the higher management levels at the TX Group (5.4 percent vs. 17 percent).

- **Unconscious bias training**
  It is important for managers and employees at TX Group to be able to recognise unconscious biases and the effect these can have on day-to-day work. For this reason, we offer training courses that make participants more aware of such biases and also show them how they can break out of such patterns of thinking in both their dealings with one another and in critical decision-making processes. In the 2021 financial year, 37 per cent of managers participated in one of the training courses, which will be offered again in 2022.

- **Gender equality monitoring**
  The Gender Dashboard is an important instrument at TX Group for monitoring the effectiveness of measures that have been implemented in order to improve the gender balance. Among other things, the Gender Dashboard supports top management with the implementation and further development of strategies and goals.

Tamedia

Tamedia defined diversity as a strategic corporate goal in December 2020. The executive management team at Tamedia is convinced that a diverse workforce can also lead to a more diverse and broad-based readership. A range of measures were defined and implemented in the first quarter of 2021. The allegations made in the open letter published by the female Tamedia journalists made the importance and relevance of the strategy process more apparent and also accelerated this process even further.

- **Binding proportion of women**
  Tamedia's management has set itself the goal of having at least 40 per cent women at all levels by 2023.

- **Revised recruitment process**
  The recruitment process has been revised in order to motivate more women to apply for a job and to increase equality of opportunity for all candidates. Among other things, our job advertisements now use more inclusive language, our working-time options have been expanded and the composition of the managers who conduct interviews has been changed.

- **Equality, work-life balance and inclusion**
  In the summer of 2021, Tamedia conducted a survey of its employees in order to gauge their opinions and attitudes on issues relating to diversity and inclusion, management and leadership, and the work-life balance. The results were discussed by the Tamedia management team and by team managers and their employees, whereby these discussions ultimately led to the establishment of a cultural dialogue with all managers at the beginning of 2022. Specific critical points were also examined more closely. For example, a more in-depth wage and salary analysis was conducted to supplement the legally required pay gap analysis in order to respond to the perception that wage and salary inequality exists. A special working group is developing solution approaches for addressing work-life balance difficulties encountered by editorial employees. Tamedia also plans to begin publishing an annual Diversity Report that will provide information on all measures, problem areas and the progress made in each case.

- **Language rules and critical equality review**
  Language rules were revised and communicated to the workforce in autumn 2021. Since then, a new critical review has been published that highlights the importance of gender-neutral and inclusive language and presents examples of language and images that make use of gender-specific clichés.

- **Data analysis of women in reporting and the target group**
  A daily data analysis shows the respective shares of text and images of women and men at various Tamedia publications. A weekly report provides information on which articles capture the highest readership in the 18-45 female age group.

TX Group will continue to work on its diversity strategy in 2022. The focus is on the goal of gender diversity at all hierarchical levels (i.e. BoD, top management, management and employees). The proportion of women in the total workforce at the end of 2021 is 37 percent (excl. TXM), with a differentiated picture across the various TX units and functions.

Environment

Climate change is a global challenge that will keep governments, economic experts, business stakeholders and other stakeholders busy for quite some time. TX Group understands the responsibility it has as a company to use resources economically and to avoid generating greenhouse gases as much as possible.

Since 2012, the TX Group has been publishing an energy report that is reviewed and approved in advance by Group Management. This report provides information on energy consumption in the respective financial year, and as well as the change from the previous year. A carbon footprint report for the Group and its divisions was produced during the most recent financial year. Thanks to this report, TX Group now knows just how high the emissions generated by its divisions and business activities are. Most environmentally harmful emissions are caused by newspaper printing activities in connection with paper consumption and the energy needed for printing and transporting paper and distributing the newspapers themselves.

The responsible use of resources has been a high priority at TX Group for many years. Among other things, this is reflected in the following efforts:

- The high-performance printing facilities of the TX Group have a high technical standard. For example, process heat generated during the cooling of the printing towers is recovered and used for the heat supply. This greatly reduces the consumption of oil or gas and further CO2 emissions can be saved. The recycling of process waste, in particular paper materials, is also organised in such a way that it generates more income than expenditure. Tamedia's printing centres meet the highest standards in terms of the effectiveness and efficiency of their value chain. They have a 4-star EFQM recognition, are certified according to ISO 9001:2015 and demonstrate the responsible use of paper as a resource through FSC COC certification. The newspaper products thus not only meet the requirements of their customers, but also satisfy ecological standards.
- The real estate management of TX Group always strives to optimise energy consumption, energy efficiency and waste disposal at all locations. In addition, TX Group is a member of EnAW as a large consumer, as part of the graphic industry. New measures to increase energy efficiency and reduce energy consumption are continuously being defined. Measures worth mentioning include cooling and heating the Werd site with groundwater, equipping the buildings with control systems for optimal shading and efficient heating, cooling and ventilation, and optimising waste disposal using the waste exchange. With the company swenex as a strategic electricity provider, a long-term electricity price policy is also being pursued.
- Currently, two of TX Group's participations, Neo Advertising and Zattoo, are carbon neutral. Neo Advertising SA, in which TX Group AG holds 52.3 per cent of the capital, has been drawing up a greenhouse gas balance since 2020 and is implementing various measures to reduce its emissions, such as maintaining an eco-vehicle fleet. Remaining emissions are being compensated. Zattoo, in which TX Group holds 58.9 per cent of the capital, carries out a greenhouse gas balance and offsets the emissions resulting from the calculation. The electricity-intensive data centres are operated with green electricity.

With sustainability a firm component of the Group Management strategy, the TX Group is now on its way to developing a climate strategy with specific targets and logical and effective measures. The calculation of our carbon footprint forms the basis for defining the measures we will use to reduce emissions, as well as the areas in which we will use them.

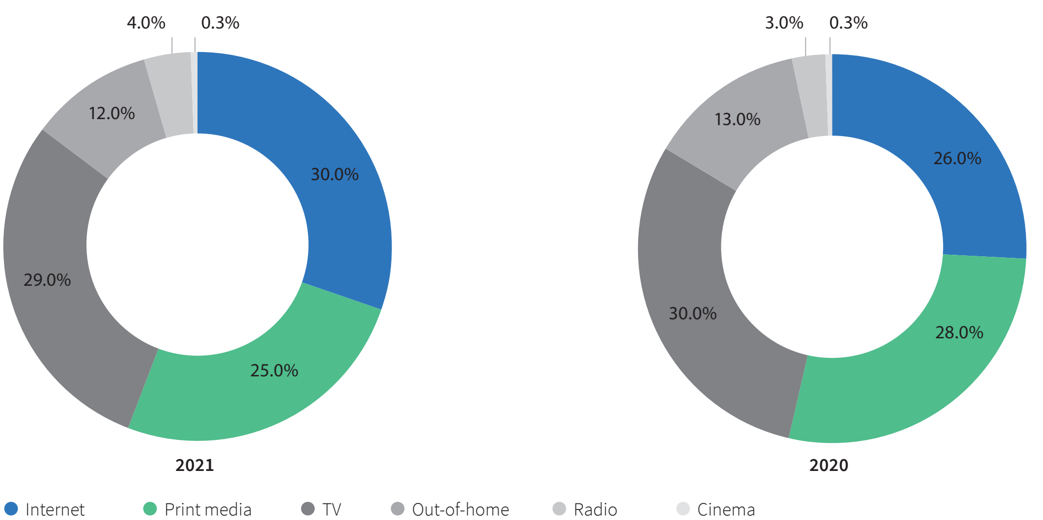
Market assessment

Major recovery on advertising market

The economy recovered well during 2021. In the third quarter of 2021, Swiss economic performance exceeded the pre-crisis level of 2019 by 1 per cent. The positive trend for the wider economy translated into an upswing on the employment market. For example, the seasonally adjusted average unemployment rate for Switzerland fell from 3.3 per cent in 2020 to 2.4 per cent in 2021.

After the early part of the reporting year had been affected by heavy restrictions imposed due to the coronavirus pandemic, the successive easing of measures heralded a recovery on the advertising market. According to Media Focus, advertising expenditure in 2021 increased by 12.3 per cent or CHF 613 million compared with the previous year to CHF 5.6 billion. The biggest increases were achieved online (CHF +410 million) and by television (CHF +116 million). Advertising expenditure was still significantly below the previous year in the first quarter and grew continuously over the course of the year. 20 out of 21 sectors invested more in advertising in 2021 than they did the year before. The biggest increase was recorded by retail (CHF 54.9 million) and the finance sector (CHF 33.5 million). Events too saw a significant increase in advertising expenditure year on year (CHF 26.7 million). The global digital players again increased their slice of the Swiss advertising cake in 2021.

Media mix



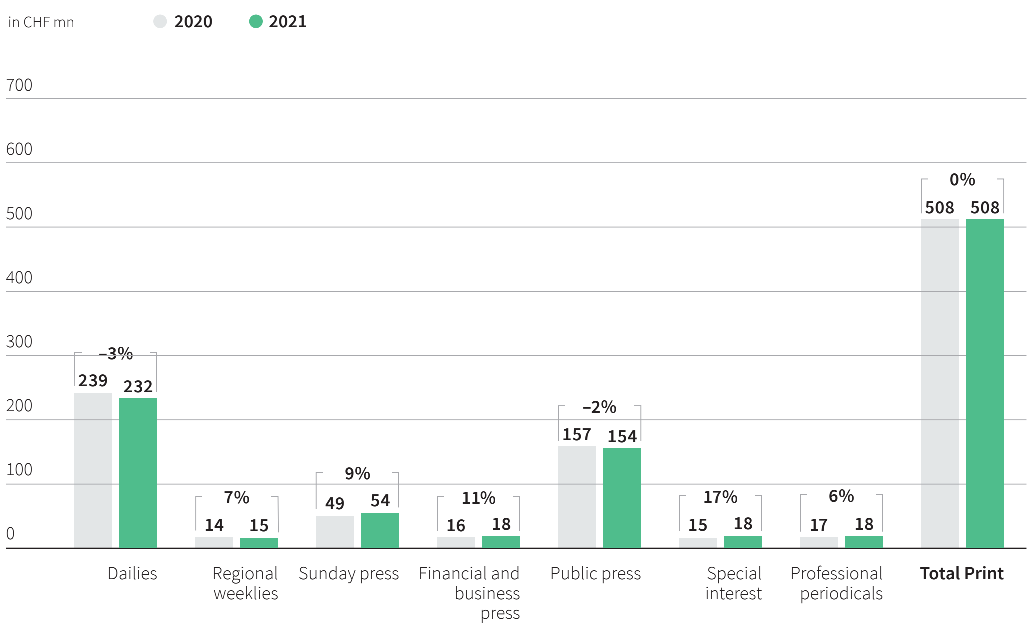
Source: Werbemarkt Trend 2021, Media Focus

Print advertising stable

The advertising market for the printed press remained stable year on year in 2021, with individual sections experiencing different fortunes. For example, the specialist press, the financial and business press and the Sunday newspapers in particular all saw their income increase. This positive trend extended to the regional weekly press, the daily press II/III segment (circulation of less than 40,000) and professional periodicals. Only the daily press I segment, i.e. with a circulation of more than 40,000 copies, and the popular press secured less advertising revenue than the previous year. With the employment market picking up, print advertising for jobs also improved by just over 9 per cent according to advertising statistics from WEMF. And according to the Adecco Swiss Job Market Index, which takes account of digital job advertisements too, the Index has not seen such rapid growth in recruitment since measurements began in 2003. In the fourth quarter of 2021, there were 39 per cent more job advertisements compared with the previous year.

The Federal Expert Group on Business Cycles is predicting that gross domestic product (GDP), adjusted to exclude sporting events, will grow at an above-average rate of 3.3 per cent in 2022. This assumes the situation will stabilise once more from an epidemiological perspective and that the issues affecting global capacity levels will not persist for longer than anticipated. Both exports and domestic demand are expected to provide the impetus for better-than-average growth in GDP – at least temporarily. The TX Group assumes that TV, print and radio advertising will see volumes remain stable for the current year. Higher revenue levels are expected for digital advertising and, as mobility improves from spring onwards, for out-of-home advertising too.

Net advertising expenditure Print 2021



The advertising statistics of WEMF AG für Werbemedienforschung are based on the print net advertising revenues reported by the media houses.
Thus the advertising statistics reliably reflect the market development in the advertising business of newspapers and magazines.

Total Audience

Media combinations	Total Audience[1] 2021-1	Total Audience[1] 2020-1	Total Audience[1] 2019-1	Change 2021-1/2020-1
20 Minuten D-CH GES/20min.ch D-CH	3 737 000	3 419 000	3 268 000	9.3%
20 Minuten Friday/friday-magazine.ch[2]	(-)[2]	(-)[2]	1 457 000	(-)
20 Minutes Friday/friday-magazine.ch/fr[2]	(-)[2]	(-)[2]	367 000	(-)
20 Minuten National GES/ 20 Minuten Online & Tio.ch	4 881 000	4 381 000	4 347 000	11.4%
20 Minutes F-CH éd. totale/20min.ch W-CH	1 440 000	1 143 000	1 132 000	26.0%
20 Minuti I-CH/tio.ch	724 000	365 000	300 000	98.4%
24 Heures éd. totale/24heures.ch	1 086 000	678 000	600 000	60.2%
24 Heures, Tribune de Genève/ Newsnet W-CH[3]	1 629 000	1 275 000	1 101 000	27.8%
Basler Zeitung/baslerzeitung.ch	786 000	640 000	556 000	22.8%
BZ/Bund GES/Newsnet Bern	1 706 000	1 065 000	945 000	60.2%
BZ/Bund GES/bernerzeitung.ch)	1 367 000	855 000	787 000	59.9%
BZ/Bund GES/derbund.ch	1 038 000	691 000	641 000	50.2%
Bilan/bilan.ch	403 000	184 000	197 000	119.0%
Femina/femina.ch	387 000	382 000	370 000	1.3%
Finanz und Wirtschaft/fuw.ch	342 000	239 000	225 000	43.1%
Le Matin Dimanche/lematin.ch	1 341 000	1 023 000	908 000	31.1%
Metropool, 24 Heures, Tribune de Genève/ Newsnet National[4]	4 431 000	3 448 000	3 297 000	28.5%
Metropool/Newsnet D-CH	3 038 000	2 357 000	2 224 000	28.9%
Tages-Anzeiger/tagesanzeiger.ch	2 275 000	1 633 000	1 581 000	39.3%
Tribune de Genève/tdg.ch	980 000	656 000	600 000	49.4%

Source: WEMF AG, Total Audience 2021-1, 2020-1 and 2019-1, CH, readers and unique users per month. Figures rounded to the nearest thousand.

1 With the relaunch of Swiss online research by Mediapulse AG as of June 2021, which brought an end to the NET-Metrix Profile study, the Total Audience series of studies appeared for the last time, at least provisionally, with the 2021-1 publication (most recent data series). A decision on resuming the study using the new online data from Mediapulse AG will be made in 2022.
The methodology used in the Total Audience 2021-1 study is based on the coverage studies MACH Basic 2021-1 (survey period: September 2018–September 2020) and NET-Metrix Profile 2020-2 (survey period: April–June 2020). The methodology used in the Total Audience 2020-1 study is based on the coverage studies MACH Basic 2020-1 (survey period: September 2017–September 2019) and NET-Metrix Profile 2019-2 (survey period: April–June 2019). The methodology used in the Total Audience 2019-1 study is based on the coverage studies MACH Basic 2019-1 (survey period: September 2016–September 2018) and NET-Metrix Profile 2018-2
(survey period: April–June 2018).

2 The printed version of 20 Minuten Friday GES was discontinued at the end of 2019. The online version was integrated into the Lifestyle desk of 20 Minuten Online in June 2020.

Readership

Title	MACH Basic [1] 2021-2	MACH Basic [1] 2020-2	Change 2021-2/2020-2
20 Minuten D-CH GES	1 016 000	1 250 000	–18.7%
20 Minutes F-CH éd. totale	408 000	497 000	–17.9%
20 Minuti I-CH	74 000	81 000	–8.6%
24 Heures éd. totale	127 000	146 000	–13.0%
Basler Zeitung	94 000	109 000	–13.8%
Bilan	36 000	42 000	–14.3%
BZ Berner Zeitung total issue (incl. Der Bund)	281 000	306 000	–8.2%
Das Magazin	489 000	514 000	–4.9%
Der Landbote	43 000	44 000	–2.3%
Femina	174 000	190 000	–8.4%
Finanz und Wirtschaft	79 000	80 000	–1.3%
GuideTV	(-)[3]	(-)[3]	(-)
Heute (Austria)	663 000[2]	874 000[2]	–24.1%
Le Matin Dimanche	319 000	317 000	(-)
L'essentiel (Luxembourg)	98 000[4]	113 000[4]	–13.3%
Metropool	708 000	761 000	–7.0%
Metropool Weekend	910 000[5]	963 000[5]	–5.5%
Metropool and ZRZ GES N	852 000[5]	907 000[5]	–6.1%
Metropool and ZRZ GES N Weekend	1 076 000[5]	1 135 000[5]	–5.2%
Metropool and laRegione	(-)[5]	843 000[5]	
Metropool and laRegione Weekend	(-)[5]	1 071 000[5]	
Metropool and Top Deux	927 000[5]	1 001 000[5]	–7.4%
Metropool and Top Deux Weekend	1 198 000[5]	1 274 000[5]	–6.0%
Metropool TOTAL	1 266 000	1 229 000	3.0%
Metropool TOTAL Weekend	1 600 000[5]	1 554 000[5]	3.0%
Schweizer Familie	470 000	517 000	–9.1%
SonntagsZeitung	459 000	484 000	–5.2%
Tages-Anzeiger	340 000	353 000	–3.7%
Télétop Matin	(-)[3]	(-)[3]	(–)
Top 2 Romandie	218 000	240 000	–9.2%
Tribune de Genève	92 000	94 000	–2.1%
TV täglich	367 000	417 000	–12.0%
Zürcher Unterländer	31 000	36 000	–13.9%
Zürichsee-Zeitung	56 000	51 000	
ZRZ Zürcher Regionalzeitungen GES	172 000	181 000	–5.0%

Source: WEMF AG, MACH Basic 2021-2 and 2020-2, CH. Figures rounded to the nearest thousand.
1 The following polling periods apply: MACH Basic 2021-2: April 2019–April 2021, MACH Basic 2020-2: April 2018–April 2020, MACH Basic 2019-2: April 2017–April 2019.
2 Source: Verein Arbeitsgemeinschaft Media-Analysen (VMA), media analysis MA 2020/2021, MA 2019/2020 and MA2018/2019, accessed on 13.01.2022 at http://www.media-analyse.at/
3 Readership figures not reported
4 The following polling periods apply: MACH Basic 2021-2: April 2019–April 2021, MACH Basic 2020-2: April 2018–April 2020.
5 Readership figures for the advertising package "Metropool and laRegione (including Weekend)" are no longer reported separately in the MACH Basic study as of 2021.
The following will not be reporting readership figures in future either: Metropool Weekend, Metropool and ZRZ GES N (including Weekend), Metropool and Top Deux (including Weekend) as well as Metropool TOTAL Weekend. From 2022 onward, only the readership figures for the two advertising packages Metropool and Metropool TOTAL will be reported separately in the MACH Basic study.

Circulation

Title	Circulation [1] 2021	Circulation [1] 2020	Change 2021 / 2020
20 Minuten GES	310 927[2]	398 744[2]	–22.0%
20 minutes GES	131 249[2]	166 504[2]	–21.2%
20 minuti	22 580[2]	29 587[2]	–23.7%
24 Heures GES	45 807	48 792	–6.1%
Basler Zeitung	38 084	38 978	–2.3%
BO Berner Oberländer	12 384	12 863	–3.7%
Bilan	7 882	11 002	–28.4%
Der Bund	34 445	34 782	–1.0%
BZ Berner Zeitung Ausgabe Stadt & Region Bern	33 207	34 145	–2.7%
BZ Berner Zeitung GES	111 014[3]	114 377[3]	–2.9%
BZ Emmental	9 058	9 811	–7.7%
BZ Langenthaler Tagblatt	7 522	7 883	–4.6%
Das Magazin	238 625	247 909	–3.7%
Der Landbote	22 084	22 909	–3.6%
Femina	69 859	75 717	–7.7%
Finanz und Wirtschaft	21 141	21 399	–1.2%
GuideTV	100 081	104 796	–4.5%
Heute (Austria)	478 651[4]	566 815[4]	–15.6%
Le Matin Dimanche[3]	70 500	75 867	(-)
L’essentiel (Luxembourg)	71 591[5]	93 847[5]	–23.7%
Schweizer Familie	125 036	129 323	–3.3%
SonntagsZeitung	136 580[2]	139 648[2]	–2.2%
Tages-Anzeiger	114 337	128 811	–11.2%
Tribune de Genève	30 629	31 148	–1.7%
TT Thuner Tagblatt	14 398	14 893	–3.3%
Zürcher Unterländer	13 211	13 603	–2.9%
Zürichsee-Zeitung	19 060	19 158	–0.5%

Source: WEMF AG, circulation audit 2020 and 2021, total circulation distributed.

1 The following survey periods apply: for the 2021 circulation audit: 1 April 2020 to 31 March 2021, for the 2020 circulation audit: 1 April 2019 to 31 March 2020.

2 Due to the coronavirus pandemic, figures for free circulation and individual sales are only comparable with the previous year to a limited extent

3 BZ/Bund GES (including Der Bund)

4 Source: Österreichische Auflagenkontrolle, Mon-Fri print run H1 2021 and Mon-Fri print run 2019. No figures available for 2020. Accessed on 13.01.2022 at https://www.oeak.at/

5 Source: CIM Press Brand Report 2021 & 2020. https://www.cim.be/fr/presse/brand-reports

User figures

Websites	Online Content [1] Traffic Data 2021-12
20 Minuten Online & Tio.ch Kombi	4 995 000
20min.ch D-CH	3 650 000
20min.ch W-CH	1 067 000
tio.ch	278 000
baslerzeitung.ch	95 000
bilan.ch	3 000
doodle.com	77 000
femina.ch	4 000
fuw.ch	18 000
Goldbach Display Network	6 673 000
Goldbach Video Network	6 404 000
heute.at	45 188 926[2]
homegate.ch	171 000
lessentiel.lu	147 000[3]
Newsnet Bern	208 000
bernerzeitung.ch	119 000
derbund.ch	89 000
Newsnet DCH	821 000
Newsnet National	1 405 000
Newsnet WCH	584 000
24heures.ch	101 000
lematin.ch	377 000
tdg.ch	106 000
schweizerfamilie.ch	(-)[4]
tagesanzeiger.ch	518 000
Tamedia Publications Romandes	591 000
Zürcher Regionalzeitungen	22 000
landbote.ch	12 000
zsz.ch	6 000
zuonline.ch	4 000

Source: Mediapulse AG, Online Content Traffic Data, CH, December 2021, Average Visits per Day. Figures rounded to the nearest thousand.
1 No year-on-year comparison possible: Mediapulse AG's adoption in June 2021 of a new method for measuring online use has introduced a new timescale into Swiss online research. The change to the methodology means that the new data cannot be compared to the previous coverage information from NET-Metrix.
2 Source: Österreichische Webanalyse (ÖWA), Visits per Month, November 2021. Accessed on 13.01.2022 at https://oewa.at/ausweisung/#/
3 Number of visitors per day (not visits). According to TNS ILRES PLURIMEDIA LUXEMBOURG, 2021.II available at https://www.tns-ilres.com/news/tns-ilres/
4 No figures reported for schweizerfamilie.ch

Exhibit 1

Revenues third parties by segment

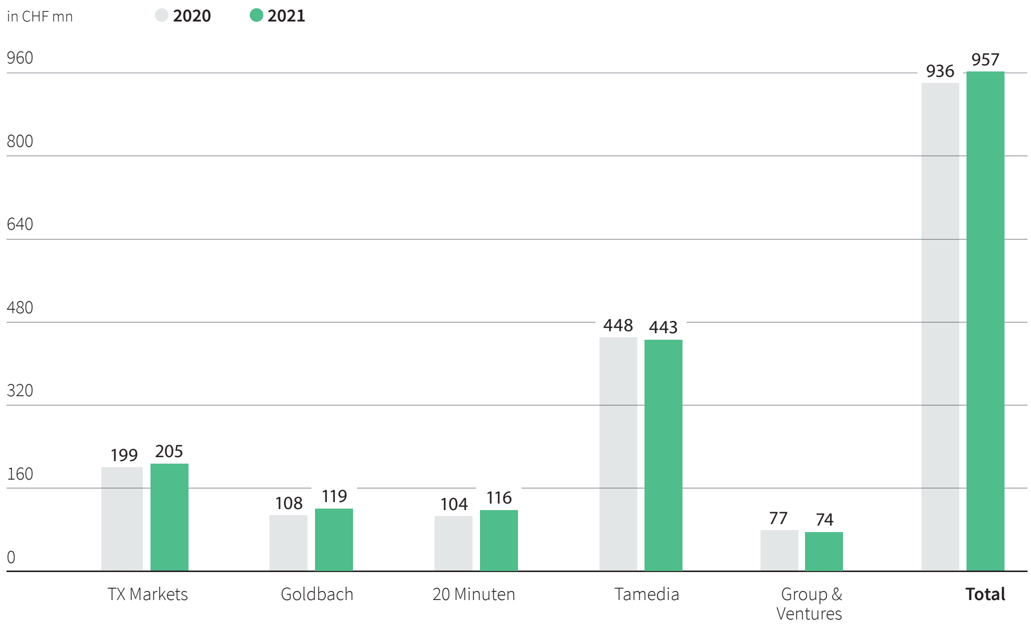
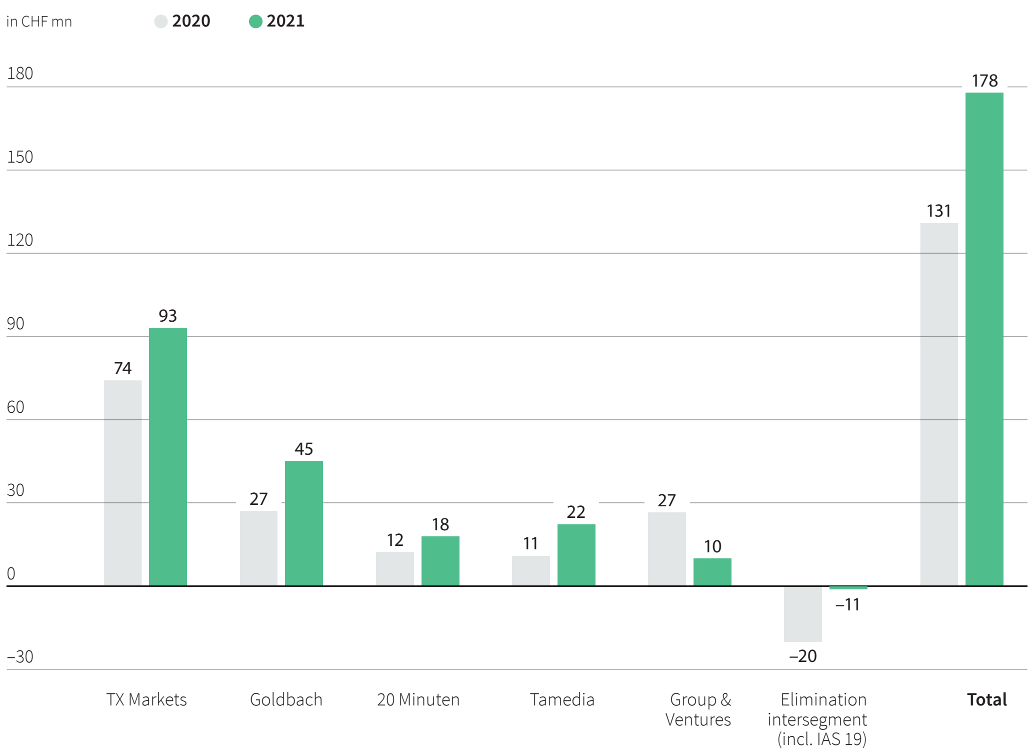


Exhibit 2

EBITDA by segment



TX Markets

www.tx.markets

Managing Director: Olivier Rihs

in CHF 000	2021	2020
Advertising revenue [1]	11 030	12 877
Revenue from classifieds & services [1]	192 805	185 691
Other operating revenue [1]	1 171	1 914
Other income [1]	108	21
Revenues	**205 114**	**200 503**
Operating expenses [2]	(124 656)	(131 000)
Share of net income / (loss) of associates / joint ventures	12 113	4 646
Operating income / (loss) before depreciation and amortisation (EBITDA)	**92 571**	**74 148**
Margin [3]	45.1%	37.0%
Depreciation and amortisation	(7 426)	(6 642)
Operating income / (loss) before effects of business combinations (EBIT b. PPA)	**85 145**	**67 506**
Margin [3]	41.5%	33.7%
Amortisation resulting from business combinations	(19 716)	(21 641)
Operating income / (loss) (EBIT)	**65 429**	**45 865**
Margin [3]	31.9%	22.9%
Normalisation [4]	22 636	23 583
Operating income / (loss) (EBIT adj.)	**88 064**	**69 448**
Margin [3]	42.9%	34.6%
Number of employees (FTE) [5]	508	584

1 Includes third-party revenue and revenue vis-à-vis other TX segments.
2 No IAS 19 pension costs (as in segment reporting).
3 The margin relates to revenue.
4 See the "consolidated normalised income statement" section for details.
5 Average number of employees, excluding employees in associates / joint ventures.

The TX Markets segment performed well in the financial year and achieved an EBIT (b. PPA) of CHF 85.1 million. The good result was influenced by the founding on 11 November 2021 of the SMG Swiss Marketplace Group, which comprises the online marketplaces of TX Markets and Scout24, so any scope for comparisons with the previous year is limited. The TX Group has a 31 per cent stake in the new company, which operates platforms in the areas of property, vehicles, marketplaces and financial services. The segment still includes the investment in the job portal JobCloud (50 per cent in the joint venture, fully consolidated).

With Homegate, Ricardo, Tutti and Car For You all being transferred to the Swiss Marketplace Group from 11 November 2021, it is impossible to make any meaningful comparison with the previous year. TX Markets achieved revenues of CHF 205.1 million in 2021. Operating income before depreciation and amortisation (EBITDA) eventually amounted to CHF 92.6 million. CHF 12.1 million of this was from the share of net income of associates/joint ventures. The EBITDA margin for the 2021 financial year is 45.1 per cent. Operating income before the effects of business combinations (EBIT b. PPA) was CHF 85.1 million. Normalised operating income (EBIT adj.), i.e. disregarding one-off effects, is CHF 88.1 million.

The recovery on the Swiss job market had a positive impact on the number of advertisements on **JobCloud's** job platforms, which were up 26.4 per cent year on year. This and the new customers secured helped to increase revenues and earnings. At the same time, JobCloud further consolidated its position as market leader in the reporting year. This was also confirmed by an unsupported study of brand recognition. When asked to name a job portal, 56 per cent of those surveyed in German-speaking Switzerland say jobs.ch, while 69 per cent in French-speaking Switzerland say jobup.ch. There was continuous investment in the ongoing development of the offer during the reporting year, which targets everything from SMEs to international concerns and offers solutions in the classified, programmatic and digital recruiting areas. The Austrian subsidiary Karriere.at closed its business year with an exceptionally good result. In particular, the recovery of the jobs market and the introduction of new products characterised this positive development.

The newly founded **Swiss Marketplace Group SMG** comprises the well-known platforms acheter-louer.ch, anibis.ch, AutoScout24, Car For You, Casasoft, FinanceScout24, home.ch, Homegate, Iazi, icasa.ch, ImmoScout24, ImmoStreet.ch, MotoScout24, Publimmo, Ricardo and tutti.ch. The combined portfolio of TX Markets and Scout24 Switzerland covers the essential aspects of the user's "life cycle" by bringing together housing, mobility, commerce and insurance. The combined platforms are also highly complementary in terms of geographic coverage and business models. In the first two months of the year, November and December, SMG Swiss Marketplace Group generated revenues of CHF 40.1 million and EBITDA of CHF 5.3 million.

TX Markets is concentrating on supporting and helping to develop the investments in JobCloud and SMG Swiss Marketplace Group.

Goldbach

www.goldbach.com

Managing Director: Michi Frank

in CHF 000	2021	2020
Advertising revenue [1]	26 952	24 478
Revenue from classifieds and services [1]	225	246
Revenue from Commercialisation and intermediary activities [1]	133 480	116 741
Other operating revenue [1]	12 558	12 497
Other income [1]	1 283	17
Revenues	**174 498**	**153 979**
Operating expenses [2]	(129 604)	(126 709)
Share of net income / (loss) of associates / joint ventures	123	(63)
Operating income / (loss) before depreciation and amortisation (EBITDA)	**45 017**	**27 207**
Margin [3]	25.8%	17.7%
Depreciation and amortisation	(9 817)	(9 286)
Operating income / (loss) before effects of business combinations (EBIT b. PPA)	**35 200**	**17 921**
Margin [3]	20.2%	11.6%
Amortisation resulting from business combinations	(15 928)	(17 537)
Operating income / (loss) (EBIT)	**19 272**	**384**
Margin [3]	11.0%	0.2%
Normalisation [4]	15 175	17 537
Operating income / (loss) (EBIT adj.)	**34 447**	**17 921**
Margin [3]	19.7%	11.6%
Number of employees (FTE) [5]	626	615

1 Includes third-party revenue and revenue vis-à-vis other TX segments.
2 No IAS 19 pension costs (as in segment reporting).
3 The margin relates to revenue.
4 See the "consolidated normalised income statement" section for details.
5 Average number of employees, excluding employees in associates / joint ventures.

Goldbach ended 2021 with excellent results, despite the ongoing difficult circumstances surrounding the coronavirus crisis. The traditional business, particularly TV advertising, helped the marketer deliver very healthy year-end figures, while the promising area of out-of-home advertising (OOH) attracted some interesting partners such as Coop and VBZ. Goldbach is pursuing the strategic objectives of securing further accounts in the area of third-party marketing, increasing the cross-media offer and further driving growth in the area of out-of-home advertising (OOH). And the digital transformation is well under way in marketing too. In coming years, Goldbach will be making investments in technology and product development.

Goldbach markets and brokers advertising across the following areas: TV, print, online, radio, out-of-home advertising and performance marketing. Among other things, the segment and company comprise fully consolidated majority interests in the moving image marketer Goldbach Media (54 per cent), the online marketer Goldbach Audience (50.1 per cent), the title marketers 20 Minuten Advertising and Goldbach Publishing (100 per cent), the audio marketer Swiss Radioworld (54 per cent) and the out-of-home marketer Neo Advertising (52.3 per cent) as well as the centralised centre of expertise for technology and services known as Goldbach neXT (100 per cent) and the digital agency Dreifive (100 per cent).

GOLDBACH

In the 2021 financial year, Goldbach recovered from the coronavirus crisis and recorded figures closer to pre-pandemic levels. The TV advertising business in particular enjoyed increasing revenues and earnings, while free newspapers and out-of-home advertising suffered from the long periods where people worked from home. Revenues are up 13.3 per cent on the previous year and now stand at CHF 174.5 million (previous year: CHF 154.0 million). Operating income before depreciation and amortisation (EBITDA) increased to CHF 45.0 million (previous year: CHF 27.2 million). Costs were mainly reduced in relation to personnel, IT, marketing and customer events. This put the EBITDA margin at 25.8 per cent (previous year: 17.7 per cent). Operating income before the effects of business combinations (EBIT b.PPA) was CHF 35.2 million (previous year: CHF 17.9 million). Normalised operating income (EBIT adj.) amounted to CHF 34.4 million (previous year: CHF 17.9 million).

In the area of TV marketing, a new product was launched in August 2021 with the Digital TV Network. With this multiscreen video product, advertisers can place their instream video ads with a single click across all digital TV platforms such as Swisscom TV or Zattoo and achieve maximum coverage for their message.

In the growth area of out-of-home, Neo Advertising managed to widen its pool of partners significantly. The out-of-home marketer secured nine out of ten lots under the package put out to tender by Zurich's public transport system (VBZ). For at least seven years from 2022, Neo Advertising will therefore market over 1,200 high-quality poster spaces across Switzerland's biggest city, including at least 250 digital advertising spaces at VBZ stops. Neo Advertising also managed to gain Coop Schweiz and Migros Aare. Again from 2022, Neo Advertising is significantly expanding its analogue offer in the commercial sphere with over 500 Coop branches and 1,400 poster spaces across Switzerland and with all the digital advertising spaces belonging to Genossenschaft Migros Aare. The medium-term aim is to further increase the inventory with Coop and Migros.

In the publishing area, there was a significant increase in titles in relation to third-party marketing at a regional, national and international level. From just 40 titles in 2020, the third-party marketing portfolio grew to 138 in the reporting year. In order to offer advertising customers 360-degree concepts in the events area, Goldbach underwent a restructure to incorporate the new Content & Sponsoring unit. This means that organisers of big Swiss sports and other events will have a dedicated and skilled team on hand in future that can put together tailored concepts with commercial content, around the respective event, on the media marketed by Goldbach. Radio at a national level is continuing in the same vein as 2020 and is still showing resilience in the face of coronavirus, with revenues up by 5 per cent in the reporting year. Our companies in Germany increased their revenues by a very impressive 61 per cent, while revenues in Austria were up by 26 per cent year on year. Programmatic revenues in particular performed well.

In the reporting year, Goldbach opted to make further investments by way of digital transformation. In order to simplify the processes for booking advertising, there are plans for a platform that will allow customers, with just a few clicks, to book an entire cross-media advertising campaign across all media marketed by Goldbach in Switzerland. This new system will also be available as a self-booking tool and will be aimed at both major advertisers and agencies and also SMEs. Goldbach neXT repositioned itself in order tofurther promoting innovation within Goldbach. This involved consolidating and enhancing technology and product development and also data-driven advertising, as well as intensifying technological collaboration with Berlin-based Jaduda and the demand-side platform (DSP) Splicky in the hope of achieving synergies across the Group.

20 Minuten

www.20min.ch

Managing Director: Marcel Kohler

in CHF 000	2021	2020
Advertising revenue [1]	112 796	100 899
Revenue from classifieds & services [1]	4 431	3 971
Other operating revenue [1]	6 518	4 641
Other income [1]	79	331
Revenues	**123 824**	**109 842**
Operating expenses [2]	(106 615)	(99 110)
Share of net income / (loss) of associates / joint ventures	651	1 529
Operating income / (loss) before depreciation and amortisation (EBITDA)	**17 860**	**12 262**
Margin [3]	14.4%	11.2%
Depreciation and amortisation	(837)	(192)
Operating income / (loss) before effects of business combinations (EBIT b. PPA)	**17 023**	**12 070**
Margin [3]	13.7%	11.0%
Amortisation resulting from business combinations	(2 182)	(2 214)
Operating income / (loss) (EBIT)	**14 841**	**9 856**
Margin [3]	12.0%	9.0%
Normalisation [4]	3 853	3
Operating income / (loss) (EBIT adj.)	**18 695**	**9 859**
Margin [3]	15.1%	9.0%
Number of employees (FTE) [5]	319	251

1 Includes third-party revenue and revenue vis-à-vis other TX segments.
2 No IAS 19 pension costs (as in segment reporting).
3 The margin relates to revenue.
4 See the “consolidated normalised income statement” section for details.
5 Average number of employees, excluding employees in associates / joint ventures.

In 2021, 20 Minuten became Switzerland’s first daily medium to reach over 3 million readers a day and has around 400,000 registered users. By extending its coverage, the media brand has once again shown its strength. The rapid changes in media consumption, particularly among young people, call for a dynamic approach and continuous innovation. In the reporting year, 20 Minuten did even more to tailor its offer to users’ changing needs, including the introduction of both a video and photo agency and a multilanguage app and also via further development of the successful “20 Minuten NOW!” format. The investments made and the acquisition of the internal sports news agency Sport Center have also meant a big increase in the number of employees (+68 full-time equivalents). In the coming months, the focus will be on implementing the “social media first” strategy. This means in future that the relevant news and entertainment formats will first be produced for placement on social media platforms such as TikTok, Instagram, YouTube and Twitch. Social responsibility is becoming an increasingly strategic issue too.

The 20 Minuten business improved significantly year on year, despite the ongoing coronavirus crisis. The 20 Minuten segment and company comprise the 20 Minuten Group with 20 Minuten, 20 minutes, lematin.ch and Encore as well as investments in 20 minuti (50 per cent)/tio.ch (27.8 per cent), Heute (25.5 per cent)/heute.at (51 per cent) in Austria and Edita/L'essentiel (50 per cent) in Luxembourg. Compared with the previous year, the revenue in the digital area more than compensated for the decline in advertising bookings due to the long periods of working from home. For example, 20 Minuten increased its revenues by 12.7 per cent to CHF 123.8 million. Operating income before depreciation and amortisation (EBITDA) amounted to CHF 17.9 million (previous year: CHF 12.3 million). This put the EBITDA margin at 14.4 per cent (previous year: 11.2 per cent). Operating income before the effects of business combinations (EBIT b. PPA) was CHF 17.0 million (previous year: CHF 12.1 million), while normalised operating income (EBIT adj.), i.e. disregarding one-off effects, was CHF 18.7 million (previous year: CHF 9.9 million).

The 20 Minuten offer in Switzerland was further developed in 2021 and adapted to users' changing needs. Since January, the visual identity of 20 Minuten has been enhanced through its own video and photo agency. Since then, 20 Minuten has refrained from using the image and text-based services of SDA-Keystone. The video campaign across German-speaking and western Switzerland introduced a wealth of new video formats. These included "20 Minuten NOW!", a new form of news broadcast that is very much geared towards the habits of young "mobile users". Thanks to these formats, video traffic in German-speaking and western Switzerland increased by 32.2 per cent. Since March, 20 Minuten has been the first TX Group medium to use the OneLog login solution. Now 20 Minuten has around 400,000 registered users. This is important in terms of better understanding user behaviour and being able to personalise the offer in future. In order to reach those living in Switzerland who do not speak any of the national languages, 20 Minuten introduced a multilanguage feature that uses professional translation technology. Currently, there are journalism articles available in English, Portuguese, Albanian, Serbian and Croatian.

The aim is to continuously increase the quality of the media associated with the 20 Minuten Group. Various measures have been taken to this end. For example, an international network of experts has been developed, with one expert for each specialist area. These experts serve as day-to-day points of contact for the entire editorial team and share their knowledge on an ongoing basis – across languages and countries – in the form of training and the like. The proofreading service has also been enhanced. Founded a year ago, the Social Responsibility Board already enjoys wide acceptance. It has sparked considerable interest among the organisations concerned and also among other editorial teams and readers.

Another highlight of the reporting year was the various anniversary activities to celebrate 15 years of 20 minutes, which is now a permanent fixture on the media scene in western Switzerland. With the development of the video and photo agency, the journalism campaign in French-speaking Switzerland and the takeover of Sport Center, 20 Minuten now has 319 full-time employees, an increase of 68 on the end of 2020.

The investments also performed well. According to the online coverage study by ÖWA, the Austrian news platform heute.at managed to achieve – as an individual offering – an all-time high of over 36 million visits, while also further increasing its revenues by more than 17 per cent. The same is true of tio.ch in Ticino with an increase of 27 per cent and L'essentiel, which managed a healthy 6 per cent increase in Luxembourg.

Tamedia

www.tamedia.ch

Managing Directors: Marco Boselli and Andreas Schaffner

in CHF 000	2021	2020
Advertising revenue [1]	98 006	94 711
Revenue from classifieds & services [1]	34 442	36 504
Revenue from subscriptions and individual sales [1]	239 145	241 807
Revenue from print and logistic operations [1]	82 218	86 353
Other operating revenue [1]	5 340	10 879
Other income [1]	150	122
Revenues	**459 301**	**470 375**
Operating expenses [2]	(440 336)	(458 902)
Share of net income / (loss) of associates / joint ventures	3 439	(759)
Operating income / (loss) before depreciation and amortisation (EBITDA)	**22 404**	**10 714**
Margin [3]	4.9%	2.3%
Depreciation and amortisation	(750)	(1 572)
Operating income / (loss) before effects of business combinations (EBIT b. PPA)	**21 655**	**9 142**
Margin [3]	4.7%	–1.5%
Amortisation resulting from business combinations	(21 233)	(21 184)
Impairment	–	(85 000)
Operating income / (loss) (EBIT)	**422**	**(97 041)**
Margin [3]	0.1%	–20.6%
Normalisation [4]	17 791	102 933
Operating income / (loss) (EBIT adj.)	**18 213**	**5 891**
Margin [3]	4.0%	1.3%
Number of employees (FTE) [5]	1 363	1 482

1 Includes third-party revenue and revenue vis-à-vis other TX segments.
2 No IAS 19 pension costs (as in segment reporting).
3 The margin relates to revenue.
4 See the “consolidated normalised income statement” section for details.
5 Average number of employees, excluding employees in associates / joint ventures.

In 2021, Tamedia successfully pushed on with its transformation process. Digital-only subscriptions (individual and corporate subscriptions) were up by a gratifying 17 per cent to 147,000 at the end of the year. Tamedia’s aim is to finance itself over the long term through the sale of digital subscriptions, but without neglecting printed newspapers. The largest private editorial network in Switzerland wants to continue to offer its readers an independent and critical brand of quality journalism with a decidedly regional ethos.

In the reporting year, the segment comprising the paid-for daily and Sunday newspapers, magazines and all publishing services saw revenues decline by 2.4 per cent to CHF 459.3 million. Advertising revenue recovered only slightly over the past year, and revenue from print and logistic operations with third parties and on the user market fell. The fall in revenues was more than offset, however, by cost savings. As a result, operating income before depreciation and amortisation (EBITDA) rose by a significant CHF 11.7 million compared with the previous year to CHF 22.4 million. This put the EBITDA margin at 4.9 per cent (previous year: 2.3 per cent). Operating income before the effects of business combinations (EBIT b. PPA) is CHF 21.7 million (previous year: CHF 9.1 million). Normalised operating income (EBIT adj.), i.e. disregarding one-off effects, amounted to CHF 18.2 million (previous year: CHF 5.9 million).

In terms of digital transformation, the focus is on content and both organisational and technical aspects. A digital editor-in-chief was appointed in both German-speaking and French-speaking Switzerland. New formats were also launched, such as the “Apropos” and “Tages-Anzeigerin” podcasts. Thanks to switching to software by Piano, the leading provider for paywall and audience management, Tamedia was able to widen its digital subscription portfolio to include new offerings for specific customer groups. For example, the small business subscription, the discounted youth subscription for under 25s and the family subscription were all launched. With the new all-access subscription, which offers full access to all digital news platforms, Tamedia is the first media firm in Switzerland to offer a subscription across different titles and languages. Towards the end of 2021, Tamedia started the gradual introduction of OneLog, the shared login facility from the Swiss Digital Alliance. By the end of 2021, 150,000 readers were already using the new login. The aim in 2022 is to switch all Tamedia’s daily newspapers in German-speaking and western Switzerland to the new login method, along with the business magazine Bilan and Finanz und Wirtschaft.

With the successful introduction of new and forward-looking editorial models in the Zurich and Bern regions, the existing collaboration between the various titles has further intensified. To increase diversity within the company and in particular increase the number of women in management positions, Tamedia set itself a binding strategy with measurable targets. The editorial reporting policy also takes account of diversity, including daily analysis of balance.

In 2021, with the exception of Bund and the Berner Zeitung (where the editorial teams were restructured), all Tamedia paid media titles underwent in-depth quality monitoring for the fifth time. The focus was on the digital offer. Based on the consensual verdict of all the experts concerned, our editorial teams abided by the rules of the trade pretty closely during the weeks studied. The reporting by Tamedia titles attracted considerable attention in the reporting year, including the portrait of tennis star Martina Hingis in Das Magazin or the coverage of the “Tschanun case” in the SonntagsZeitung. Prizes were awarded for the research series by the Berner Zeitung on the “Blausee environmental scandal” (Swiss Press Award 2021) and for “The Magglingen Reports” that appeared in Das Magazin and Le Matin Dimanche (the prestigious Zürcher Journalistenpreis 2021).

Group & Ventures

www.tx.group

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

in CHF 000	2021	2020
Advertising revenue [1]	15 501	13 446
Revenue from classifieds and services [1]	53 551	57 650
Revenue from commercialisation and intermediary activities [1]	–	2
Revenue from print and logistics [1]	–	1 944
Other operating revenue [1]	115 858	125 520
Other income [1]	101	1 341
Revenues	**185 010**	**199 904**
Operating expenses [2]	(173 690)	(172 570)
Share of net income / (loss) of associates / joint ventures	(1 004)	(718)
Operating income / (loss) before depreciation and amortisation (EBITDA)	**10 316**	**26 616**
Margin [3]	5.6%	13.3%
Depreciation and amortisation	(30 906)	(29 605)
Operating income / (loss) before effects of business combinations (EBIT b. PPA)	**(20 590)**	**(2 990)**
Margin [3]	–11.1%	–1.5%
Amortisation resulting from business combinations	(5 598)	(6 605)
Operating income / (loss) (EBIT)	**(26 188)**	**(9 595)**
Margin [3]	–14.2%	–1.5%
Normalisation [4]	5 598	8 816
Operating income / (loss) (EBIT adj.)	**(20 590)**	**(779)**
Margin [3]	–11.1%	–0.4%
Number of employees (FTE) [5]	812	700

1 Includes third-party revenue and revenue vis-à-vis other TX segments.
2 No IAS 19 pension costs (as in segment reporting).
3 The margin relates to revenue.
4 See the "consolidated normalised income statement" section for details.
5 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 the fintech area. Group & Ventures also comprises the TX Group property portfolio and central services departments. As of 2022, the latter in turn comprise Group Operations, Group Communications & Sustainability and Group Development.

Compared with the previous year, revenues for Group & Ventures fell by 7.5 per cent to CHF 185.0 million. The reason for this was the disposals of the two venture investments in Olmero and Renovero in the 2020 financial year. Organically, the revenue of the companies held in the Ventures portfolio grew by over 15 per cent in the reporting year. Operating income before depreciation and amortisation (EBITDA) amounts to CHF 10.3 million (previous year: CHF 26.6 million). The main driver of this development is the introduction of a new internal offsetting concept, which allocates the costs associated with Group-wide management and transformation at Group level and relieves the burden on the companies accordingly. This put the EBITDA margin at 5.6 per cent (previous year: 13.3 per cent). Operating income before the effects of business combinations (EBIT b. PPA) is CHF -20.6 million (previous year: CHF -3.0 million). In 2021, there were no other one-off effects in the Group & Ventures segment besides depreciation and amortisation from business combinations. This means normalised operating income (EBIT adj.) is the same as operating income before the effects of business combinations (EBIT b. PPA).

Ventures

The portfolio developed nicely, with all companies enjoying growth. TX Ventures will continue to invest an annual budget of CHF 20.0 million in start-ups (seed funding up to Series B).

Doodle (98.5 per cent): The number of people organising their routine with the scheduling platform Doodle increased by 15 per cent to over 1.5 million, with annual repeat revenues from the subscription business increasing by over 50 per cent by the end of the year. Doodle is currently focusing on further development of its software as a service offer and planning to further enhance its visibility. Software as a service is a kind of technology where centrally hosted applications are made available as a service via the Internet.

Zattoo (58.9 per cent): The company is involved in the area of digital entertainment. In the reporting year, revenues saw double-digit growth (in percentage terms) – partly due to pricing policy and thanks to new B2C subscribers in both Switzerland and Germany. The profitable company is focusing in the current financial year on expanding its B2B business, a white label solution in the area of IPTV and OTT services for network operators and content providers.

Fintech: In the area of consumer fintech, Neon continued to enjoy strong growth, attracted over 100,000 customers and tripled its revenues. The investment platform Selma expanded its customer base and tripled its assets under management year on year. Monito, a comparison platform for money transfer providers, continued to grow, as did the lending platform Lend. The reporting year also saw further investments in the area of fintech, such as in PriceHubble, a platform for property valuations and insights (based on big data analytics and artificial intelligence), in Helvengo, an insurance solution aimed mainly at Swiss SMEs, and in our existing portfolio business Neon.

Group

With a view to having fewer interfaces and simplifying the organisation, the TX Group has been operating across the three areas of “Operations”, “Communications & Sustainability” and “Development” since the start of 2022. By taking this step, the TX Group intends to shorten decision-making paths and focus even more consistently on the needs of its companies and investments. Joint resources and services are used and cross-Group business opportunities are developed where it makes sense to do so.

In the “Development” area, the commercial implementation and integration of the cloud-based TX data platform were successfully rolled out across all sub-groups in the current financial year – after the technology involved had been put in place in the 2021 financial year. Particularly in Goldbach’s advertising marketing business, in-house development constitutes something of a USP and has helped, among other things, to create innovative marketing solutions in the out-of-home area. The resulting competitive advantage for our business units is evidenced, to some extent, by the profit made through the marketing contract with VBZ.

Group Operations managed further cost reductions in the reporting year too by making the offer even more flexible and through ongoing optimisation of processes and systems. This was also helped by further expanding activities in Belgrade. The areas of IT and Cyber Security – both newly integrated into Group Operations – continued in the reporting year to consistently pursue their cloud-based digitisation strategy and extend security measures.

In the reporting year, the headcount at TX Services Belgrade increased to over 200 employees, who work as developers or provide HR, IT and financial services. This is the main driver of the increase in employee numbers, compared with the previous year, in the Group & Ventures segment. 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 before depreciation and amortisation (EBITDA)
- Operating income before effects of business combinations (EBIT b. PPA)
- Cash flow after investing activities in property, plant and equipment and intangible assets (FCF b. M&A)
- Consolidated normalised income statement

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 the financial statements for 2021.
- 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") – 2021
- IFRS 16 "Leases" (extension of practical expedient for rent concessions) – 2021

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

Restatement

Restatement of the disclosures of the operating revenues for 2020 involves a transfer within revenue categories and has no other effect on the consolidated income statement or on other elements of financial reporting. The following effects were taken into account in the restatement:
- The sale of classified advertising in the publishing area is now reported as revenues from classifieds and services (previously advertising revenue). The reclassification for 2020 amounts to CHF 31.8 million.
- Revenues from logistics were reported under other operating revenues in the previous year and will be disclosed from 1 January 2021 under revenues from print and logistics (revenue category was renamed from print revenue to revenue from print and logistics). The reclassification amounts to CHF 12.7 million.

Also for the first time, with the financial statements for 2021, consolidated cash flows are determined and disclosed using the indirect process.

Changes to the group of consolidated companies

Acquisitions

As of 7 July 2021, TX Markets AG acquired 100 per cent of the shares in Acheter-Louer.ch & Publimmo Sàrl. The purchase price is CHF 10.4 million. CHF 9.4 million of this was paid in cash, with CHF 1.0 million recognised as a variable purchase price due. As a result of TX Markets AG being integrated into the joint venture with Ringier and Die Mobiliar as of 11 October 2021, Acheter-Louer.ch & Publimmo Sàrl has left the group of consolidated companies once more. See the following section.

Disposal of consolidated companies and activities

As a result of the 100 per cent stake in TX Markets AG (without the investment in JobCloud AG) being integrated into the new SMG Swiss Marketplace Group AG joint venture with Ringier and Die Mobiliar, TX Markets and its investments left the group of consolidated companies as of the closing in October 2021. Following the deconsolidation of TX Markets, assets of CHF 482.4 million (of which CHF 12.4 million were cash and cash equivalents) and liabilities of CHF 158.0 million were transferred. The market value of the TX Group shares in the joint company amounts to CHF 1,107 million (41 per cent). The difference between the market value and the transferred equity of CHF 778.5 million was reflected in the income statement through the financial result.

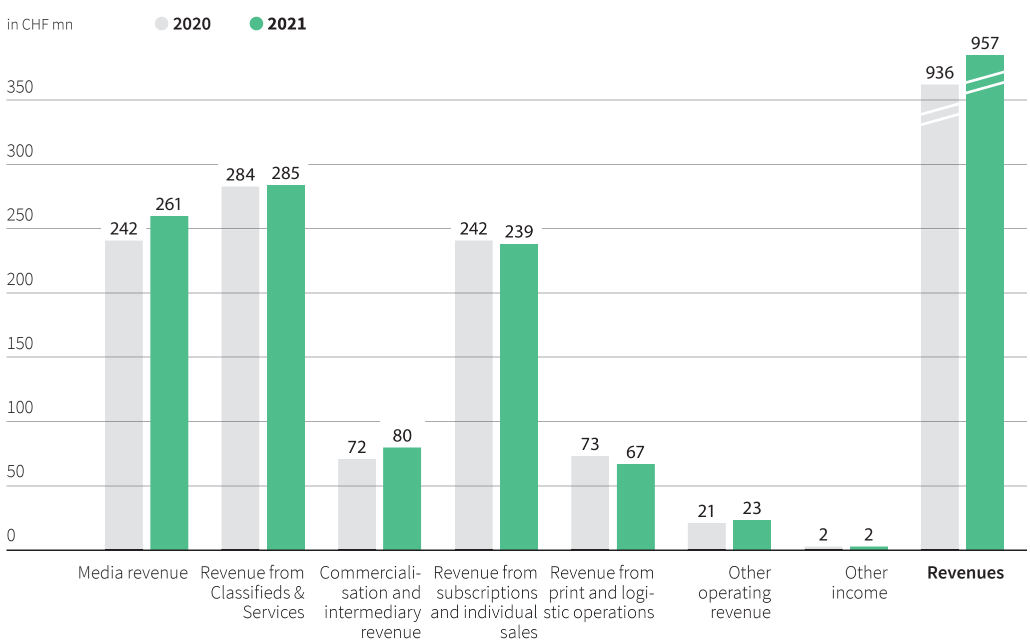
Operating revenues

Operating revenues increased by CHF 21.6 million or 2.3 per cent compared with the previous year from CHF 935.8 million to CHF 957.4 million. Without the effects of changes to the group of consolidated companies (deconsolidation of TX Markets companies in 2021 and of both Olmero AG and Trendsales ApS in 2020), the increase in operating revenues would have amounted to CHF 50.5 million.

Advertising revenue grew by CHF 18.9 million or 7.8 per cent during the reporting year to CHF 260.6 million. The revenues from classifieds and services for 2021 amount to CHF 285.4 million, which is CHF 1.4 million above the previous year (CHF 284.1 million). Again disregarding the effects of changes to the group of consolidated companies, an increase of CHF 25.7 million would have been recorded. The increase in marketing and brokerage revenue of CHF 7.5 million to CHF 79.9 million is a result of the improved situation on the advertising market. Revenues from subscriptions and individual sales of paid media decreased slightly by 1.1 per cent from CHF 241.8 million to CHF 239.1 million and print revenue by CHF 5.3 million from CHF 72.5 million to CHF 67.3 million, which equates to a decline of 7.3 per cent. Other operating revenue increased by CHF 2.0 million to CHF 23.4 million.

Exhibit 3

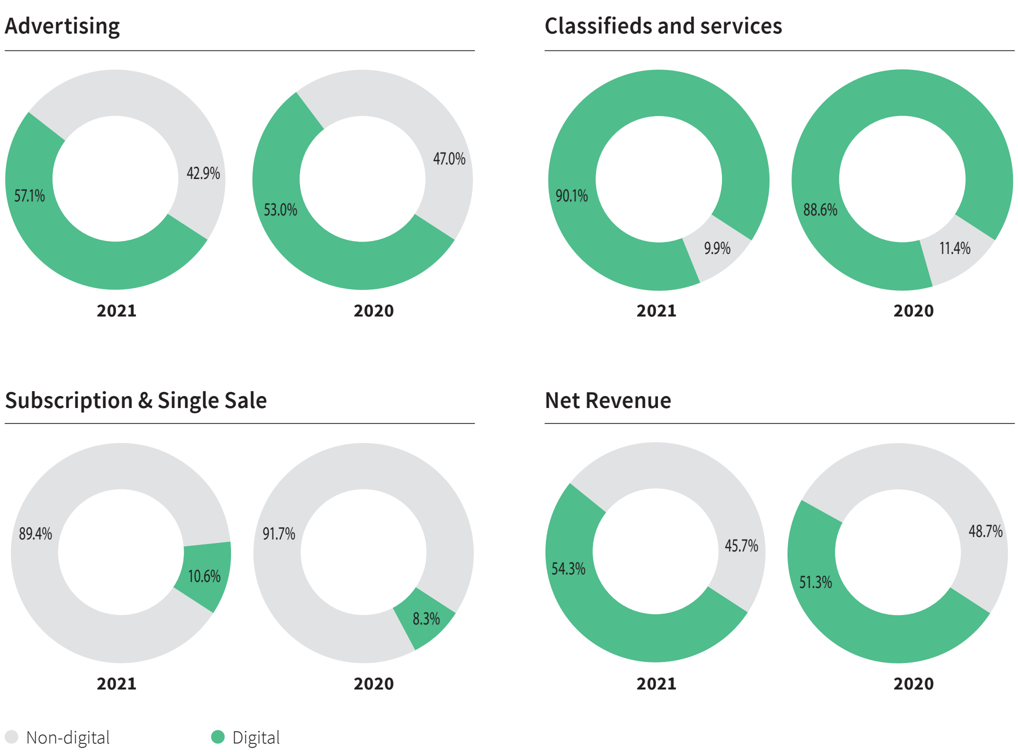
Revenues



Trend in terms of digitalisation

The digital share of operating revenues increased compared with the previous year by 3 percentage points to over 50 per cent. The increase in advertising revenue of 4 percentage points is due to the growth in the area of online advertising. Digital growth in revenues from classifieds and services (+2 percentage points) is being driven by the recovery enjoyed by job advertisements. The trend in terms of revenues from subscriptions and individual sales (+2 percentage points) reflects the shift from print to digital subscriptions, with any dual subscriptions being allocated to the print share.

Marketing and brokerage revenue and revenues from print and logistics are, by definition, either completely digital or print, so they do not appear in the graphic.



Operating expenses

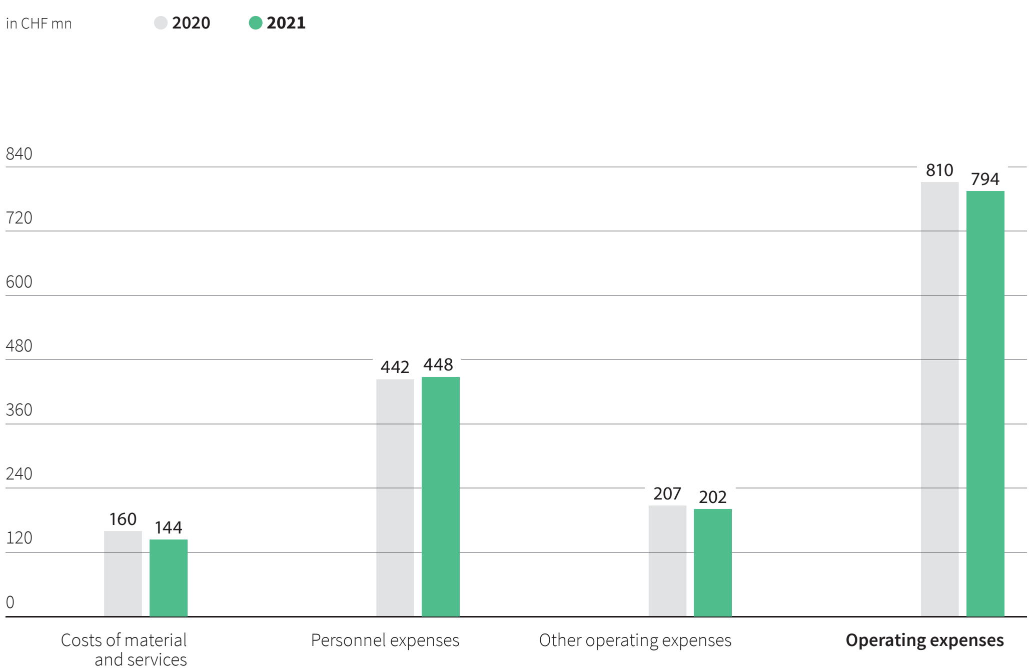
The costs of material and services decreased by CHF 16.5 million to CHF 143.8 million. The reduction can be attributed to changes to the group of consolidated companies, the lower costs of publishing and editorial services and reduced expenditure on paper.

Personnel expenses increased by CHF 5.4 million or 1.2 per cent from the previous year to CHF 447.8 million. Disregarding the effects of changes to the group of consolidated companies, the increase in personnel expenses was CHF 18.9 million. An important reason for the increase in personnel expenses is the reduction in compensation for reduced working hours, compared with the previous year, which the TX Group claimed in the reporting year. The expenses associated with the profit participation programme also increased.

Other operating expenses decreased to CHF 202.5 million (previous year: CHF 207.3 million). Again disregarding the effects of changes to the group of consolidated companies in the amount of CHF 3.5 million, other operating expenses would have remained stable year on year.

Exhibit 4

Operating expenses



Operating income before depreciation and amortisation (EBITDA), operating income before effects of business combinations (EBIT b. PPA) and operating income (EBIT)

Operating income before depreciation and amortisation (EBITDA) increased by CHF 47.0 million or 36.0 per cent to CHF 177.7 million. The EBITDA margin increased therefore from 14.0 per cent in the previous year to 18.6 per cent.

The share of net income of associates and joint ventures for the reporting year of 2021 is CHF 14.3 million (previous year: CHF 4.8 million). The increase is attributable to increased operating income. The associated company Karriere.at accounted for much of this.

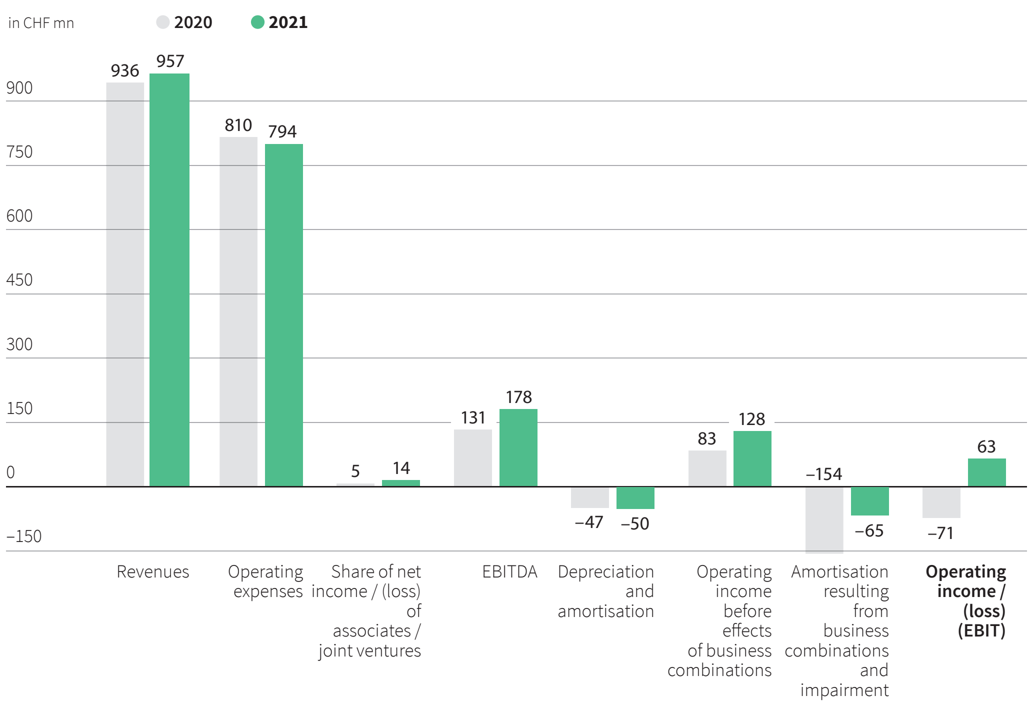
Operating income before the effects of business combinations (EBIT b. PPA) is up 53.5 per cent or CHF 44.6 million to CHF 127.9 million (previous year: CHF 83.3 million). The margin amounts to 13.4 per cent (previous year: 8.9 per cent).

Operating income (EBIT) amounts to CHF 63.3 million (previous year: CHF -70.9 million), which results in an EBIT margin of 6.6 per cent, as compared to -7.6 per cent in the previous year.

Overall depreciation and amortisation (total covering depreciation and amortisation proper and that resulting from business combinations) reduced compared with the previous year by CHF 2.1 million to CHF 114.4 million. Based on a goodwill impairment test, no requirement for any impairment on goodwill was identified in 2021. In the previous year, an impairment on goodwill of CHF 85.0 million was recorded for the cash-generating unit Tamedia.

Operating income / (loss) (EBIT)

Exhibit 5



Net income (EAT)

Reported net income (EAT) for 2021 amounts to CHF 832.7 million, which is CHF 927.3 million above the previous year's figure of CHF -94.6 million. The net income attributable to TX Group shareholders increased from CHF -112.3 million to CHF 802.0 million.

The financial result for 2021 amounts to CHF 789.6 million (previous year: CHF -20.6 million). As a result of the 100 per cent stake in TX Markets AG (without the investment in JobCloud AG) being integrated into the new SMG Swiss Marketplace Group AG joint venture (and the associated disposal of equity following deconsolidation) and the recognition of the associated investment (41 per cent) at market value, there was a difference in financial income of CHF 778.5 million (see Note 1 "Changes to the group of consolidated companies"). The previous year had recorded a disposal loss of CHF 18.7 on the sale of Olmero AG and Trendsales ApS. Other financial income includes damages from legal proceedings involving Trendsales ApS in the amount of CHF 12.0 million.

The expected average tax rate equals the weighted average of the rates of the consolidated companies. This is 19.5 per cent in 2021 (previous year: 13.4 per cent) and is derived from 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 2021 in a higher expected tax rate compared with the previous year.

The effective tax rate changed from -3.5 per cent to 2.4 per cent. This was due more than anything to the write-up in value of the TX Group's shares in the SMG Swiss Marketplace Group AG joint venture, which was reflected in the income statement through the financial result in the amount of CHF 778.5 million. Together with the impact resulting from both book depreciation and amortisation and also write-ups on carrying amounts (without any deferred tax consequences) – and with tax expenses reducing accordingly – other tax effects on investments were considerably higher in 2021 too.

The significant increase in the impact of investment deductions and other non-taxable income is mainly due to the sale of 10 per cent of the shares in SMG Swiss Marketplace Group AG.

In 2020, the non-tax-deductible impairment on goodwill with a theoretical tax effect in the amount of CHF 14.8 million was attributable to the impairment on goodwill of CHF 85.0 million for the Tamedia segment. More information on goodwill and the impairment testing performed can be found in Note 22.

Balance sheet and equity

Total assets increased by CHF 1,011.8 million, from CHF 2,751.6 million to CHF 3,763.4 million. Equity increased by CHF 983.7 million to CHF 2,980.1 million. The increase in equity is due in particular to the net income (EAT) of CHF 832.7 million achieved and the amount, recognised directly as equity, for the revaluation of employee benefits by a net CHF 193.0 million (after deferred taxes) resulting from the performance of employee benefit plan assets and actuarial gains associated with employee benefit obligations. The company's equity ratio increased from 72.6 per cent to 79.2 per cent.

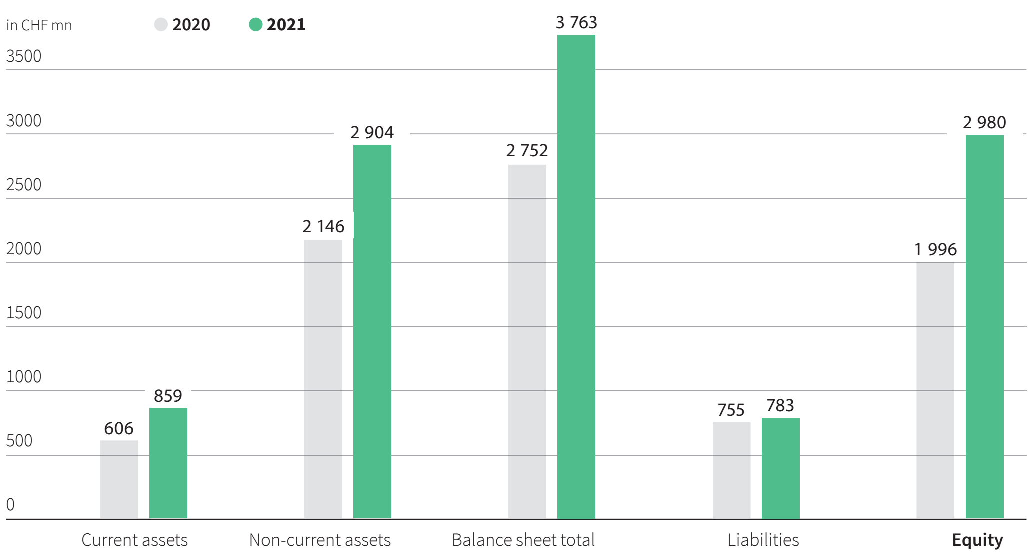
Current assets increased by CHF 252.9 million to 859.0 million. Contributions to this included the increase in cash and cash equivalents by CHF 160.3 million to CHF 436.5 million, investments in current financial assets (bond funds) in the amount of CHF 20.0 million and the recognition of current financial receivables associated with the contractually agreed special dividend from SMG Swiss Marketplace Group AG to TX Group AG (CHF 89.8 million).

Non-current assets rose by CHF 758.9 million or 35.4 per cent to CHF 2,904.4 million. Property, plant and equipment reduced by CHF 21.2 million during the reporting year and amount to CHF 302.1 million as of the balance sheet date. Intangible assets decreased by CHF 421.1 million from CHF 1,578.8 million to CHF 1,157.7 million. Due to the disposal of TX Markets companies, intangible assets declined by CHF 370.2 million.

The share of equity accounted for by associates and joint ventures amounts to CHF 900.5 million, which equates to an increase of CHF 839.5 million (previous year: CHF 61.2 million). The shares in SMG Swiss Marketplace Group AG were recognised at CHF 837.0 million as of 1 November 2021 and have since been updated via equity accounting (see Note 1 "Changes to the group of consolidated companies"). The revaluation of employee benefit plans means that net plan assets of CHF 320.6 million are included in the balance sheet for 2021 (previous year: CHF 94.9 million). Employee benefit assets and liabilities totalled CHF 348.1 million and CHF 27.5 million respectively. Other non-current financial assets increased by CHF 157.5 million to CHF 193.5 million. The increase is attributable in particular to the interest-bearing loans issued by TX Group AG to General Atlantic SC B.V. in the amount of CHF 137.4 million (incl. accrued interest) and SMG Swiss Marketplace Group AG in the amount of CHF 15.2 million. . In the reporting year, investments were also made in relation to both new (such as PriceHubble AG, Backbone Art SA or Helvengo AG) and existing other interests (such as Switzerlend AG and neon Switzerland AG). The investments in neon Switzerland AG increased the TX Group AG share to 21.7 per cent, with this now being recorded as an associated company.

Balance sheet

Exhibit 6



Current liabilities decreased by CHF 6.0 million to CHF 474.7 million. Current and non-current financial liabilities increased by CHF 40.4 million to CHF 133.6 million. Non-current loan liabilities increased because of the loan, which still existed as of the balance sheet date, by SMG Swiss Marketplace Group AG to TX Group AG in the amount of CHF 64.2 million. By contrast, the deconsolidation of TX Markets companies means the loan by shareholders to Car For You AG is no longer reported.

Other current liabilities amount to CHF 31.2 million and are therefore down by around CHF 22.2 million on the previous year. The reduction can be explained in terms of the situation on the balance sheet date, particularly with liabilities to public authorities being CHF 7.3 million lower on the reporting date compared with 31 December 2020. Changes to the group of consolidated companies also accounted for CHF 6.2 million of the reduction.

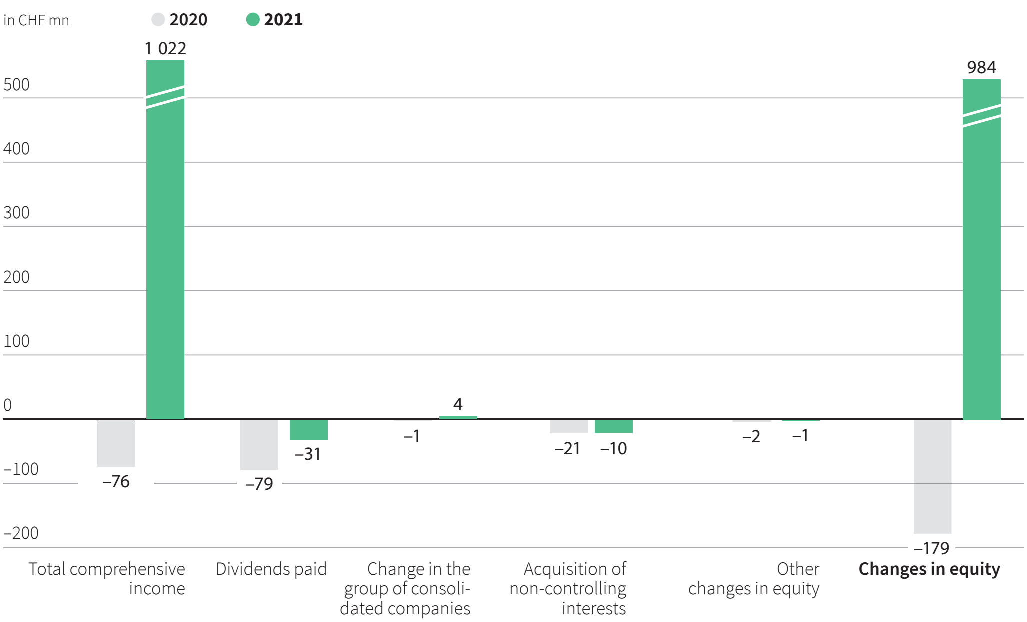
Deferred revenues and accrued liabilities (total for deferred revenues and accrued liabilities from contracts with customers and other deferred revenues and accrued liabilities) increased by CHF 10.7 million from CHF 328.9 million to CHF 339.6 million. Changes to the group of consolidated companies result in a decrease of around CHF 6.0 million. Total deferred revenue declined by CHF 9.4 million. By contrast, accruals relating to personnel increased by CHF 8.9 million to CHF 32.2 million, mainly due to the higher accruals for employee performance bonuses.

Current and non-current provisions remained stable compared with the previous year (CHF 15.6 million) at CHF 14.8 million.

Non-current liabilities increased by CHF 34.1 million to CHF 308.6 million. Employee benefit obligations dropped by CHF 15.4 million to CHF 27.5 million. Deferred tax liabilities rose by CHF 10.9 million to CHF 156.1 million.

Exhibit 7

Changes in equity



Statement of cash flows

Cash flow from (used in) trading activities increased by CHF 32.2 million from the previous year to CHF 160.3 million. The increase is attributable in particular to improved net income (EAT), with the previous year characterised by significant revenue reductions associated with the coronavirus crisis. An incoming payment of CHF 11.8 million was also recorded as a result of legal proceedings and is recognised as liquid assets under other financial income.

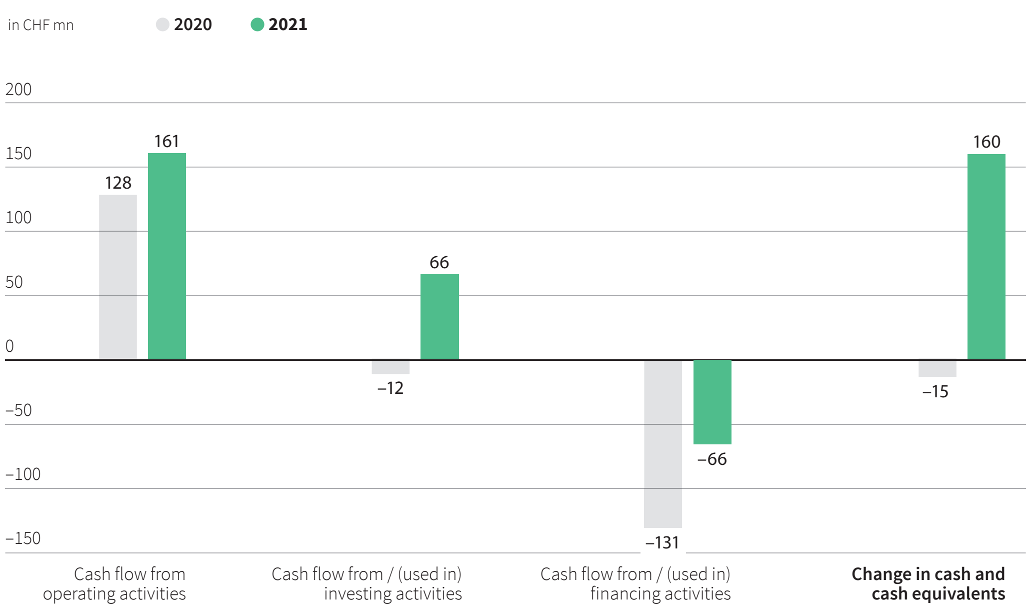
Cash flow from (used in) investing activities amounted to CHF 65.8 million (previous year: CHF -11.8 million). The incoming funds, as compared with the previous year, are attributable in particular to the sale of 10 per cent of TX Markets shares to General Atlantic SC B.V., as half the sale price was paid in cash (CHF 135 million). Together with the sale of GOWAGO and BTMX, this resulted in total incoming funds of CHF 145.5 million, which is disclosed as disposals of investments in associates. There were net cash outflows of CHF 8.9 million from the purchase of the newly consolidated company Helvetics Engineering d.o.o., which has now merged with TX Services d.o.o., the increased stake in neon Switzerland AG and the purchase of Acheter-Louer.ch & Publimmo Sàrl. With the transferred companies being integrated into the new SMG Swiss Marketplace Group AG joint venture, this has resulted in further cash outflows of CHF 12.4 million. Cash outflow from investments in other financial assets includes the investment in bond funds in the amount of CHF 20 million, which was prompted by ongoing negative interest rates. Bond funds are highly liquid and have a fairly short-term investment horizon. Other effects resulted from changes to current accounts with non-controlling interests and increases in loans involving associates. Sales of other financial assets cover, among other things, repayment of the loan from the sale of Olmero AG in the amount of CHF 12.2 million. As a result of investments in property, plant and equipment made in 2021, there were further cash outflows of CHF 16.9 million, such as those associated with conversion work at the Werdstrasse and Küsnacht sites or investments in IT hardware for out-of-home advertising. CHF 14.0 million was invested in intangible assets, in particular for the capitalisation of software projects at JobCloud AG and other investments in the area of webshops and paywalls. The sale of property, plant and equipment and intangible assets resulted in a cash inflow in the amount of CHF 0.4 million. Cash flow after investing activities in property, plant and equipment and intangible assets (FCF b. M&A) amounts to CHF 129.9 million, which significantly exceeds the previous year's figure of CHF 94.5 million.

Cash flow from (used in) financing activities amounts to CHF -65.0 million (previous year: CHF -131.4 million). The significantly lower cash outflows compared with the previous year are attributable in particular to the decision not to pay a dividend to TX Group shareholders for the 2020 financial year, with dividend payments to the non-controlling interests of JobCloud AG and the Goldbach Group also down by around CHF 10.9 million on the previous year. In 2020, the purchase of non-controlling interests in Homegate AG resulted in a cash outflow of CHF 20.8 million, while in the current year the purchase of non-controlling interests in Zattoo AG saw an outflow of CHF 9.6 million. Repayments associated with current accounts or loans only amounted to CHF 2.0 million in the current year, compared with a cash outflow of around CHF 20.6 million in the previous year. Rental payments increased by CHF 1.9 million to CHF 17.3 million as a result of new or modified leases.

The various flows led to an increase in cash and cash equivalents of CHF 160.3 million in 2021, from CHF 276.2 million to CHF 436.5 million.

Exhibit 8

Cash flow



Normalised consolidated income statement

in CHF 000	Comment	2021 Income statement	2021 One-off effects	2021 Adjusted net income	2020[1] Income statement	2020[1] One-off effects	2020[1] Adjusted net income
Advertising revenue		260 582	–	260 582	241 716	–	241 716
Revenue from classifieds & services		285 443	–	285 443	284 060	–	284 060
Revenue from commercialisation and intermediary activities		79 920	–	79 920	72 408	–	72 408
Revenue from subscriptions and individual sales		239 145	–	239 145	241 807	–	241 807
Revenue from print and logistics		67 268	–	67 268	72 549	–	72 549
Other operating revenue		23 419	–	23 419	21 432	–	21 432
Other income	2	1 615	(753)	863	1 824	(1 097)	728
Revenues		**957 391**	**(753)**	**956 638**	**935 795**	**(1 097)**	**934 698**
Costs of material and services	3	(143 786)	(298)	(144 084)	(160 257)	(685)	(160 942)
Personnel expenses		(447 769)	–	(447 769)	(442 406)	–	(442 406)
Other operating expenses	4	(202 495)	(3 144)	(205 639)	(207 309)	(2 485)	(209 794)
Share of net income / (loss) of associates / joint ventures	5	14 321	4 591	18 912	4 796	2 957	7 754
Operating income / (loss) before depreciation and amortisation (EBITDA)		**177 662**	**397**	**178 058**	**130 619**	**(1 309)**	**129 310**
Depreciation and amortisation		(49 737)	–	(49 737)	(47 298)	–	(47 298)
Operating income / (loss) before effects of business combinations (EBIT b. PPA)		**127 925**	**397**	**128 322**	**83 322**	**(1 309)**	**82 012**
Amortisation resulting from business combinations	6	(64 657)	64 657	–	(69 181)	69 181	–
Impairment	7	–	–	–	(85 000)	85 000	–
Operating income / (loss) (EBIT)		**63 268**	**65 053**	**128 322**	**(70 859)**	**152 871**	**82 012**
Financial income	8	798 691	(790 298)	8 393	5 229	–	5 229
Financial expense	9	(9 137)	–	(9 137)	(25 832)	18 734	(7 097)
Income / (loss) before taxes (EBT)		**852 822**	**(725 245)**	**127 578**	**(91 462)**	**171 606**	**80 144**
Income taxes	10	(20 122)	(5 491)	(25 613)	(3 180)	(10 935)	(14 115)
Net income / (loss) (EAT)		**832 700**	**(730 735)**	**101 965**	**(94 642)**	**160 671**	**66 029**

1 The breakdown of revenues in the consolidated income statement was adjusted. The previous year's figures have been adjusted accordingly.
2 The 2021 adjustment concerns hardship payments for Neo Advertising AG (Goldbach segment). The 2020 adjustment concerns the disposal profit from the sale of the Renovero activity of Olmero AG (Group & Ventures segment).
3 The adjustment includes the extraordinary federal contributions towards financing the basic services of the national news agency Keystone-SDA to support the media (Tamedia segment).
4 The adjustment includes the extraordinary support at federal level for the reduced supply of subscription daily and weekly newpapers (press subsidy, Tamedia segment).
5 The 2021 adjustment concerns the impairment of goodwill for the associate BTMX P/S (20 Minuten segment) of CHF 1.7 million and the share of depreciation and amortisation resulting from business combinations of the associate SMG Swiss Marketplace Group AG of CHF -2.9 million (TX Markets segment, after deferred tax). The 2020 adjustment concerns the impairment of goodwill for the associate Zürcher Oberland Medien AG (Tamedia segment) and the impairment on the investment in Karriere.at (TX Markets segment).
6 Depreciation and amortisation from business combinations are normalised in full. Allocation to the segments according to "Segment information".
7 The 2020 adjustment concerns the impairment of goodwill for the cash-generating unit Tamedia (Tamedia segment).
8 The 2021 adjustment concerns damages from legal proceedings involving Trendsales ApS in the amount of CHF 11.8 million, where TX Group AG was the plaintiff (Group & Ventures segment) and the disposal profit from the integration of the shares of TX Markets AG into the joint venture SMG Swiss Marketplace Group AG in the amount of CHF 778.5 million.
9 The 2020 adjustment concerns the disposal loss from the sale of Trendsales (CHF -14.0 million) and Olmero (CHF -4.7 million). The disposal loss includes approximately CHF 1.9 million in transaction costs incurred in connection with the sales.
10 In the financial year and in the comparative period, a correction is made for the tax effects on the special effects. There is only a minor tax effect on the goodwill impairments due to the taxable net income/(loss) of TX Group AG.

Multi-year comparison

		2021	2020	2019	2018	2017
Income statement						
Revenues	CHF mn	957.4	935.8	1 079.5	1 010.6	974.2
Growth		2.3%	−13.3%	6.8%	3.7%	−3.0%
Operating income / (loss) before depreciation and amortisation (EBITDA)	CHF mn	177.7	130.6	196.8	205.9	245.2
Growth		36.0%	−33.6%	−4.4%	−16.0%	22.0%
Margin [1]		18.6%	14.0%	18.2%	20.4%	25.2%
Operating income / (loss) before the effects of business combinations (EBIT b. PPA)	CHF mn	127.9	83.3	155.2	179.5	216.2
Growth		53.5%	−46.3%	−13.5%	−16.9%	34.5%
Margin [1]		13.4%	8.9%	14.4%	17.8%	22.2%
Operating income / (loss) (EBIT)	CHF mn	63.3	(70.9)	70.4	131.6	180.7
Growth		−189.3%	−200.6%	−46.5%	−27.2%	59.3%
Margin [1]		6.6%	−7.6%	6.5%	13.0%	18.6%
Net income / (loss) (EAT)	CHF mn	832.7	(94.6)	97.8	129.5	170.2
Growth		−979.8%	−196.8%	−24.5%	−23.9%	39.1%
Margin [1]		87.0%	−10.1%	9.1%	12.8%	17.5%
Segment share of total revenues with third parties						
TX Markets		21.4%	21.3%	–	–	–
Goldbach		12.4%	11.5%	–	–	–
20 Minuten		12.1%	11.1%	–	–	–
Tamedia		46.3%	47.9%	–	–	–
Group & Ventures		7.8%	8.2%	–	–	–
Employee key data						
Number of employees (FTE) [2]	Number	3 627	3 632	3 662	3 330	3 204
Revenue per employee	CHF 000	264.0	257.6	294.8	303.5	304.0
Balance sheet						
Current assets	CHF mn	859.0	606.1	627.5	686.7	330.9
Non-current assets	CHF mn	2 904.4	2 145.6	2 328.0	2 261.7	2 182.5
Total assets	CHF mn	3 763.4	2 751.6	2 955.5	2 948.4	2 513.3
Liabilities	CHF mn	783.3	755.2	779.8	846.8	543.7
Equity	CHF mn	2 980.1	1 996.4	2 175.7	2 101.7	1 969.6
Cash flow						
Cash flow from / (used in) operating activities	CHF mn	160.6	128.1	169.2	187.7	223.3
Cash flow after investing activities	CHF mn	66.2	(11.8)	202.6	(233.6)	(14.6)
Cash flow after investing activities in property, plant and equipment and intangible assets (FCF b. M&A)	CHF mn	130.1	94.5	146.8	161.5	215.9
Cash flow from discontinued operations (FCF)	CHF mn	226.8	116.3	371.8	(45.9)	208.6
Cash flow from / (used in) financing activities	CHF mn	(65.6)	(131.4)	(225.9)	68.8	(149.0)
Change in cash and cash equivalents	CHF mn	160.3	(15.0)	145.3	22.5	60.2
Financial key data						
Equity ratio [3]		79.2%	72.6%	73.6%	71.3%	78.4%
Return on equity [4]		27.9%	4.5%	4.5%	6.2%	8.6%
Net debt / (net liquidity) [5]		(302.8)	(182.9)	(206.9)	12.9	(113.1)
Debt factor [6]	x	–	–	–	0.1	–
Key figures per share						
Net income / (loss) per share (undiluted)	CHF	75.68	(10.61)	6.11	9.12	13.87
Dividends per share	CHF	7.40 [7]	–	3.5	4.5	4.5
Dividend yield [8]		4.7%	0.0%	3.7%	4.3%	3.3%
Price / earnings ratio [8]	x	2.1	(6.7)	15.3	11.6	9.9
Share price	CHF	156.40	70.80	93.70	105.50	138.00
Market capitalisation	CHF mn	1 656.9	750.1	992.8	1 117.8	1 462.2

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 Proposed appropriation of profit by the Board of Directors
8 Based on year-end price

Information for investors

Share price performance from 04 January 2016 to 28 January 2022

Share price

in CHF	2021	2020	2019	2018	2017
High	167.20	107.20	121.00	157.50	161.80
Low	70.30	60.40	89.80	101.00	132.00
Year-end	156.40	70.80	93.70	105.50	138.00

Market capitalisation

in CHF mn	2021	2020	2019	2018	2017
High	1 772	1 136	1 283	1 670	1 715
Low	745	640	952	1 071	1 399
Year-end	1 657	750	993	1 118	1 462

Financial calendar

Annual General Meeting:	08 April 2022
Half-year report:	30 August 2022

Key figures per share

in CHF		2021	2020	2019	2018	2017
Net income / (loss) per share (undiluted)		75.68	(10.61)	6.11	9.12	13.87
Net income / (loss) per share (diluted)		75.64	(10.61)	6.10	9.08	13.82
EBIT / (loss) per share		5.97	(6.69)	6.65	12.44	17.06
EBITDA / (loss) per share		16.77	12.34	18.57	19.45	23.15
Free cash flow per share		21.40	10.99	35.08	(4.33)	19.70
Shareholders' equity per share [1]		252.83	160.48	173.44	166.48	163.46
Dividends per share		7.40 [2]	–	3.50	4.50	4.50
Dividend pay-out rate [3]		9.4%	0.0%	37.9%	36.7%	28.0%
Dividend yield [4]		4.7%	0.0%	3.7%	4.3%	3.3%
Price/earnings ratio [4]	x	2.07	(6.7)	15.3	11.6	9.9
Price to EBIT ratio [4]	x	26.20	(10.6)	14.1	8.5	8.1
Price to EBITDA ratio [4]	x	9.33	5.7	5.0	5.4	6.0
Price to revenues ratio [4]	x	1.73	0.8	0.9	1.1	1.5
Price to free cash flow ratio [4]	x	7.31	6.4	2.7	(24.3)	7.0
Price to equity ratio [4]	x	0.62	0.4	0.5	0.6	0.8

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 40.

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 distribution policy based on Free Cash Flow. As a rule, 35 to 45 per cent of the Free Cash Flow before M&A activities and after minority dividends (FCF b. M&A after minority dividends) is distributed.

Investor Relations

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Consolidated income statement

in CHF 000	Note	2021	2020 [1]
Advertising revenue	4	260 582	241 716
Revenue from classifieds & services	4	285 443	284 060
Revenue from commercialisation and intermediary activities	4	79 920	72 408
Revenue from subscriptions and individual sales	4	239 145	241 807
Revenue from print and logistic operations	4	67 268	72 549
Other operating revenue	4	23 419	21 432
Other income	4	1 615	1 824
Revenues		**957 391**	**935 795**
Costs of material and services	5	(143 786)	(160 257)
Personnel expenses	6	(447 769)	(442 406)
Other operating expenses	7	(202 495)	(207 309)
Share of net income / (loss) of associates / joint ventures	8	14 321	4 796
Operating income / (loss) before depreciation and amortisation (EBITDA)		**177 662**	**130 619**
Depreciation and amortisation	9	(49 737)	(47 298)
Operating income / (loss) before effects of business combinations (EBIT b. PPA)		**127 925**	**83 322**
Amortisation resulting from business combinations	9	(64 657)	(69 181)
Impairment	9	–	(85 000)
Operating income / (loss) (EBIT)		**63 268**	**(70 859)**
Financial income	10	798 691 [2]	5 229
Financial expense	10	(9 137)	(25 832)
Income / (loss) before taxes (EBT)		**852 822**	**(91 462)**
Income taxes	11	(20 122)	(3 180)
Net income / (loss) (EAT)		**832 700**	**(94 642)**
of which			
attributable to TX Group shareholders		801 958	(112 295)
attributable to non-controlling interests	14	30 742	17 653

1 The structure of revenues in the consolidated income statement has been adjusted. The previous year's figures were adjusted accordingly. See section Restatement in the Cosolidation Principles.
2 Also includes the gain on disposal from the transfer of the shares of TX Markets AG to the joint venture SMG Swiss Marketplace Group AG in the amount of CHF 778.5 million.

Net income / (loss) per share

in CHF	Note	2021	2020
Net income / (loss) (EAT) per share (undiluted)	15	75.68	(10.61)
Net income / (loss) (EAT) per share (diluted)	15	75.64	(10.61)

Consolidated statement of total comprehensive income

in CHF 000	Note	2021	2020
Net income / (loss) (EAT)		**832 700**	**(94 642)**
Value fluctuation of hedges / financial assets	36	2 214	3 137
Currency translation differences		(2 160)	(226)
Income tax effects		387	(80)
Other comprehensive income / (loss) – to be reclassified via the income statement in future periods		**442**	**2 831**
Actuarial gains / (losses) IAS 19	20	235 084	19 002
Share of profit / (loss) recognised directly in equity of associates / joint ventures	8	(4 050)	–
Income tax effects		(42 045)	(3 686)
Other comprehensive income / (loss) – not to be reclassified via the income statement in future periods		**188 988**	**15 315**
Other comprehensive income / (loss)		**189 430**	**18 146**
Total comprehensive income / (loss)		**1 022 130**	**(76 496)**
of which			
attributable to TX Group shareholders		989 383	(93 683)
attributable to non-controlling interests		32 748	17 187

Consolidated balance sheet

in CHF 000	Note	31.12.2021	31.12.2020
Cash and cash equivalents		436 465	276 153
Current financial assets		19 998	311
Trade accounts receivable	16	228 535	214 396
Current financial receivables		123 019	35 938
Current tax receivables		5 347	19 325
Other current receivables		12 879	22 467
Accrued income and prepaid expenses		28 882	32 539
Inventories	17	3 852	4 923
Current assets		**858 976**	**606 052**
Property, plant and equipment	18	302 119	323 292
Investments in associates / joint ventures	8	900 650	61 179
Employee benefit plan assets	20	348 095	137 774
Other non-current financial assets	19	193 498	35 963
Deferred tax assets	12	2 399	8 540
Intangible assets	21/22	1 157 685	1 578 819
Non-current assets		**2 904 447**	**2 145 566**
Assets		**3 763 423**	**2 751 618**
Current financial liabilities	23	19 901	19 289
Trade accounts payable	24	66 027	69 073
Current tax liabilities		14 343	6 828
Other current liabilities	25	31 245	53 468
Deferred revenues from contracts with customers	26	235 933	245 326
Other accrued liabilities	26	103 662	83 568
Current provisions	27	3 590	3 151
Current liabilities		**474 702**	**480 702**
Non-current financial liabilities	23	113 721	73 940
Employee benefit obligations	20	27 486	42 854
Deferred tax liabilities	12	156 138	145 216
Non-current provisions	27	11 233	12 490
Non-current liabilities		**308 578**	**274 499**
Liabilities		**783 280**	**755 201**
Share capital	28	106 000	106 000
Treasury shares	29	(670)	(327)
Reserves		2 573 854	1 593 513
Equity, attributable to TX Group shareholders		**2 679 184**	**1 699 185**
Equity, attributable to non-controlling interests		300 959	297 232
Equity		**2 980 143**	**1 996 417**
Total liabilities and shareholders' equity		**3 763 423**	**2 751 618**

Consolidated statement of cash flows

in CHF 000	Note	2021	2020 [1]
Indirect method			
Net income / (loss) (EAT)		832 700	(94 642)
Amortisation, depreciation and impairment	9	114 394	201 479
Share of net income / (loss) of associates / joint ventures	8	(14 321)	(4 796)
Financial result	10	(789 554)	20 603
Income taxes	11	20 122	3 180
Profit on the sale of property, plant and equipment and intangible assets		2 201	–
Other non-cash income / (loss)		10 865	20 244
Change in net working capital	34	(19 196)	9 536
Change in non-current provisions	30	(1 028)	794
Dividends from associates / joint ventures	8	6 906	9 376
Interest received	10	1 461	139
Interest paid	10	(829)	(709)
Other cash-effective financial result	10/34	11 838	–
Income taxes paid	11	(14 985)	(37 068)
Cash flow from / (used in) operating activities		**160 574**	**128 135**
Investments in property, plant and equipment	18	(16 888)	(18 789)
Sale of property, plant and equipment	18	233	871
Investments in consolidated companies	1	(8 920)	–
Sale of consolidated companies	1	(12 355)	18 173
Sale of activities		–	1 600
Investments in interests in associates / joint ventures	8	(500)	(72)
Sale of interests in associates / joint ventures	8	145 519	19
Investments in other financial assets	19	(41 772)	(8 564)
Sale of other finanical assets	19	14 675	10 698
Investments in intangible assets	21	(13 990)	(16 881)
Sale of intangible assets	21	213	1 136
Cash flow from / (used in) investing activities		**66 215**	**(11 809)**
Dividends paid to TX Group shareholders	28	–	(37 055)
Dividends paid to non-controlling interests		(31 488)	(42 351)
Proceeds of current financial liabilities	23	1 024	3 500
Repayment of current financial liabilities	23	(2 018)	(20 599)
Repayment of lease liabilities	32	(17 284)	(15 386)
Proceeds of non-current financial liabilities	23	4 817	4 292
Repayment of non-current financial liabilities	23	(10 382)	(1 433)
(Purchase) / sale of treasury shares	29	(670)	(1 475)
Acquisition of non-controlling interests		(9 644)	(20 849)
Cash flow from / (used in) financing activities		**(65 644)**	**(131 357)**
Impact of currency translation		**(833)**	**(11)**
Change in cash and cash equivalents		**160 312**	**(15 041)**
Cash and cash equivalents as of 1 January		276 153	291 194
Cash and cash equivalents as of 31 December		436 465	276 153
Change in cash and cash equivalents		**160 312**	**(15 041)**

1 Change to the indirect method for determining the cash flow from / (used in) operating activities (see section Restatement in Consolidation Principles). The previous year's values were adjusted accordingly.

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 2019	**106 000**	**(914)**	**(7 166)**	**1 740 083**	**1 838 003**	**337 680**	**2 175 683**
Net income / (loss) (EAT)	–	–	–	(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 purchase 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**
Net income / (loss) (EAT)	–	–	–	801 958	**801 958**	30 742	**832 700**
attributable to values recognised directly as equity of associates / joint ventures	–	–	–	(4 050)	**(4 050)**	–	**(4 050)**
Value fluctuation of hedges / financial assets	–	–	–	1 614	**1 614**	600	**2 214**
Actuarial gains / (losses) IAS 19	–	–	–	233 193	**233 193**	1 891	**235 084**
Currency translation differences	–	–	(1 820)	–	**(1 820)**	(339)	**(2 160)**
Income tax effects	–	–	–	(41 512)	**(41 512)**	(146)	**(41 658)**
Total comprehensive income / (loss)	**–**	**–**	**(1 820)**	**991 203**	**989 383**	**32 748**	**1 022 130**
Dividends paid	–	–	–	–	**–**	(31 488)	**(31 488)**
Change in the group of consolidated companies	–	–	–	–	**–**	4 170	**4 170**
Acquisition of non-controlling interests	–	–	–	(7 926)	**(7 926)**	(1 718)	**(9 644)**
Share-based payments	–	–	–	(1 115)	**(1 115)**	15	**(1 100)**
(Purchase) / sale of treasury shares	–	(343)	–	–	**(343)**	–	**(343)**
As of 31 December 2021	**106 000**	**(670)**	**(4 725)**	**2 578 580**	**2 679 184**	**300 959**	**2 980 143**

Notes to the consolidated financial statements

Key financial information from reporting year 2021

As a result of the 100 per cent stake in TX Markets AG (without the investment in JobCloud AG) being integrated into the new SMG Swiss Marketplace Group AG joint venture with Ringier and Die Mobiliar, TX Markets and its investments left the group of consolidated companies as of the closing in November 2021. This involves the 50 per cent stake in CAR FOR YOU AG and the 100 per cent stakes in Immostreet.ch S.A., Ricardo AG, ricardo France Sarl., TX Markets GmbH, which was newly founded in 2021, and Acheter-Louer.ch & Publimmo Sàrl, which was acquired in July 2021. Following the deconsolidation of TX Markets, assets of CHF 482.4 million (of which CHF 12.4 million were cash and cash equivalents), liabilities of CHF 158.0 million and shares in non-controlling interests in equity of CHF –4.2 million were transferred. The market value of the TX Group shares in the joint company is CHF 1,107 million (41 per cent). The difference between the market value and the transferred equity of CHF 778.5 million was reflected in the income statement through the financial result. The subsequent sale of 10 per cent of the shares in the new joint venture to General Atlantic SC B.V. at the market value of CHF 270.0 million had no impact on the income statement. Following the sale to General Atlantic SC B.V., the TX Group holds 31 per cent in the joint venture, which was recognised at CHF 837.0 million as an associated company upon the merger taking place.

Consolidation principles and accounting policies

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 Group Management 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 for goodwill and intangible assets with an indefinite useful life (Note 22)
- Assessment of financial risks (Note 35)

The consolidated financial statements were approved by the Board of Directors on 25 February 2022. The Board of Directors proposes that the Annual General Meeting of 8 April 2022 approves the consolidated financial statements.

Changes in accounting policies in 2021 and thereafter

TX Group applied the following new and revised standards and interpretations for the first time in the financial statements for 2021.

- 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") – 2021
- IFRS 16, "Leases" (extension of practical expedient for rent concessions) – 2021

Their first-time application did not lead to any material changes in the consolidation and accounting policies or in the assets or income situation. The introduction of the revised standards, to be applied from 2022, 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 2021 or later were not applied earlier than required.

Restatement

As of 1 January 2020, the internal and external classification of revenues across seven categories has been harmonised. On the basis of a further analysis of revenues, there was an adjustment from 1 January 2021 to the allocation of individual transactions to revenue categories with the aim of harmonising external reporting with the internal view used for management purposes. The previous year was adjusted accordingly. Restatement of the disclosures of the revenues for 2020 only involves a transfer within revenue categories and has no other effect on the consolidated income statement or on other elements of financial reporting. The following effects were taken into account in the restatement:

- The sale of classified advertising in the publishing area is now reported as revenues from classifieds and services (previously advertising revenue). The reclassification for 2020 amounts to CHF 31.8 million.
- Revenues from logistics were reported under other operating revenues in the previous year and will be disclosed from 1 January 2021 under revenue from print and logistic operations (previously referred to as print revenue). The reclassification amounts to CHF 12.7 million.

The individual revenue categories are now disclosed in detail in segment reporting.

For the first time, with the financial statements for 2021, consolidated cash flows are being determined and disclosed using the indirect method. The indirect method is the preferred method under the accounting standard (IAS 7.19), is widely used and shows any change in net working capital. 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 over the investee,
– is exposed or has rights to variable returns from its involvement with the investee, and
– is able to use its power over the investee to affect the amount of the investor's returns.

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 the TX Group are presented in CHF. Monetary items in foreign currency in the individual financial statements are translated at the exchange rate applicable on the balance sheet date. Foreign currency transactions executed during the financial year are recognised at the average monthly exchange rate. The resulting exchange rate differences are recognised directly in the income statement. Assets and liabilities of subsidiaries whose functional currency is not the CHF are converted in the consolidated financial statements using the price on the reporting date, while items in the income statement are converted using the average price.

Accounting 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 around 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 accounting 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, the 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. Any 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 constructional facilities:	3–25 years
Machinery and equipment:	3–25 years
Motor vehicles:	4–10 years
Office equipment and furnishings:	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 the TX Group directly or indirectly holds between 20 per cent and less than 50 per cent of the voting rights without exerting control over any financial and operational decisions, or less than 20 per cent of the voting rights where a significant influence can be exercised in another way) and in joint ventures are recognised using the equity method. The Group's shares in losses that exceed the acquisition cost are only recognised if the 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 accounting 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. Own work for intangible assets is capitalised if the necessary conditions are met. Otherwise, it is charged to the income statement as it arises. Trademarks/domains are classified as intangible assets with an indefinite useful life if they can be used and renewed at no material cost and for an indefinite time and such a possibility is envisaged.

The following amortisation periods apply:

Goodwill:	no amortisation
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 reassessed 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 sale 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 Group Management and the Board of Directors. As a result, it is possible that the actual values realised may deviate from these estimates. If the carrying amount is higher than the recoverable amount, an impairment is made in the income statement to the value which appears to be recoverable based on the discounted, anticipated future income, or a higher net sales value.

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 may not prove to be accurate.

The initial capitalisation of right-of-use assets and lease liabilities associated with a lease is performed on the basis of the fair value of the future lease payments (discounted). An incremental borrowing rate of interest is used to calculate the fair value of lease liabilities. In order to determine this value, due account is taken of the risk-free interest rate for specific lease terms, the collateral, the credit spread and the country-specific risk premium, with a uniform rate being applied to a portfolio of similar leases. Lease liabilities include firmly agreed lease payments. The first capitalisation of right-of-use assets is based on the fair value of lease 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 on the liabilities side 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

The 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 the 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 accounting policies apply to the recognition of revenues in accordance with IFRS 15:

- Revenues are realised if the 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 (one example being the non-cash exchange of adverts between media companies) is defined as a "barter transaction" and recognised net, while revenues and expenditure from other barter transactions which pertain to different services are recognised gross and measured at fair value. Any consideration not yet received is accounted for on an accruals basis. Contracts with customers generally stipulate 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, revenue from classifieds & services, revenue from commercialisation and intermediary activities, revenue from subscriptions and individual sales, revenue from print and logistic operations, other operating revenue and other income (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 revenues in the advertising market for the sale of outdoor advertising spaces if TX Group bears the inventory risk for these advertising spaces or is responsible for providing the service. In these cases, revenues from the sale of outdoor advertising space are recognised gross, as are direct expenses for renting the space. 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.
- The revenue from classifieds & services include revenue from the sale of classified advertising. The revenue is recorded over the contractually defined period associated with the provision of the advertising space. The revenue from classifieds & services also cover revenue from the sale of digital applications and formats.
- Revenue from commercialisation and intermediary activities mainly comprise revenues from the marketing and brokerage 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. Revenue from commercialisation and intermediary activities also comprise the fee for intermediation of out-of-home advertising (net revenues) if TX Group does not bear the inventory risk for the outdoor advertising spaces and is not responsible for providing the service. For all areas, the service is provided and the revenues recognised when the advertisement is broadcast/published. On the balance sheet date, media volumes not used by customers are calculated, valued and duly accrued.
- Revenue 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.
- Revenue from print and logistic operations include 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 39 details relating to the compensation of the Board of Directors and Group Management 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.

Note 1

Changes to the group of consolidated companies

In the 2021 financial year, the following material changes occurred in relation to the group of consolidated companies:

Acquisition of consolidated companies and activities 2021

Acheter-Louer.ch & Publimmo Sàrl

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

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

Disposal of consolidated companies and activities 2021

TX Markets

As a result of the 100 per cent stake in TX Markets AG (without the investment in JobCloud AG) being integrated into the new SMG Swiss Marketplace Group AG joint venture with Ringier and Die Mobiliar, TX Markets and its investments left the group of consolidated companies as of the closing in November 2021. The companies leaving involve a 50 per cent stake in CAR FOR YOU AG and 100 per cent stakes in Immostreet.ch S.A., Ricardo AG, ricardo France Sarl., TX Markets GmbH, which was newly founded in 2021, and Acheter-Louer.ch & Publimmo Sàrl, which was acquired in July 2021. Following the deconsolidation of TX Markets, assets of CHF 482.4 million (of which CHF 12.4 million were cash and cash equivalents), liabilities of CHF 158.0 million and shares in non-controlling interests in equity of CHF -4.2 million were transferred. The market value of the TX Group shares in the joint company amounts to CHF 1,107 million (41 per cent). The difference between the market value and the transferred equity of CHF 778.5 million was reflected in the income statement through the financial result. The subsequent sale of 10 per cent of the shares to General Atlantic SC B.V. at the market value of CHF 270.0 million (of which CHF 135.0 million was in cash and 135.0 million in the form of a loan) had no impact on the income statement. Following the sale to General Atlantic SC B.V., the TX Group holds 31 per cent in the joint venture, which was recognised at CHF 837.0 million. CHF 0.9 million costs were incurred in relation to the transaction.

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

In the 2020 reporting year, the following material sales were made, which must also be disclosed in this annual report in accordance with the requirements of IAS 1 “Presentation of Financial Statements”. There were no material acquisitions in 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 was CHF 36.7 million. CHF 24.5 million of this was in cash. There was also a loan receivable in the amount of CHF 12.2 million from the buyer, which fell due in spring 2021. The loan was granted at market rates and was 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 included costs in the amount of CHF 1.6 million arising in connection with the transaction.

Olmero AG had already sold 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 amounted 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, amounted 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. Another legal proceeding is 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 2020, dreifive digital marketing GmbH, Konstanz, was founded as a 51 per cent subsidiary of dreifive AG.

Note 2

Segment information

in CHF 000	TX Markets	Goldbach	20 Minuten	Tamedia	Group & Ventures	Eliminations and reconciliations IAS 19	**Total**
2021							
Advertising revenue	11 030	26 853	109 316	97 909	15 474	–	**260 582**
Revenue from classifieds & services	192 803	232	4 416	34 442	53 551	–	**285 443**
Revenue from commercialisation and intermediary activities	–	79 920	–	–	–	–	**79 920**
Revenue from subscriptions and individual sales	–	–	–	239 145	–	–	**239 145**
Revenue from print and logistic operations	–	–	–	67 268	–	–	**67 268**
Other operating revenue	934	10 617	2 220	4 377	5 271	–	**23 418**
Other income	3	1 283	79	150	101	–	**1 615**
Revenue intersegment	344	55 594	7 793	16 011	110 614	(190 357)	**–**
Revenues	**205 114**	**174 498**	**123 824**	**459 301**	**185 010**	**(190 357)**	**957 391**
Operating expenses [2]	(124 656)	(129 604)	(106 615)	(440 336)	(173 690)	180 852	**(794 049)**
Share of net income / (loss) of associates / joint ventures	12 113	123	651	3 439	(1 004)	(1 002)	**14 321**
Operating income / (loss) before depreciation and amortisation (EBITDA)	**92 571**	**45 017**	**17 860**	**22 404**	**10 316**	**(10 507)**	**177 662**
Margin [3]	45.1%	25.8%	14.4%	4.9%	5.6%	–	18.6%
Depreciation and amortisation	(7 426)	(9 817)	(837)	(750)	(30 906)	–	**(49 737)**
Operating income before the effects of business combinations (EBIT b. PPA)	**85 145**	**35 200**	**17 023**	**21 655**	**(20 590)**	**(10 507)**	**127 925**
Margin [3]	41.5%	20.2%	13.7%	4.7%	–11.1%		13.4%
Amortisation resulting from business combinations	(19 716)	(15 928)	(2 182)	(21 233)	(5 598)	–	**(64 657)**
Impairment	–	–	–	–	–	–	**–**
Operating income / (loss) (EBIT)	**65 429**	**19 272**	**14 841**	**422**	**(26 188)**	**(10 507)**	**63 268**
Margin [3]	31.9%	11.0%	12.0%	0.1%	–14.2%	–	6.6%
Number of employees (FTE) [4]	**508**	**626**	**319**	**1 363**	**812**		**3 627**

1 The structure of revenues in the consolidated income statement has been adjusted. The previous year's figures were adjusted accordingly.
2 The employee benefit expense from IAS 19 are not part of the individual segments and are separately presented together with the eliminations.
3 The margin relates to revenues.
4 Average number of employees, excluding employees in associates / joint ventures.

in CHF 000	TX Markets	Goldbach	20 Minuten	Tamedia	Group & Ventures	Eliminations and reconciliation IAS 19	**Total**
2020 [1]							
Advertising revenue	12 877	24 041	96 859	94 674	13 265	–	**241 716**
Revenue from classifieds & services	185 688	246	3 971	36 504	57 650	–	**284 060**
Revenue from commercialisation and intermediary activities	–	72 405	–	0	2	–	**72 408**
Revenue from subscriptions and individual sales	–	–	–	241 807	–	–	**241 807**
Revenue from print and logistic operations	–	0	–	70 605	1 944	–	**72 549**
Other operating revenue	602	11 220	3 121	4 125	2 365	–	**21 432**
Other income	12	17	331	122	1 341	–	**1 824**
Revenue intersegment	1 323	46 049	5 561	22 539	123 336	(198 809)	**–**
Revenues	**200 503**	**153 979**	**109 842**	**470 375**	**199 904**	**(198 809)**	**935 795**
Operating expenses [2]	(131 000)	(126 709)	(99 110)	(458 902)	(172 570)	178 319	**(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**	**12 262**	**10 714**	**26 616**	**(20 328)**	**130 619**
Margin [3]	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 before effects of business combinations (EBIT b. PPA)	**67 506**	**17 921**	**12 070**	**9 142**	**(2 990)**	**(20 328)**	**83 322**
Margin [3]	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**	**9 856**	**(97 041)**	**(9 595)**	**(20 328)**	**(70 859)**
Margin [3]	22.9%	0.2%	9.0%	–20.6%	–4.8%	–	–7.6%
Number of employees (FTE) [4]	**584**	**615**	**251**	**1 482**	**700**		**3 632**

1 The breakdown of revenues in the consolidated income statement was adjusted. The previous year's figures have been adjusted accordingly.
2 According to IAS 19, pension costs are not part of the individual segments and are shown separately together with the eliminations.
3 The margin relates to revenue.
4 Average number of employees, excluding employees in associates / joint ventures.

A decentralised organisational structure comprising four largely self-contained companies exists under the umbrella of the TX Group. All investments in specialised platforms and marketplaces are integrated in the TX Markets segment, while advertising marketing is incorporated in the Goldbach segment. The 20 Minuten segment includes free media in Switzerland and abroad, while paid media will be led under the name Tamedia into the 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.

As regards 20 Minuten Advertising AG and Goldbach Publishing AG, 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 associates attributable to them. These shares of net income (loss) are eliminated when the picture is presented from a Group perspective. 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 38 "Investments in other companies").

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

Note 3

Foreign currency conversion

The following exchange rates were applied to convert foreign currencies:

in CHF	2021	2020
Exchange rate at year's end		
1 EUR	1.04	1.08
100 DKK	13.93	14.56
100 RSD	0.88	0.92
Average exchange rate		
1 EUR	1.08	1.07
100 DKK	14.53	14.39
100 RSD	0.92	0.91

Note 4

Revenues

Revenues increased by CHF 21.6 million or 2.3 per cent compared with the previous year from CHF 935.8 million to CHF 957.4 million. Without the effects of changes to the group of consolidated companies (deconsolidation of TX Markets companies in 2021 and of both Olmero AG and Trendsales ApS in 2020), the increase in revenues would have amounted to around CHF 50.5 million.

Advertising revenue

Advertising revenue grew by CHF 18.9 million or 7.8 per cent during the reporting year to CHF 260.6 million. So advertising revenue accounts for 27.2 per cent of total revenues (previous year: 25.8 per cent). Disregarding the changes to the group of consolidated companies, the increase in advertising revenue would have been CHF 20.8 million. This increase is attributable to the general recovery on the advertising market in 2021, after 2020 had seen a massive decline in advertising revenues and cancellations as a result of the coronavirus crisis.

Revenue from classifieds & services

The revenue from classifieds & services for 2021 amount to CHF 285.4 million, which is CHF 1.4 million above the previous year (CHF 284.1 million). Again disregarding the effects of changes to the group of consolidated companies, an increase of CHF 25.7 million would have been recorded. Revenue in the previous year was still down due to the coronavirus crisis. Revenue from classifieds & services account for 29.8 per cent of total revenues (previous year: 30.4 per cent).

Revenue from commercialisation and intermediary activities

The increase in revenue from commercialisation and intermediary activities of CHF 7.5 million to CHF 79.9 million is a result of the improved situation on the advertising market. In 2021, revenue from commercialisation and intermediary activities contributed 8.3 per cent (previous year: 7.7 per cent) of the total revenues for TX Group.

Revenue from subscriptions and individual sales

Revenue from subscriptions and individual sales of paid media decreased slightly by 1.1 per cent from CHF 241.8 million to CHF 239.1 million. The trend of revenue from the sale of printed newspapers and magazines decreasing, while the sale of digital subscriptions is increasing, continued to apply in 2021 as well. Revenue from subscriptions and individual sales contributed 25.0 per cent (previous year: 25.8 per cent) of the total revenues for the TX Group.

Revenue from print and logistic operations

in CHF 000	2021	2020
Newspaper printing	39 684	41 616
Other printing revenues	15 001	18 239
Transport	12 582	12 694
Total	**67 268**	**72 549**

Revenue from print and logistic operations reduced by CHF 5.3 million in 2021 from CHF 72.5 million to CHF 67.3 million, which equates to a decline of 7.3 per cent. CHF 1.9 million of the decline is attributable to changes to the group of consolidated companies (sale of Olmero AG in 2020). The lower price of paper compared with the previous year led to a further reduction in revenue from print and logistic operations. There have been no real changes in terms of print titles.

Other operating revenue

in CHF 000	2021	2020
Gain on buildings used for operational purposes	3 460	3 391
Sale of out-of-home technologies and digital solutions	1 513	1 514
Marketing services including sales and services or marketing concepts	9 642	8 482
Various items	8 803	8 044
Total	**23 419**	**21 432**

Other operating revenue increased by CHF 2.0 million to CHF 23.4 million. The material items of other operating revenue can be seen in the table above.

Both gain on buildings used for operational purposes in the amount of CHF 3.5 million (previous year: CHF 3.4 million) and the sale of out-of-home technology and digital solutions to the value of CHF 1.5 million (previous year: CHF 1.5 million) remained stable compared with the previous year. Revenues from marketing services, including sales and services or marketing concepts, increased by CHF 1.2 million to CHF 9.6 million. The various items incorporate a variety of revenue sources 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	2021	2020
Gain on disposal of property, plant and equipment	42	1 132
Various items	1 573	692
Total	**1 615**	**1 824**

In 2021, there was no material income from gain on disposal of property, plant and equipment, while the profit from the sale of Renovero was recognised in the previous year in the amount of CHF 1.1 million. The various items include, among other things, hardship payments for Neo Advertising AG in the amount of CHF 0.8 million.

Note 5

Costs of material and services

in CHF 000	2021	2020
Costs of material	35 065	40 098
Cost of services	106 967	118 437
Cost of merchandise	1 754	1 721
Total	**143 786**	**160 257**

The costs of material and services decreased by CHF 16.5 million to CHF 143.8 million. CHF 4.2 million of the decline is attributable to changes to the group of consolidated companies. The reduction in expenditure on paper was CHF 5.2 million and is due in particular to further falls in the price of paper. The CHF 11.5 million decline for services is due, among other things, to significantly lower costs for IT (particularly hosting), lower costs for events (Goldbach) and falling costs for IT licences.

Note 6

Personnel expenses

in CHF 000	2021	2020
Salaries and wages	363 246	343 498
Social security	60 220	63 577
Employee benefit expense from IAS 19 [1]	9 505	20 487
Other personnel expenses	14 797	14 844
Total	**447 768**	**442 406**

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 increased by CHF 5.4 million or 1.2 per cent from the previous year to CHF 447.8 million. Disregarding the effects of changes to the group of consolidated companies, the increase in personnel expenses was CHF 18.9 million. An important reason for the increase in personnel expenses is the reduction in compensation for short-time work which the TX Group claimed in the reporting year. The compensation for short-time work was CHF 7.3 million in 2021 (previous year: CHF 21.2 million), while the subsidy from the welfare fund to cover shortfalls for employees short-time work was CHF 1.3 million compared with CHF 4.4 million the previous year. The expenses associated with the profit share participation programme also increased by CHF 7.7 million. By contrast, employee benefit expenses as per IAS 19 decreased by CHF 11.0 million compared with the previous year, which is attributable in particular to TX Group welfare fund covering the costs in the previous year of funding shortfalls due to short-time work and social plan benefits. Disregarding one-off effects and the change to the group of consolidated companies, current personnel expenses were up by around CHF 6.8 million compared with the previous year.

Number of employees

Number	2021	2020
As of 31 December	3 380	3 557
Average	3 627	3 632

The headcount (converted to full-time equivalents) shrank by 177 FTEs or 5.0 per cent from 3,557 to 3,380 FTEs by year end. The decline is primarily attributable to changes to the group of consolidated companies. The average headcount for the year was 3,627, which represents a decrease of 5 FTEs or 0.1 per cent on the previous year.

Other operating expenses

Note 7

in CHF 000	2021	2020
Distribution and sales expenses	82 327	85 971
Advertising and public relations	58 038	48 963
Rent, lease payments and licences	9 749	10 313
General operating expenses	49 727	58 764
Loss from asset disposals	2 243	775
Impairments on financial assets	412	2 523
Total	**202 495**	**207 309**
of which barter transactions	16 673	13 106

Other operating expenses decreased to CHF 202.5 million (previous year: CHF 207.3 million). Again disregarding the effects of changes to the group of consolidated companies in the amount of CHF 3.5 million, other operating expenses would have remained stable year on year.

Distribution and sales expenses fell by CHF 4.4 per cent to CHF 82.3 million. The expenses for advertising and public relations amount to CHF 58.0 million and are therefore CHF 9.1 million more than the previous year, when the level was unusually low. Expenditure on rent, lease payments and licences is largely unchanged from the previous year. It covers expenses for short-term leases with terms of less than one year and for low-value underlying assets to which IFRS 16 exceptions apply (see Note 32) and also rent, lease payments and licences not covered under IFRS 16. 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. The increase on the previous year is spread across a range of the above expenditure items. The loss from asset disposals is CHF 2.2 million (previous year: CHF 0.8 million) and primarily includes the derecognition of capitalised costs for IT software decommissioned before the end of the depreciation period. Impairments on financial assets amount to CHF 0.4 million, with the reduction on the previous year mainly due to the specific valuation allowances for receivables due from Publicitas recognised in 2020.

Associates/joint ventures

Note 8

in CHF 000	2021	2020
Share of net income / (loss) of associates / joint ventures	14 321	4 796
Equity share in associates / joint ventures	900 650	61 179

The share of net income of associates and joint ventures for the reporting year of 2021 is CHF 14.3 million (previous year: CHF 4.8 million). The increase is attributable to increased operating income. The associated company Karriere.at accounted for much of this. See the table in the following section for details. The net income share of 31 per cent attributable to the SMG Swiss Marketplace Group AG joint venture was recognised in the 2021 financial year for the two months of November and December and amounted to CHF -1.5 million. The negative result is attributable to amortisation of intangible assets in the amount of CHF -3.5 million (before deferred taxes), which were revalued in connection with the merger (purchase price allocation as per IFRS 3 “Business combinations”). Impairment testing for the carrying amounts recorded for investments in 2021 failed to show any need for impairment. In the previous year, impairments totalling CHF 2.9 million had had a negative effect on the share of net income of associates and joint ventures for 2020.

The share of equity accounted for by associates and joint ventures amounts to CHF 900.5 million (previous year: CHF 61.2 million). The share in SMG Swiss Marketplace Group AG were recognised at CHF 837.0 million as of 1 November 2021 and have since been recognised with equity accounting (see Note 1 “Changes to the group of consolidated companies”).

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 acquistion 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	2021 [1]	2021 [2]	2020 [2]
Name	SMG Swiss Marketplace Group AG	Karriere.at GmbH	Karriere.at GmbH
Share of Group capital	31.0%	24.5%	24.5%
Balance sheet			
Current assets	72 602	59 282	20 352
Non-current assets	3 029 729	24 886	36 753
Total assets	**3 102 331**	**84 167**	**57 105**
Current liabilities	150 568	38 045	17 778
Non-current liabilities	264 045	541	–
Total equity	2 687 717	45 582	39 328
attributable to majority shareholders	2 682 202	44 251	39 328
of which attributable to TX Group	831 483	21 683	13 489
attributable to non-controlling interests	5 515	1 331	–
Liabilities and shareholders' equity	**3 102 331**	**84 167**	**57 105**
Income Statement [1]			
Revenues	40 050	82 462	47 750
Operating income/(loss) before depreciation and amortisation (EBITDA)	**5 346**	**41 392**	**29 026**
Operating income before effects of business combinations (EBIT b. PPA)	**3 232**	**40 230**	**26 714**
Operating income/(loss) (EBIT)	**(7 940)**	**40 230**	**21 053**
Income/(loss) before taxes	**(8 126)**	**39 967**	**21 098**
Income taxes	2 394	(12 105)	(5 217)
Net income/(loss) (EAT)	**(5 732)**	**27 862**	**15 880**
of which			
attributable to majority shareholders	(4 735)	28 174	15 880
attributable to majority shareholders	(997)	(312)	–
Net income/(loss) (EAT)	**(5 732)**	**27 862**	**15 880**
Other comprehensive income/(loss)	(18 198)	(4)	–
Total comprehensive income/(loss)	**(23 930)**	**27 857**	**15 880**
of which			
attributable to majority shareholders	(17 800)	28 169	15 880
attributable to majority shareholders	(6 130)	(312)	–
Dividends received (pro-rata)	–	4 896	7 989

1 Income statement includes the period between 1 November 2021 to 31 December 2021
2 Karriere.at GmbH is a 49 per cent shareholding of JobCloud AG, in which TX Group in turn has a 50 percent share. As of the reporting year 2021, there is a claim for income in the amount of 49 per cent; for the reporting year 2020, TX Group assumed a claim for income of 34.3 per cent on the part of JobCloud AG against Karriere.at GmbH on the basis of the agreements in place at that time.

As of the end of 2021, 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	SMG Swiss Marketplace Group AG	Karriere.at GmbH	Other associates	Joint ventures	Total
Share taken into account in the consolidation	31.0%	49.0%[1]	n.a.	n.a.	
2021					
Current assets	22 507	29 048	18 185	8 595	78 335
Non-current assets	939 216	12 194	41 695	4 000	997 105
Assets	**961 722**	**41 242**	**59 881**	**12 595**	**1 075 440**
Current liabilities	46 676	18 642	9 645	6 565	81 528
Non-current liabilities	81 854	265	7 686	1 095	90 900
Equity	833 192	22 335	42 550	4 935	903 012
attributable to TX Group	831 483	13 718	50 515	4 935	900 650
attributable to non-controlling interests	1 710	652	–	–	2 362
Liabilities	**961 722**	**41 242**	**59 881**	**12 595**	**1 075 440**
attributable to net income of associates/joint ventures					
Revenues	12 415	40 406	40 017	12 801	105 640
Operating income/(loss) before depreciation and amortisation (EBITDA)	**1 657**	**20 282**	**3 874**	**1 676**	**27 489**
Operating income before effects of business combinations (EBIT b. PPA)	**1 002**	**19 713**	**1 236**	**1 656**	**23 607**
Operating income/(loss) (EBIT)	**(2 461)**	**19 713**	**1 128**	**1 656**	**20 036**
Income/(loss) before taxes	**(2 519)**	**19 584**	**1 245**	**1 663**	**19 973**
Income taxes	742	(5 932)	(568)	(356)	(6 114)
Net income/(loss) (EAT)	**(1 777)**	**13 652**	**677**	**1 307**	**13 859**
of which					
attributable to TX Group	(1 468)	13 805	677	1 307	14 321
attributable to non-controlling interests	(309)	(153)	0	–	(462)
Net income/(loss) (EAT)	**(1 777)**	**13 652**	**677**	**1 307**	**13 859**
Other comprehensive income/(loss)	(5 641)	(2)	–	–	(5 643)
Total comprehensive income/(loss)	**(7 418)**	**13 650**	**677**	**1 307**	**8 216**
of which					
attributable to TX Group	(5 518)	13 803	677	1 307	10 269
attributable to non-controlling interests	(1 900)	(153)	–	–	(2 053)

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

in CHF 000	Karriere.at GmbH	Other associates	Joint ventures	Total
Share taken into account in the consolidation	49.0%[1]	n.a.	n.a.	
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**
attributable to net income of associates/joint ventures				
Revenues	16 378	48 659	12 853	77 891
Operating income/(loss) before depreciation and amortisation (EBITDA)	**9 546**	**3 068**	**477**	**13 091**
Operating income before effects of business combinations (EBIT b. PPA)	**8 753**	**1 146**	**455**	**10 353**
Operating income/(loss) (EBIT)	**6 811**	**(12)**	**455**	**7 254**
Income/(loss) before taxes	**6 826**	**(62)**	**457**	**7 221**
Income taxes	(1 790)	(517)	(118)	(2 425)
Net income/(loss) (EAT)	**5 037**	**(580)**	**339**	**4 796**

1 The values shown refer to the shares of Jobcloud AG, in which TX Group in turn holds a 50 percent stake. For the reporting year 2020, TX Group had assumed, based on the agreements at that time, that JobCloud AG would have a claim on Karriere.at GmbH of 34.3 percent.

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, the 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 39.

Amortisation, depreciation and impairment

Note 9

in CHF 000	2021	2020
Depreciation and amortisation	49 737	47 298
Amortisation resulting from business combinations	64 657	69 181
Impairment	–	85 000
Total	**114 394**	**201 479**
of which depreciation of property, plant and equipment	23 668	24 284
of which depreciation of right-of-use assets from lease	16 229	14 877
of which amortisation of intangible assets	74 496	77 317
of which impairment on goodwill	–	85 000

Overall depreciation and amortisation (total covering depreciation and amortisation resulting from business combinations) reduced compared with the previous year by CHF 2.1 million to CHF 114.4 million. While depreciation and amortisation increased by CHF 2.4 million, depreciation and amortisation resulting from business combinations declined by CHF 4.5 million, mainly due to changes to the group of consolidated companies (effect of CHF 2.9 million).

Based on a goodwill impairment test, no requirement for any impairment on goodwill was identified. In the previous year, an impairment on goodwill of CHF 85.0 million was recorded for the cash-generating unit Tamedia. See Note 22 “Goodwill and intangible assets with an indefinite useful life”.

Note 10

Financial result

in CHF 000	2021	2020
Interest income	1 461	98
Gains from sale of investments	778 672	43
Currency exchange gains	6 300	4 403
Financial income from IAS 19	300	362
Other financial income	11 957	323
Financial income	**798 691**	**5 229**
Interest expense	(829)	(668)
Interest expense from leases	(910)	(1 037)
Currency exchange losses	(6 683)	(4 633)
Financial expense from IAS 19	(111)	(92)
Loss from the sale of investments	–	(18 734)
Other financial expense	(604)	(667)
Financial expense	**(9 137)**	**(25 832)**
Total	**789 554**	**(20 603)**

The financial result for 2021 amounts to CHF 789.6 million (previous year: CHF -20.6 million). The integration of the 100 per cent stake in TX Markets AG (without the investment in JobCloud AG) into the new SMG Swiss Marketplace Group AG joint venture, and the subsequent recognition of the 41 per cent stake as an associated investment, resulted in financial income of CHF 778.5 million. This arises from the difference between the market value of the recognised stake in SMG Swiss Marketplace Group AG and the equity transferred with the deconsolidation of TX Markets AG (without the investment in JobCloud AG) (see Note 1 “Changes to the group of consolidated companies”). The sale of Gowago AG resulted in an insignificant gain from sale of investments. The previous year had recorded a disposal loss of CHF 18.7 on the sale of Olmero AG and Trendsales ApS.

Net interest amounts to CHF -0.3 million (previous year: CHF -1.6 million), with the main change from the previous year attributable to the interest income associated with the loan to General Atlantic SC B.V. (see Note 19 “Financial assets”). Exchange rate effects amount to CHF -0.4 million net (previous year: CHF -0.2 million), while net financial income in accordance with IAS 19 amounts to CHF 0.2 million (previous year: CHF 0.3 million).

Other financial income includes compensation from legal proceedings involving Trendsales ApS in the amount of CHF 11.8 million, where TX Group AG has acted as the plaintiff (Group & Ventures segment).

Income taxes

in CHF 000	2021	2020
Deferred income taxes	32 012	20 486
Deferred income taxes	(11 890)	(17 306)
Total	**20 122**	**3 180**

Analysis of tax expense

in CHF 000	2021	2020
Income/(loss) before taxes (EBT)	852 822	(91 462)
Average income tax rate	19.5%	13.4%
Expected tax expense (using weighted average tax rates)	**166 305**	**(12 268)**
Credits and income taxes incurred from previous periods	248	723
Use of previously unrecognised loss carry-forwards	(379)	(82)
Unrecognised deferred tax assets on tax loss carried forwards	2 008	2 175
Expiry of capitalised tax loss carryforwards	1 124	–
Impact of Swiss participation exemption and other non-taxable items	(47 722)	(2 025)
Expenses not deductible from tax and income not credited to the income statement	4	(129)
Non-tax-deductible impairment on goodwill	–	14 849
Change in deferred taxes due to change in tax rates	4	1 151
Tax effects on investments	(101 395)	(1 308)
Other impacting items	(75)	94
Income taxes	**20 122**	**3 180**
Effective tax rate	2.4%	–3.5%

The expected average tax rate equals the weighted average of the rates of the consolidated companies. This is 19.5 per cent in 2021 (previous year: 13.4 per cent) and is derived from the weighting of 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 2021 in a higher expected tax rate compared with the previous year.

The effective tax rate changed from -3.5 per cent to 2.4 per cent. This deviation from the expected tax rate was due more than anything to the impact of investment deductions and other non-taxable income and to the tax effect on investments. The tax effects on investments include the revaluation in value of the TX Group's shares in the SMG Swiss Marketplace Group AG joint venture, which was reflected in the income statement through the financial result in the amount of CHF 778.5 million. Together with the impact resulting from both book depreciation and amortisation and also revaluations on carrying amounts (without any deferred tax consequences) – and with tax expenses reducing accordingly – other tax effects on investments were considerably higher in 2021 too.

The biggest impact of investment deductions and other non-taxable income in 2021 is due to the sale of 10 per cent of the shares in SMG Swiss Marketplace Group AG. This resulted in a significant increase on the previous year. 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.

In 2020, the non-tax-deductible impairment on goodwill with a theoretical tax effect in the amount of CHF 14.8 million was attributable to the impairment on goodwill of CHF 85.0 million for the Tamedia segment. More information on goodwill and the impairment testing performed can be found in Note 22.

Note 12

Deferred tax assets and liabilities

in CHF 000	2021	2020
Employee benefit liabilities	4 112	4 287
Capitalised tax loss carryforwards	8 069	13 680
Provisions	260	260
Other balance sheet items	53	197
Total deferred tax assets, gross	**12 494**	**18 424**
Trade accounts receivable	(1 143)	(994)
Property, plant and equipment	(15 455)	(16 801)
Financial assets	(244)	(226)
Employee benefit assets	(62 285)	(21 716)
Intangible assets	(84 178)	(112 322)
Provisions	(2 700)	(2 714)
Other balance sheet items	(228)	(326)
Total deferred tax liabilities, gross	**(166 232)**	**(155 100)**
Total deferred taxes, net	**(153 739)**	**(136 676)**
of which deferred tax assets stated in the balance sheet	2 399	8 540
of which deferred tax liablities stated in the balance sheet	(156 138)	(145 216)

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 10.1 million in 2021 (previous year: CHF 9.9 million). The change in deferred taxes is shown in the following table:

in CHF 000	2021	2020
As of 1 January	**(136 676)**	**(152 530)**
Change in group of consolidated companies	12 630	2 856
Deferred tax income	11 890	17 306
Taxes on other comprehensive income	(41 659)	(4 278)
Currency translation differences	76	(30)
As of 31 December	**(153 739)**	**(136 676)**

Tax loss carryforwards

in CHF 000	2021	2020
Recognised tax loss carry-forwards	**8 069**	**13 680**
Weighted average income tax rate	17.1%	19.4%
Corresponding to effective tax loss carried forwards	**(47 158)**	**(70 426)**
Past due after 1 year	–	(471)
Past due after 2 to 5 years	(8 800)	(19 889)
Past due after more than 5 years	(38 358)	(50 065)

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 2021, (net) deferred tax assets of CHF 3.3 million (previous year: deferred tax assets of CHF 5.6 million) had been capitalised for companies that suffered losses in this or the previous year. Of the non-capitalised loss carryforwards listed below, loss carryforwards in the amount of CHF 37.9 million will expire in 2022 due to the planned liquidation of MetroXpress A/S.

in CHF 000	2021	2020
Non-capitalised tax loss carried forwards	**(87 874)**	**(92 356)**
Due after 1 year	(17 126)	(3 906)
Due after 2 to 5 years	(1 760)	(27 866)
Due after more than 5 years	(68 988)	(60 584)

Assets held for sale

Note 13

As in the previous year, there are no assets held for sale and no material, individual business segments beeing held for sale which need to be reported separately as discontinued operations as at 31 December 2021.

Non-controlling interests in net income

Note 14

in CHF 000	2021	2020
Non-controlling interests in income	36 436	24 228
Non-controlling interests in loss	(5 694)	(6 572)
Total	**30 742**	**17 656**

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

Earnings per share

Note 15

		2021	2020
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)		3 103	11 662
Number of outstanding shares (weighted average)		**10 596 897**	**10 588 338**
Undiluted			
Net income (loss) attributable to shareholders	in CHF 000	801 958	(112 295)
Weighted average of outstanding shares applicable for this calculation		10 596 897	10 588 338
Net income / (loss) per share	in CHF	**75.68**	**(10.61)**
Diluted			
Net income (loss) attributable to shareholders	in CHF 000	801 958	(112 295)
Weighted average of outstanding shares applicable for this calculation		10 602 228	10 588 338
Net income / (loss) per share	in CHF	**75.64**	**(10.61)**

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

Note 16

Trade accounts receivable

in CHF 000	2021	2020
Trade accounts receivable from third parties	238 189	213 653
Trade accounts receivable from associates / joint ventures	1 506	13 564
Provisions for doubtful trade accounts receivable	(11 160)	(12 822)
Total	**228 535**	**214 396**

Trade accounts receivable amount to CHF 228.5 million and are therefore up CHF 14.1 million on the previous year. The increase can be attributed to higher revenues and the usual fluctuations due to record day consideration. Provisions of CHF 11.2 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	2021	2020
not yet due	186 112	182 661
past due in less than 30 days	29 439	20 387
past due in 30 to 60 days	9 949	7 312
past due in 60 to 90 days	2 272	3 349
past due in 90 to 120 days	1 811	553
past due in over 120 days	10 111	12 955
As of 31 December	**239 695**	**227 218**

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

in CHF 000	2021	2020
As of 1 January	**(12 821)**	**(12 770)**
Change in group of consolidated companies	833	608
Increase	(1 126)	(2 875)
Reversal	1 066	1 155
Used during the financial year	889	1 060
Currency translation differences	–	–
As of 31 December	**(11 160)**	**(12 821)**

Note 17

Inventories

in CHF 000	2021	2020
Raw, auxiliary and operating materials	3 852	4 923
Total	**3 852**	**4 923**

Inventories are down CHF 1.1 million to CHF 3.9 million, which is attributable both to reporting day consideration and the lower valuation of paper resources due to the reduction in purchase prices.

Property, plant and equipment

Note 18

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 1 January 2020	**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 effect	–	(5)	(13)	(2)	–	(11)	**(31)**
As of 31 December 2020	**65 879**	**309 493**	**262 730**	**18 343**	**4 166**	**92 830**	**753 442**
Additions of consolidated companies	–	–	36	20	–	–	**56**
Disposals of consolidated companies	–	(509)	(677)	(343)	–	(3 943)	**(5 472)**
Additions	–	1 676	7 576	1 005	6 630	7 533	**24 421**
Disposals	–	(1 068)	(3 983)	(409)	(18)	(5 488)	**(10 966)**
Transfers	–	423	2 891	170	(3 484)	–	**–**
Currency effect	–	(48)	(69)	(45)	(3)	(227)	**(392)**
As of 31 December 2021	**65 879**	**309 967**	**268 503**	**18 741**	**7 292**	**90 706**	**761 088**
Accumulated depreciation and impairment							
As of 1 January 2020	**–**	**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 effect	–	0	(12)	(1)	–	(4)	**(16)**
As of 31 December 2020	**–**	**181 270**	**210 316**	**12 872**	**–**	**25 691**	**430 150**
Disposals of consolidated companies	–	(106)	(615)	(149)	–	(1 826)	**(2 696)**
Depreciation and amortisation	–	9 064	13 113	1 491	–	16 229	**39 897**
Disposals	–	(951)	(3 789)	(243)	–	(3 270)	**(8 252)**
Currency effect	–	(14)	(42)	(18)	–	(56)	**(130)**
As of 31 December 2021	**–**	**189 263**	**218 983**	**13 954**	**–**	**36 769**	**458 969**
Net carrying value							
As of 31 December 2020	**65 879**	**128 223**	**52 414**	**5 471**	**4 166**	**67 139**	**323 292**
As of 31 December 2021	**65 879**	**120 704**	**49 520**	**4 788**	**7 292**	**53 936**	**302 119**

Property, plant and equipment reduced by CHF 21.2 million during the reporting year and amount to CHF 302.1 million as of the balance sheet date.

A decline of CHF 2.8 million was recorded due to changes to the group of consolidated companies. Additions to the group of consolidated companies relate to the acquisitions of Helvetics Engineering d.o.o. and Acheter-Louer.ch & Publimmo Sàrl in the reporting year, while the disposal of consolidated companies relates to the deconsolidated companies related to the deconsolidation of TX Markets. Investments amount to CHF 24.4 million (previous year: CHF 57.6 million) and include newly recognised right-of-use assets associated with leased properties in the amount of CHF 7.5 million (particularly in the out-of-home area). The out-of-home area (Neo Advertising AG) also saw material investments in inventory (particularly digital advertising spaces). Advance payments and assets under construction include costs that can be capitalised in relation to the conversion of premises at the Werdareal site in Zurich (Stauffacherquai 8) and investments in the printing centres.

Depreciation of property, plant and equipment (incl. right-of-use assets from leases) is stable compared with the previous year and amounts to CHF 39.9 million (previous year: CHF 39.2 million). While depreciation of property, plant and equipment reduced slightly by CHF 0.6 million, depreciation relating to the capitalised right-of-use assets increased, due to the incoming items recorded, by CHF 1.4 million to CHF 16.2 million. In the reporting year, assets with a net carrying value of CHF 2.7 million (previous year: CHF 1.4 million) were also disposed of, with CHF 2.2 million attributable to the reduction in capitalised right-of-use assets. These are mainly the result of contractual changes, particularly the shortening of contract terms. Details on the pledging of property, plant and equipment are given in Note 37.

Note 19

Other non-current financial assets

in CHF 000	2021	2020
Other investments	37 528	32 866
Non-current loans to third parties	551	456
Non-current loans to associates / joint ventures / related parties	153 773	305
Other non-current financial assets	1 647	2 336
Total	**193 498**	**35 963**

Other non-current financial assets increased by CHF 157.5 million to CHF 193.5 million. The increase is attributable in particular to the interest-bearing loans issued by TX Group AG to General Atlantic SC B.V. in the amount of CHF 137.4 million and SMG Swiss Marketplace Group AG in the amount of CHF 15.2 million. The loan to General Atlantic SC B.V. is secured with the 10 per cent share package sold. In the reporting year, investments were made in relation to both new (such as PriceHubble AG, Backbone Art SA or Helvengo AG) and existing other investments (such as Switzerlend AG and neon Switzerland AG). The investments in neon Switzerland AG increased the TX Group AG share to 21.7 per cent, with this now being recorded as an associated company. In the reporting year, positive changes were made to measurements associated with MoneyPark AG and firstbird AG, which were recorded in the statement of comprehensive income.

Details on the fair values of financial assets are given in Note 36. Details on pledges of other financial assets can be found in Note 37.

Employee benefits

Note 20

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 65 per cent to the pension funds.

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

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

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

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

Actuarial assumptions

in per cent	2021	2020
Discount rate as of 1 January	0.20	0.30
Discount rate as of 31 December	0.30	0.20
Expected salary increases	1.00	1.00
Expected pension increases	–	–
Mortality table	BVG2020 GT	BVG2015 GT
Date of most recent actuarial calculation	31.10.2021	31.10.2020

Amounts recognised in the balance sheet

in CHF 000	2021	2020
Employee benefit obligations as of 31 December	(1 661 787)	(1 838 463)
Employee benefit plan assets as of 31 December	1 982 395	1 933 382
Overfunding/(liabilities) as of 31 December	**320 608**	**94 919**
Adjustment of asset limit	–	–
Net plan assets/(net plan liabilities) as of 31 December	**320 608**	**94 919**
of which net plan assets	348 095	137 774
of which employee benefit obligations	(27 486)	(42 855)

Amounts recognised in the income statement

in CHF 000	2021	2020
Current employer service cost	(34 720)	(35 052)
Past service cost	3 203	1 508
Effect of plan curtailments / settlements	(510)	(375)
Interest cost for employee benefit obligations	(3 619)	(5 454)
Interest income on plan assets	3 808	5 726
Administration costs (excl. asset management costs)	(918)	(920)
Other effects	773	(10 216)
Company's net periodic pension cost	**(31 983)**	**(44 783)**
of which employee benefit expense and administration costs	(32 172)	(45 055)
of which net interest on net plan assets/(net plan liabilities)	189	272

In 2020 and 2021, 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 2021 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 0.9 million, and the creation of CHF 4.8 million worth of reserves for the funding of various social plans.

Amounts recognised in the statement of comprehensive income

in CHF 000	2021	2020
Actuarial gains / (losses) on employee benefit obligations	102 012	(43 742)
Gain on plan assets, excluding interest	133 072	63 254
Total	**235 084**	**19 512**

Composition of actuarial gains/(losses)

in CHF 000	2021	2020
Actuarial gains / (losses) through changes in financial assumptions	20 871	(26 568)
Demographical assumptions	77 815	(35)
Adjustments due to experience	3 326	(17 139)
Total	**102 012**	**(43 742)**

Actuarial gains were very high in 2021. The main reasons for this are the impact of the change in financial assumptions (CHF 20.8 million) and changes in demographic assumptions (CHF 77.8 million), with the latter due to application of the latest generation tables (BVG2020 GT).

Changes in employee benefit obligations

in CHF 000	2021	2020
Present value as of 1 January	(1 838 463)	(1 844 406)
Interest cost	(3 619)	(5 454)
Current employer service cost	(34 720)	(35 052)
Employee contributions	(20 728)	(22 044)
Benefits paid	91 819	103 155
Effect of plan curtailments/settlements	3 203	1 508
Change in group of consolidated companies	39 627	8 492
Administration costs (excl. asset management costs)	(918)	(920)
Actuarial gains/(losses)	102 012	(43 742)
Present value as of 31 December	**(1 661 787)**	**(1 838 463)**
of which plan liabilities for current employees	(694 422)	(782 671)
of which plan liabilities for retired employees	(967 365)	(1 055 792)

Changes in plan assets

in CHF 000	2021	2020
Market value as of 1 January	1 933 382	1 937 717
Interest income on plan assets	3 808	5 726
Employer contributions	22 667	24 359
Employee contributions	20 728	22 044
Benefits paid	(91 819)	(103 155)
Effect of plan curtailments/settlements	(510)	(375)
Change in group of consolidated companies	(38 980)	(5 972)
Other effects	47	(10 216)
Gain on plan assets, excluding interest	133 072	63 254
Market value as of 31 December	**1 982 395**	**1 933 382**

Allocation of plan assets

in CHF 000	2021	2020
Listed market prices		
Cash and cash equivalents	14 154	7 485
Shares	713 226	646 626
Bonds	629 010	626 994
Real estate	273 326	265 715
Other	1 499	4 701
Total listed market prices	**1 631 215**	**1 551 521**
Non-listed market prices		
Real estate	291 172	276 419
Other	60 008	105 442
Total non-listed market prices	**351 180**	**381 861**
Total assets at fair value	**1 982 395**	**1 933 382**
of which shares of TX Group AG	–	–
of which assets used by Group companies	–	–

Expected contributions for the coming year

in CHF 000	2021	2020
Employer contributions	20 100	23 725
Employee contributions	18 238	21 175

Maturity of employee benefit obligations

in years	2021	2020
Weighted average duration of employee benefit obligations in years	13.4	14.6

Sensitivity analysis

in CHF 000	2021	2020
Effects on employee benefit obligations as of 31 December in the event of		
Decrease in the discount rate by 0.25%	(57 336)	(69 373)
Increase of discount rate by 0.25%	53 826	64 881
Decrease in salary increases by 0.25%	3 637	4 649
Increase of salary by 0.25%	(3 639)	(4 665)
Decrease in life expectancy by 1 year	69 215	72 005
Increase of life expectancy by 1 year	(68 301)	(71 074)

Contributions to defined contribution plans

in CHF 000	2021	2020
Total	1 174	641

Liabilities to employee benefit funds

in CHF 000	2021	2020
Liabilities to TX Group employee benefit funds	64	1 060
Trade accounts payable to third parties	966	–
Total	**1 030**	**1 060**

Intangible assets

Note 21

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 1 January 2020	**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 effect	(453)	(133)	(22)	–	**(607)**
As of 31 December 2020	**1 012 825**	**1 002 229**	**73 121**	**4 931**	**2 093 106**
Additions of consolidated companies	3 008	5 377	4 000	–	**12 385**
Disposals of consolidated companies	(209 884)	(227 492)	(11 829)	–	**(449 205)**
Additions	520	2 380	8 833	2 257	**13 990**
Disposals	–	(10 943)	(30 007)	(71)	**(41 021)**
Transfers	–	–	6 965	(6 965)	**–**
Currency effect	(398)	(272)	(162)	1	**(832)**
As of 31 December 2021	**806 069**	**771 279**	**50 921**	**153**	**1 628 422**
Accumulated depreciation, amortisation and impairment					
As of 1 January 2020	**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 effect	(186)	(73)	(20)	–	**(279)**
As of 31 December 2020	**140 832**	**325 306**	**48 129**	**20**	**514 287**
Disposals of consolidated companies	–	(74 385)	(4 609)	–	**(78 994)**
Depreciation and amortisation	–	60 037	14 459	–	**74 496**
Impairment	–	–	–	–	**–**
Disposals	–	(10 778)	(28 092)	–	**(38 870)**
Currency effect	–	(42)	(140)	–	**(183)**
As of 31 December 2021	**140 832**	**300 140**	**29 746**	**20**	**470 737**
Net carrying value					
As of 31 December 2020	**871 993**	**676 924**	**24 992**	**4 911**	**1 578 819**
As of 31 December 2021	**665 237**	**471 140**	**21 175**	**133**	**1 157 685**

Intangible assets decreased by CHF 421.1 million from CHF 1,578.8 million to CHF 1,157.7 million. Addtions within the group of consolidated companies in the amount of CHF 12.4 million relate to the acquisitions of Helvetics Engineering d.o.o. and Acheter-Louer.ch & Publimmo Sàrl in the reporting year, while a decline in intangible assets of CHF 370.2 million relates to the deconsolidated TX Markets companies. Further information on this is provided in Note 1 on changes to the group of consolidated companies. Besides investments in IT software that can be capitalised (such as platforms) and the recognition of own work capitalised at JobCloud AG, the reporting year also saw the purchase of the Immowelt customer base and the capitalisation of a signing fee associated with the conclusion of an advertising marketing contract in the out-of-home area.

Amortisation amounts to CHF 74.5 million compared with CHF 77.3 million in the previous year, with this CHF 2.8 million reduction mainly due in turn to changes to the group of consolidated companies. In 2021, intangible assets with a net carrying value of CHF 2.2 million (previous year: CHF 1.1 million) were sold, much of which is attributable to decommissioned IT software.

Note 22

Goodwill and intangible assets with an indefinite useful life

in CHF 000	2021	2020
Goodwill per business division		
TX Markets	290 994	499 140
Goldbach	112 957[1]	120 103
20 Minuten	147 182[1]	146 193
Tamedia	91 248[1]	85 367
Group & Ventures	22 856	21 190
Total	**665 237**	**871 993**

1 In the new corporate 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 4.0 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	2021	2020
Intangible assets with indefinite useful lives per business segment		
TX Markets	83 550	170 709
Goldbach	39 168	39 281
20 Minuten	22 293	22 318
Group & Ventures	7 867	7 867
Total	**152 877**	**240 176**

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 JobCloud. These were tested for impairment on the basis of the value in use, growth rate calculation, discount rate and other assumptions in the TX Markets segment.

The goodwill and intangible assets with indefinite useful lives were tested for impairment for each cash-generating unit on 31 December 2021. 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 2022 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. 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 -4.8 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: -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).

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

	2021	2020
WACC before tax		
TX Markets	8.9%	9.4–12.3%
Goldbach	8.3–9.9%	9.2–11.9%
20 Minuten	7.9–10.6%	7.9–8%
Tamedia	9.2%	8.8%
Group & Ventures	11.5–11.6%	12.3–12.5%

The discount rates before tax applied to the significant cash-generating units amounted to 9.2 per cent (previous year: 8.8 per cent) for Tamedia, 7.9 per cent (previous year: 7.9 per cent) for 20 Minuten, 8.3 per cent (previous year: 9.2 per cent) for Goldbach, 8.9 per cent (previous year: 10.2 per cent) for TX Markets and 11.6 per cent (previous year: 12.3 per cent) for Group & Ventures. The impairment testing at the end of 2021 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 85.0 million was recorded on goodwill for the cash-generating unit Tamedia.

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	2021	2020
Effects on goodwill and intangible assets with unlimited use of a reduction in cash flow by		
10%		
TX Markets	–	–
Goldbach	(2 490)	(22 438)
20 Minuten	–	(979)
Tamedia	–	(6 537)
Group & Ventures	–	–
20%		
TX Markets	–	–
Goldbach	(29 085)	(62 568)
20 Minuten	–	(2 389)
Tamedia	–	(22 998)
Group & Ventures	–	–
WACC increased by 2%		
TX Markets	–	(2 599)
Goldbach	(41 315)	(69 535)
20 Minuten	–	(2 699)
Tamedia	–	(15 689)
Group & Ventures	–	–

A 20 per cent decline in free cash flow for the cash-generating unit Goldbach would give an achievable value of CHF 29.1 million below the carrying amount. A 2 per cent increase in WACC would give an achievable value of CHF 41.3 million below the carrying amount. There is no impact for the other units.

Financial liabilities

in CHF 000	2021	2020
Current bank liabilities	4 675	2 000
Current financial liabilities from leases	13 812	13 938
Other current financial liabilities to third parties	370	350
Other current financial liabilities to associates / joint ventures	981	3 000
Other current financial liabilities to related parties	63	–
Current financial liabilities	**19 901**	**19 289**
Non-current financial liabilities from leases	41 427	54 247
Non-current loans to related parties	69 567	17 855
Other non-current financial liabilities to third parties	2 726	1 838
Non-current financial liabilities	**113 721**	**73 940**
Financial liabilities	**133 621**	**93 228**
Weighted average interest rate		
due within 1 year	2.0%	1.0%
due 1 to 5 years	0.4%	0.9%
due beyond 5 years	n/a	n/a

Current and non-current financial liabilities increased by CHF 40.4 million to CHF 133.6 million.

Current bank liabilities include a short-term bank loan of CHF 3.0 million (previous year: CHF 2.0 million) and liabilities relating to derivative financial instruments of CHF 1.7 million (previous year: zero). As of the balance sheet date, there are current lease liabilities in the amount of CHF 13.8 million (previous year: CHF 13.9 million) and non-current lease liabilities in the amount of CHF 41.4 million (previous year: CHF 54.2 million), with the reduction in lease liabilities attributable to the reduced terms of existing rental agreements. As of the balance sheet date, there were lower liabilities relating to current accounts, which explains the decline in other current financial liabilities to associates / joint ventures.

Non-current loan liabilities increased because of the loan by SMG Swiss Marketplace Group AG to TX Group AG in the amount of CHF 64.2 million. By contrast, the deconsolidation of TX Markets companies means the loan by shareholders to CAR FOR YOU AG is no longer reported. Other non-current financial liabilities to third parties still comprise the contractually assumed obligation of CHF 1.2 million (previous year: CHF 1.5 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 1 January 2020	**291 194**	**–**	**33 294**	**(33 898)**	**(50 382)**	**240 208**
Addition to/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	**–**
Repayment 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 effect	(11)	–	–	–	–	**(11)**
As of 31 December 2020	**276 153**	**311**	**35 938**	**(19 289)**	**(73 940)**	**219 174**
As of 1 January 2021	**276 153**	**311**	**35 938**	**(19 289)**	**(73 940)**	**219 174**
Addition to/disposal of cash and cash equivalents and current financial assets	195 044	20 021	(3 857)	–	–	**211 207**
Proceeds of financial liabilities	5 841	–	–	(1 024)	(4 817)	**–**
Repayment of financial liabilities	(12 400)	–	–	2 018	10 382	**–**
Repayment of leasing liabilities	(17 284)	–	–	17 284	–	**–**
Additions of consolidated companies	2 299	–	–	–	–	**2 299**
Disposals of consolidated companies	(12 355)	–	–	–	–	**(12 355)**
Other non-cash changes	–	(334)	90 938	(19 016)	(45 219)	**26 368**
Transfers	–	–	–	126	(126)	**–**
Currency effect	(833)	–	–	–	–	**(833)**
As of 31 December 2021	**436 465**	**19 998**	**123 019**	**(19 901)**	**(113 721)**	**445 860**

Note 24

Trade accounts payable

in CHF 000	2021	2020
Trade accounts payable to third parties	63 331	67 554
Trade accounts payable to associates / joint ventures	2 696	1 518
Total	**66 027**	**69 073**

At CHF 66.0 million, trade accounts payable are down CHF 3.0 million on the previous year. Trade accounts payable are non-interest bearing and are normally payable within a period of 30 days.

Other current liabilities

Note 25

in CHF 000	2021	2020
Liabilities to public authorities	12 353	19 689
Liabilities to insurance companies	2 848	5 142
Liabilities to employee benefit funds	1 030	1 060
Liabilities to employees	39	169
Advance payments from customers	10 079	12 174
Other current liabilities	4 895	15 234
Total	**31 245**	**53 468**

Other current liabilities amount to CHF 31.2 million and are therefore down by around CHF 22.2 million on the previous year. The reduction is due to the decrease in other current liabilities of CHF 10.4 million and liabilities to public authorities of CHF 7.4 million. Changes to the group of consolidated companies result in a decrease of CHF 6.2 million in other current liabilities. Other current liabilities are non-interest bearing and are normally payable within a period of 30 days.

Deferred revenues and accrued liabilities

Note 26

in CHF 000	2021	2020
Deferred subscription revenues	146 325	155 842
Deferred online revenues	64 124	57 324
Deferred revenues from commercialisation and intermediation activities	25 484	32 160
Deferred personnel expenses	32 153	23 287
Other accrued liabilities	71 510	60 280
Total	**339 596**	**328 894**
of which deferred revenues from contracts with customers	235 933	245 326
of which other accrued liabilities	103 662	83 568

Deferred revenues and accrued liabilities (total contains accrued liabilities from contracts with customers and other accrued liabilities) increased by CHF 10.7 million from CHF 328.9 million to CHF 339.6 million. Changes to the group of consolidated companies result in a decrease of around CHF 6.0 million. Total deferred revenue declined by CHF 9.4 million. By contrast, accruals relating to personnel increased by CHF 8.9 million to CHF 32.2 million, mainly due to the higher accruals for employee performance bonuses. The increase in other deferred revenues and accrued liabilities is primarily due to television channel shares not yet invoiced within the sub-group Goldbach.

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 194.7 million (previous year: CHF 201.3 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).

Note 27

Provisions

in CHF 000	Long service awards	Personnel provisions/ restructuring	Restoration costs + inherit-ed pollution	Litigation risks, other	**Total**
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 effect	–	–	–	(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 within 1 to 5 years	10 522	–	600	1 367	**12 490**
As of 1 January 2021	**11 671**	**1 954**	**600**	**1 416**	**15 641**
Additions of consolidated companies	–	–	–	–	**–**
Disposals of consolidated companies	(288)	–	–	(20)	**(308)**
Increase	163	1 384	–	1 366	**2 913**
Reversal	(458)	(14)	–	(260)	**(733)**
Used during the financial year	(683)	(1 491)	–	(472)	**(2 646)**
Currency effect	–	–	–	(44)	**(44)**
As of 31 December 2021	**10 404**	**1 834**	**600**	**1 986**	**14 823**
due within 1 year	991	1 833	–	766	**3 590**
due within 1 to 5 years	9 413	–	600	1 220	**11 233**

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 amount to CHF 14.8 million (previous year: CHF 15.6 million). Provisions for long-service awards and personnel provisions were reduced slightly in the reporting period. In terms of personnel and restructuring provisions, the reporting year saw provisions for the social plan used and reversed in relation to the restructuring of central services. By contrast, restructuring provisions were created for various social plans covering severance pay, early retirement and additional benefits. The increase in provisions for litigation risks is due to adjusted estimates for current cases and also due to new legal cases (Goldbach Group AG). The reversal of provisions no longer required was reflected in the income statement under other income.

Share capital

Note 28

There are still 10,600,000 fully paid-up registered shares with a par value of CHF 10.00 each.

There is a shareholders' agreement for 67.0 per cent of the 10.6 million registered shares of TX Group AG. The members party to the shareholders' agreement currently own 69.10 per cent of the shares.
On 9 April 2021, the shareholders approved the proposal of the Board of Directors not to pay a dividend for the 2020 financial year. For the 2021 financial year, the Board of Directors will recommend to the Annual General Meeting of 8 April 2022 that a dividend of CHF 7.40 should be paid. The proposed dividend consists of a special dividend of CHF 4.20 and a regular dividend of CHF 3.20 per share.

Disclosures on the major shareholders of TX Group AG in accordance with the terms of the Swiss Code of Obligations Art. 663c are provided in Note 12.

Treasury shares

Note 29

		2021	2020
Number of treasury shares			
As of 1 January		4 426	9 266
Additions		5 709	16 241
Disposals		(4 426)	(21 081)
As of 31 December		**5 709**	**4 426**
Initial value of treasury shares	in CHF 000		
As of 1 January		327	914
Additions		670	1 475
Disposals		(327)	(2 062)
As of 31 December		**670**	**327**
Market value		**893**	**313**
Paid/received prices	in CHF		
Additions (weighted average)		117.04	90.84
min.		77.13	63.60
max.		162.43	106.51
Disposals (weighted average)		73.89	97.82
min.		73.89	92.34
max.		73.89	98.62

The year-end price of treasury shares was CHF 156.4, compared with CHF 70.8 at the end of the previous year. Share price changes over time can be seen in the chart on page 46.

As part of the profit participation programme for Group Management (see also Note 40), 4,426 treasury shares with a total value of CHF 0.3 million were issued. In total, 5,709 additional treasury shares were purchased in the 2021 financial year.

Further disclosures in relation to the consolidated financial statements

Note 30

Subsidiaries with non-controlling interests

The Group companies of TX Group and their respective shares of capital and voting rights are detailed in Note 38. 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	2021	2020	2021	2020
Name	JobCloud AG	JobCloud AG	Goldbach Media (Switzerland) AG	Goldbach Media (Switzerland) AG
Share of Group capital	50.0%	50.0%	54.0%	54.0%
Capital share of non-controlling interests	50.0%	50.0%	46.0%	46.0%
Balance sheet				
Current assets	68 546	56 844	73 793	86 999
Non-current assets	508 649	498 911	222 579	236 743
Assets	**577 196**	**555 755**	**296 372**	**323 742**
Current liabilities	68 333	61 256	53 225	68 534
Non-current liabilities	40 683	43 510	32 853	19 096
Equity, attributable to TX Group shareholders	239 090	230 495	113 559	127 500
attributable to non-controlling interests	229 090	220 494	96 735	108 611
Liabilities	**577 196**	**555 755**	**296 372**	**323 742**
Income statement				
Revenues	113 830	93 781	56 203	50 952
Operating income / (loss) before depreciation and amortisation (EBITDA)	**84 229**[1]	**61 362**[1]	**29 806**	**24 127**
Operating income before effects of business combinations (EBIT b. PPA)	**79 491**	**57 107**	**28 672**	**22 550**
Operating income / (loss) (EBIT)	**69 145**	**46 762**	**15 860**	**9 729**
Income / (loss) before taxes	**68 925**	**46 659**	**15 838**	**9 392**
Income taxes	(10 561)	(8 464)	(2 610)	(1 760)
Net income (loss)	**58 364**	**38 195**	**13 228**	**7 632**
attributable to non-controlling interests	29 182	19 097	6 085	3 511
Other comprehensive income / (loss)	1 340	24	917	(5)
Total comprehensive income	**59 705**	**38 219**	**14 145**	**7 627**
attributable to non-controlling interests	29 852	19 109	6 507	3 508
Dividends paid to non-controlling interests	21 500	27 000	8 538	13 495
Cash flows				
Cash flow from (used in) operating activities	68 615	52 558	3 416	19 292
Cash flow after investing activities	(21 266)	3 415	(2 239)	(251)
Cash flow (used in) financing activities	(44 176)	(55 143)	(19 522)	(30 835)
Change in cash and cash equivalents	**3 173**	**830**	**(18 345)**	**(11 794)**

1 Includes the share of net income of associate Karriere.at GmbH (see Note 8).

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

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

Note 31

in CHF 000	2021	2020
Sureties and subordinated claims to the benefit of related parties	1 175	650
Sureties and subordinated claims to the benefit of third parties	2 783	1 493
Guarantee obligations to the benefit of third parties	12 180	653
Total	**16 138**	**2 796**

As of the balance sheet date, there are sureties, subordinated claims and guarantee obligations to the benefit of related parties and third parties totalling CHF 16.1 million (previous year CHF 2.8 million). Guarantee obligations to the benefit of third parties have increased as a result in particular of numerous new contracts in the area of out-of-home advertising. There are no further sureties, subordinated claims or guarantee obligations.

Leases

Note 32

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

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 five years and fixed conditions. The residual terms of the property rental agreements are between one and ten 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	31.12.2021	31.12.2020
Balance sheet		
Right of use, leasing – real estate	87 910	90 022
Cumulative depreciation in right of use – real estate	(34 905)	(24 290)
Right of use, leasing – operating and office equipment	2 796	2 808
Cumulative depreciation in right of use – operating and office equipment	(1 864)	(1 401)
Assets	**53 936**	**67 139**
Lease obligations	55 239	68 185
Liabilities	**55 239**	**68 185**

in CHF 000	2021	2020
Income statement		
Depreciation in right of use, leasing – real estate	(15 438)	(14 045)
Depreciation in right of use, leasing – operating and office equipement	(791)	(833)
Depreciation in right of use, leasing	**(16 229)**	**(14 877)**
Financial expense leasing	(910)	(1 037)
Financial income, net leasing	**(910)**	**(1 037)**

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 2.2 million (short-term leases) and CHF 1.1 million (low-value underlying assets) (previous year: CHF 2.1 million and CHF 1.0 million).

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

As at 31 December 2021, obligations associated with leases signed for but not yet started amounted to CHF 133.9 million in total (previous year: zero). These obligations are recognised, in accordance with IFRS 16, as a liability at the present value at the time the lease starts.

Note 33

Pending transactions

There are out-of-home advertising contracts with an obligation to provide future services intended to obtain a specific level of revenue in the amount of CHF 167.8 million (previous year: CHF 54.4 million). The management estimates, like the previous year, that the agreed revenue targets will be achieved. Provisions would be formed for loss-generating contracts. The significant increase on the previous year is due in particular to two major new contracts in the Zurich and Basle area.

Framework agreements were entered into with major suppliers in the previous year for the procurement of newsprint and magazine paper, including a purchase agreement worth CHF 19.5 million. In the current year, there are no such agreements in relation to future delivery periods.

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

Note 34

Statement of cash flows

in CHF 000	2021	2020
Other non-cash income		
Employee benefit plans	9 316	20 217
Capital taxes	1 198	849
Share-based payments	(773)	(297)
Repurchase obligations/put options	620	(102)
Other	505	(425)
Total	**10 865**	**20 243**
Change in net current assets		
Trade accounts receivable	(23 763)	25 951
Other current receivables	(435)	(6 922)
Accrued income and prepaid expenses	1 218	(4 595)
Inventories	1 072	1 776
Trade accounts payable	(2 048)	(11 141)
Other current liabilities	(12 652)	7 748
Deferred revenues and accrued liabilities from contracts with customers	(9 167)	(8 465)
Other deferred revenues and accrued liabilities	26 061	4 906
Current provisions	520	277
Total	**(19 196)**	**9 536**

Of the change in net current assets (not including non-current provisions), a total of CHF -4.7 million (previous year: CHF 3.2 million) is attributable to changes to the group of consolidated companies.

Note 35

Information on financial risk management

The Audit Committee at TX Group AG monitors risk management at the company and approves the consolidated risk report. Risk management is broken down into risk spheres, which are dealt with centrally within the TX Group or locally within the sub-groups. The risk officers designated by Group Management 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 and tougher competition through new media offerings from global providers such as Google, Amazon or Meta.

Market risks are considered for the individual companies and addressed with targeted measures.

Market risks for TX Markets include the significant increase in pressure from the competition and the rapid development of disruptive business models. This pressure in the core markets is mainly increasing on account of massive investments in general classifieds by major international players. In response to this development, the online marketplaces of TX Markets and Scout24 Schweiz are being combined to form the SMG Swiss Marketplace Group. The company is one of the biggest digital enterprises in Switzerland. There is also the risk associated with the wider economy, particularly in the job market. This is countered by retaining a flexible set-up, with specific offerings aimed at customer development and retention, and through cost management.

At Goldbach, targeted measures are being taken in the area of TV to address the changing ways that younger people are consuming media. These include the launch of innovative forms of advertising within the context of replay TV, such as replay ads, and the development of new products associated with advanced TV. The risk of a severe decline in print consumption is being mitigated through alliances and cross-media offerings. Another risk is the digitalisation of media purchasing and the associated loss of inventories. This risk is being countered through verticalisation and stricter control of distribution by using and investing in new technologies. As regards the online business, there is a risk that ad impressions will decline as a result of greater focus on net coverage and dispensing with third-party cookies. Specific countermeasures 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. At the same time, the rapid changes in media consumption among the young target group carry risks that are being addressed with a “social media first” strategy. The relevant news and entertainment formats will primarily be produced in future for placement on various social media platforms and only placed there too at first – before being adapted for apps, websites and newspapers. Other measures are being taken to mitigate the risk of “data privacy and cookieless technology” or the consequences of the advertising industry dispensing with third-party cookies. With the introduction of a login arrangement and additional identifier (PPI), however, the potential damage in relation to the Google Adserver has been greatly limited so far.

For Tamedia, the main risks are the further decline in the print advertising market, the lack of digital revenue growth in the user market and short-term dips in third-party customer business at the printing centres. In close collaboration with Goldbach Publishing, variable marketing costs have been implemented 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. Over the next six to twelve months, a steep increase in the price of paper is expected due to the Europe-wide shortage of used paper and higher energy prices. After this, paper supply and demand should balance out again and prices should fall. The negotiation strategy for paper purchases is being modified accordingly.

As regards the portfolio companies of TX Ventures, there is a risk that evaluation 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. Business model risks such as changing markets, inadequate product-market fit and investments in early(-ier) stage ventures are being tackled through continuous market and competition analysis. The expansion of global providers is classed as another big risk. These are continuously expanding into other sectors, leaving individual companies facing a competitive environment over the medium term and with a potential negative impact on pricing. TX Ventures companies are actively tackling this risk through diversification and focusing on non-cyclical business models with highly structural drivers.

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

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.

	2021		2020	
in CHF 000	Variable interest rate	fixed interest rate	Variable interest rate	fixed interest rate
Assets				
Cash and cash equivalents	436 465	–	276 153	–
Loan receivables	–	154 323	–	761
Liabilities				
Bank liabilities and loans	–	4 675	–	2 000
Loan liabilities	2 885	66 682	2 885	14 970
Impact on net income / (loss) before taxes of a change of +/- 0.1%	+/– 434		+/– 273	

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 91.0 million in 2021 (previous year: CHF 74.7 million). The risks applied for the most part to transactions in euro and were hedged for paper purchases in 2022 in the amount of CHF 37.1 million (hedging in 2020 for paper purchases in 2021 amounted to CHF 29.8 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 2021 using forward exchange transactions can be found in Note 36. Details of the system for recognising these cash flow hedges can be found in the accounting policies.

The effects on net income before taxes of a possible change in the exchange rates of 5 per cent on the items in the balance sheet in euro, US dollars, Danish krone, Serbian dinars and Israeli shekels amount to CHF -0.9 million as at the end of 2021 (previous year: CHF -0.1 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	1 to 5 years	over 5 years	**Total**
2021						
Financial liabilities	4 146	5 108	11 689	102 697	13 200	**136 840**
of which derivative financial instruments	–	396	1 279	–	–	**1 675**
of which leasing liabilities	–	4 629	9 865	30 039	13 200	**57 734**
Trade accounts payable	66 027	–	–	–	–	**66 027**
Other liabilities	4 895	–	–	–	–	**4 895**
Total	**75 069**	**5 108**	**11 689**	**102 697**	**13 200**	**207 762**
2020						
Financial liabilities	5 072	4 484	10 860	57 908	18 596	**96 920**
of which derivative financial instruments	–	–	–	–	–	**–**
of which leasing 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**

Capital management

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

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

Financial instruments

Note 36

in CHF 000	Category	2021 Carrying amount	2021 Market value	2020 Carrying amount	2020 Market value
Cash and cash equivalents	1	436 465	436 465	276 153	276 153
Current financial assets		19 998	19 998	311	311
of which securities	4	19 998	19 998	–	–
of which forward exchange transactions	4	–	–	311	311
Trade accounts receivable	2	228 535	228 535	214 396	214 396
Current financial assets	2	123 019	123 019	35 938	35 938
Other non-current financial assets		193 498	184 911	35 963	35 846
of which other investments – equity instruments	3	37 360	37 360	32 699	32 699
of which other investments – no equity instruments	4	168	168	168	168
of which loans	2	154 323	145 736	761	644
of which other non-current financial assets – no equity instruments	2	1 647	1 647	2 336	2 336
Current financial liabilities		6 089	6 089	5 350	5 350
of which forward exchange transactions	6	1 675	1 675	0	0
of which other current financial liabilities	5	4 414	4 414	5 350	5 350
Trade accounts payable	5	66 027	66 027	69 073	69 073
Other liabilities	5	4 895	4 895	15 234	15 234
Non-current financial liabilities		72 294	72 245	19 693	19 985
of which bank liabilities and loans	5	69 567	69 518	17 855	18 147
of which purchase price obligations	6	1 064	1 064	–	–
of which obligations to purchase own equity instruments	6	455	455	382	382
of which other non-current financial liabilities	6	1 207	1 207	1 456	1 456
Categorisation of financial instruments as per IFRS 9					
Cash and cash equivalents – at amortised cost	1	436 465	436 465	276 153	276 153
Loans and receivables – at amortised cost	2	507 524	498 937	253 430	253 313
Financial assets – at fair value with value adjustments in other comprehensive income	3	37 360	37 360	32 699	32 699
Financial assets – at fair value with value adjustments in profit or loss	4	20 165	20 165	479	479
Financial liabilities – at amortised cost	5	(144 904)	(144 855)	(107 512)	(107 804)
Financial liabilities – at fair value with value adjustments in profit or loss	6	(4 401)	(4 401)	(1 838)	(1 838)

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 -1.7 million net (previous year: 0.3 million) and, not therefore being material, no further disclosure is made in respect of them.

Among other things, equity instruments associated with other financial assets and any purchase price obligations 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 21.5 million as of 31 December 2021, the valuation was performed on a DCF basis or based on the last observable market values. 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	2021	2020
Other investments – as of 1.1.	**32 866**	**22 842**
Additions	10 238	7 482
Disposals [1]	(9 776)	(177)
Valuation increase via other comprehensive income	4 200	2 720
Valuation reduction via other comprehensive income	–	–
Other investments – as of 31.12.	**37 528**	**32 866**

1 Transfer to associates

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 currency contracts

in CHF 000	2021	2020
Contract volume	37 133	29 786
Fair value, due	(1 675)	311
due within 1 year	(1 675)	311
due within 1 to 5 years	–	–
due beyond 5 years	–	–
Details of cash flow hedges		
Cash flow hedges recognised directly in other comprehensive income	(1 348)	251
Used for hedging as planned	57	886
Recognised directly in the income statement	–	–

Forward euro contracts totalling CHF 37.1 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

in CHF 000	2021	2020
Assets securing subscription insurance	–	165
from securities with a value of	–	165
Assets pledged as collateral or subject to liens	**–**	**165**
from assets with a consolidated value of	**–**	**165**

As with the previous year, there are no insurance arrangements relating to charges on land or buildings as of 31 December 2021.

Note 38

Investments in other companies

The companies of the TX Group included the following on 31 December 2021:

Name	Domicile	Currency	Share capital (in 000)	Segment	Consolidation method	Share of [4] Group capital 2021	Share of [4] Group capital 2020
TX Group AG	Zurich	CHF	106 000	G&V/20M	V	–	–
20 minuti Ticino SA	Lugano	CHF	300	20M	E	50.0%	50.0%
Actua Immobilier SA	Carouge	CHF	330	Tam	E	39.0%	39.0%
Backbone Art SA	Geneva	CHF	169	G&V	A	2.2%	–
DJ Digitale Medien GmbH	Vienna	EUR	71	20M	V	51.0%	51.0%
Doodle AG	Zurich	CHF	100	G&V	V	98.5%[3]	100.0%
Doodle Deutschland GmbH	Berlin	EUR	250	G&V	V	98.5%[3]	100.0%
Doodle USA Inc	Atlanta	USD	20	G&V	V	98.5%[3]	100.0%
Meekan Solutions Ltd.[2]	Kibutz Shefaim	ILS	150	G&V	V	–	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%
Adextra AG[7]	Zurich	CHF	100	GB	V	–	100.0%
Goldbach Manufaktur AG	Küsnacht	CHF	100	GB	V	100.0%	100.0%
Goldbach neXT AG	Küsnacht	CHF	100	GB	V	100.0%	100.0%
dreifive AG	Konstanz	EUR	75	GB	V	100.0%	100.0%
dreifive digital marketing GmbH	Munich	EUR	25	GB	V	51.0%	51.0%
Goldbach Search GmbH[6]	Konstanz	EUR	25	GB	V	100.0%	100.0%
dreifive (Switzerland) AG	Zurich	CHF	100	GB	V	100.0%	100.0%
Goldbach Audience (Switzerland) AG	Küsnacht	CHF	1 091	GB	V	50.1%	50.1%
Goldbach Austria GmbH	Vienna	EUR	35	GB	V	100.0%	100.0%
dreifive GmbH	Vienna	EUR	50	GB	V	100.0%	100.0%
Goldbach Audience Austria GmbH	Vienna	EUR	35	GB	V	100.0%	100.0%
Goldbach Media Austria GmbH	Vienna	EUR	137	GB	V	100.0%	100.0%
Goldbach Germany GmbH	Unterföhring	EUR	25	GB	V	97.0%	97.0%
Goldbach DooH (Germany) GmbH	Unterföhring	EUR	25	GB	V	97.0%	97.0%
Goldbach SmartTV GmbH	Unterföhring	EUR	25	GB	V	97.0%	97.0%
Goldbach TV (Germany) GmbH	Unterföhring	EUR	25	GB	V	97.0%	97.0%
Goldbach Video GmbH	Unterföhring	EUR	25	GB	V	97.0%	97.0%
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%

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

5 The voting share is 50 per cent
6 No longer operational
7 merged
8 Founded in January 2021
9 inactive

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 fair value

Name	Domicile	Currency	Share capital (in 000)	Segment	Consolidation method	Share of [4] Group capital 2021	Share of [4] Group capital 2020
IAB Switzerland Services AG	Zurich	CHF	100	GB	E	25.0%	25.0%
Jaduda GmbH	Berlin	EUR	29	GB	V	100.0%	100.0%
NEO ADVERTISING SA	Geneva	CHF	300	GB	V	52.3%	52.3%
swiss radioworld AG	Küsnacht	CHF	416	GB	V	54.0%[5]	54.0%[5]
Goldbach Publishing AG	Küsnacht	CHF	100	GB	V	100.0%	100.0%
Helpling Switzerland AG	Zurich	CHF	111	G&V	E	50.0%	50.0%
Helvengo AG	Zurich	CHF	172	G&V	A	11.3%	–
JobCloud AG	Zurich	CHF	100	TXM	V	50.0%	50.0%
Jobsuchmaschine AG [7]	Zurich	CHF	100	TXM	V	–	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%
BTMX P/S	Copenhagen	DKK	1 000	20M	E	–	30.0%
MoneyPark AG	Freienbach	CHF	452	G&V	A	4.4%	4.4%
neon Switzerland AG	Zurich	CHF	261	G&V	E	21.7%	16.5%
OneLog AG	Zurich	CHF	120	G&V	E	50.0%	–
Picstars AG	Zurich	CHF	248	G&V	A	10.6%	11.4%
PriceHubble AG	Zurich	CHF	335	G&V	A	0.7%	–
Selma Finance Oy	Helsinki	EUR	3	G&V	A	10.7%	11.0%
SMG Swiss Marketplace Group AG	Zurich	CHF	2 439	TXM	E	31.0%	100.0%
Acheter - Louer.ch & Publimmo Sàrl	La Tour-de-Peilz	CHF	20	TXM	E	31.0%	–
Aeroga AG	Zurich	CHF	100	TXM	E	31.0%	–
Anibis Vertriebs GmbH	Freiburg i. B.	EUR	25	TXM	E	31.0%	–
CAR FOR YOU AG	Zurich	CHF	100	TXM	E	31.0%	50.0%
GOWAGO AG	Zurich	CHF	181	TXM	E	–	25.7%
Casasoft AG	Zurich	CHF	100	TXM	E	31.0%	–
IAZI, Informations- und Ausbildungszentrum für Immobilien AG	Zurich	CHF	100	TXM	E	20.5%	–
Immo Information Technology Private LTD	Goa	INR	924	TXM	E	18.4%	–
ImmoStreet.ch SA	Lausanne	CHF	700	TXM	E	31.0%	100.0%
Nhat Viet Group Company Ltd.	Ho Chi Minh City	VND	6 106 230	TXM	E	31.0%	–
Ricardo AG	Zug	CHF	200	TXM	E	31.0%	100.0%
ricardo France Sàrl	Valbonne	EUR	15	TXM	E	31.0%	100.0%
TX Markets GmbH	Berlin	EUR	25	TXM	E	31.0%	–

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

5 The voting share is 50 per cent
6 No longer operational
7 merged
8 Founded in January 2021
9 inactive

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 fair value

Name	Domicile	Currency	Share capital (in 000)	Segment	Consolidation method	Share of [4] Group capital 2021	Share of [4] Group capital 2020
Switzerlend AG	Zurich	CHF	670	G&V	A	18.9%	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 BOM	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%
CIL Centre d'Impression Lausanne SA	Lausanne	CHF	10 000	Tam	V	100.0%	100.0%
Riviera Chablais SA [8]	Vevey	CHF	226	Tam	E	20.4%	46.0%
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	–[9]	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%	27.8%
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 AG	Zurich	CHF	1 036	G&V	V	58.9%	50.0%
Zattoo Europa AG [7]	Zurich	CHF	300	G&V	V	–	50.0%
Zattoo Inc.	Ann Arbor	USD	2	G&V	V	58.9%	50.0%
Zattoo Deutschland GmbH	Berlin	EUR	25	G&V	V	58.9%	50.0%
VIRTUAL NETWORK S.A.	Nyon	CHF	100	G&V	E	25.2%	25.2%

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Segment
TXM = TX Markets
profit-sharing scheme = Goldbach
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Consolidation and measurement methods
V = full consolidation
E = accounted for using the equity method
A = valued at fair value

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

Transactions with related parties and companies

Note 39

Transactions between the 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 fund		Board of Directors and Group Management	
	2021	2020	2021	2020	2021	2020	2021	2020
Revenues	2 585	3 683	5 206	8 392	–	–	219	145
Operating expenses	(8 442)	(6 547)	(715)	(229)	(22 667)	(24 359)	(292)	(164)
Net financial income / (loss)	(40)	7	(32)	(6)	–	–	(64)	(45)
Trade accounts receivable	1 115	1 015	353	361	–	–	–	–
Other current receivables	1 951	300	809	641	–	–	–	–
Loan receivables	15 640	365	860	–	–	–	–	–
Trade accounts payable	1 498	28	658	11	–	–	35	6
Other current liabilities	–	–	–	2 983	–	–	–	–
Current financial liabilities	6	–	904	–	–	–	1 516	2 688
Non-current financial liabilities	64 181	–	2 500	2 500	–	–	1 112	2 749

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

Besides the transactions disclosed in Note 40 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. 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 40 and in the Compensation Report are recognised under transactions with the Board of Directors and Group Management. The rents mentioned in Note 40, 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 40

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

The compensation shown reflects the expenditures recognised in the income statement during the reporting year (irrespective of the dates on which these were paid). Included among the active members of the Board of Directors and Management Board are those individuals who completed their period of tenure during the year. No compensation was paid to former members or related parties of the Board of Directors or Group Management. As part of the new corporate structure, the Advisory Board was abolished on 1 January 2020.

Total compensation paid to the Board of Directors and Group Management

in CHF 000	Directors [1]	Group Management	**Total**
2021			
Number of members per balance sheet date	8.0	3.0	**11.0**
Annual average of members	8.0	3.0	**11.0**
Fees / salaries	2 165	933	**3 098**
Profit participation for managers and share of profits for Group Management paid in cash	–	751	**751**
Share of profits for Group Management paid in shares 2021 [4]	–	188[5]	**188**
Share of profits for Group Management paid in shares 2020 [4]	–	–	**–**
Share of profits for Group Management paid in shares 2019 [4]	–	29	**29**
Share of profits for Group Management paid in shares 2018 [4]	–	51	**51**
Pension and social security contributions	227	291	**518**
Expense reimbursements	123	45	**168**
Non-monetary payments	–	6	**6**
Other compensation	–	–	**–**
Total	**2 514**	**2 293**	**4 808**

2020	Directors	Group Management	**Total**
Number of members per balance sheet date	8.0	3.0	**11.0**
Annual average of members	7.5[2]	3.5[3]	**11.0**
Fees / salaries	2 125	1 458	**3 583**
Management profit-sharing and share of profits paid in cash	–	500	**500**
Share of profits for Group Management paid in shares 2020 [4]	–	–[5]	**–**
Share of profits for Group Management paid in shares 2019 [4]	–	105	**105**
Share of profits for Group Management paid in shares 2018 [4]	–	186	**186**
Share of profits for Group Management paid in shares 2017 [4]	–	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**

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 See information on the share in profits of the Group Management and the share in profits programme 2019.
5 Note 40 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, the TX Group paid compensation for rent for office premises totalling CHF 3.0 million (previous year: CHF 3.2 million) to Groupe Edipresse, over which Pierre Lamunière exerts a significant influence.

Profit participation programme for Group Management

The current profit participation programme applies to the years 2021 to 2023. Members of Group Management are entitled to participate as of their second year of service. Payment is made if the profit margin (net income margin) of 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 2021 financial year, the Board of Directors exercised its right and increased payment at its discretion. Group Management was granted a profit participation of CHF 0.49 million, with CHF 0.19 million being for the shares allocated.

Group Management did not receive any profit participation payments for the 2020 financial year. For the shares allotted in the 2018 and 2019 financial years, personnel expenses of CHF 0.05 million and CHF 0.03 million respectively were recognised in the current year.

As part of the profit participation programme, 2,156 treasury shares were issued in 2021 for the 2017 financial year to the members of Group Management. Measured in terms of market value on the allocation date, the total value of these shares was CHF 0.3 million.

Share-based component of Group Management profit participation

number	2021	2020
As of 1 January	4 959	32 960
Entitlements of members of the former Management Board no longer taken into account	–	(6 720)
Exercised	(2 156)	(20 251)
Forfeited	–	(1 030)
Allocated	1 986	–
As of 31 December	**4 789**	**4 959**
of which exercisable	–	–

in CHF/ number of shares	Allocation date	Blocked until	Fair value as of grant date	Fair value as of 31 December	Outstanding entitlements 2021	Outstanding entitlements 2020
	31.12.2017	31.12.2020	138.0	156.4	–	2 156
	31.12.2018	31.12.2021	105.5	156.4	1 957	1 957
	31.12.2019	31.12.2022	93.7	156.4	846	846
	31.12.2020	31.12.2023	–	–	–	–
	31.12.2021	31.12.2024	156.4	–	1 986	–

Important events after the balance sheet date

Note 41

On 15 February 2022, TX Group AG sold its 4.4 per cent stake in MoneyPark AG, which is recognised under other investments, to Helvetia Schweizerische Versicherungsgesellschaft AG. The difference between the sale price of CHF 18.6 million and the carrying amount of CHF 11.6 million recognised at the end of 2021 will be recorded in the statement of comprehensive income in 2022 without affecting net income.

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 income statement, the consolidated statement of total comprehensive income, the consolidated balance sheet, the consolidated statement of cash flows and the statement of changes in equity as at 31 December 2021 and notes, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements pages 48 - 112 give a true and fair view of the consolidated financial position of the Group as at 31 December 2021 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 International Code of Ethics for Professional Accountants (including International Independence Standards) of the International Ethics Standards Board for Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our audit approach

Overview

Overall Group materiality: CHF 7.4 million

We conducted full scope audit work for ten reporting units in Switzerland. At one of these companies, the audit was performed by another audit firm. Our audit scope addressed 84% of the Group's revenue.

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

Valuation of goodwill and intangible assets with an indefinite useful life

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Materiality

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

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

Overall Group materiality	CHF 7.4 million
Benchmark applied	Percentage 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 Group and it is a generally accepted benchmark for materiality considerations.

We agreed with the Audit Committee that we would report to them misstatements above CHF 0.74 million identified during our audit as well as any misstatements below that amount which, in our view, warranted reporting for qualitative reasons.

Audit scope

We tailored the scope of our audit 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 the Group is primarily active in Switzerland, although it owns small foreign subsidiaries. The Group audit team performed audit work for nine of the ten Group companies subject to a full scope audit.

For one company the full scop audit 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, reviewing working papers 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 665 million) and intangible assets with an indefinite useful life (CHF 153 million).	We performed the following specific audit procedures:

The Tamedia division represents one cash-generating unit. The 20 Minuten division consists of three, Goldbach of two, TX Markets of one and Group & Ventures of two cash-generating units.

To test the goodwill and intangible assets with indefinite useful life of a cash-generating unit for impairment, its carrying value is compared to 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 revenues and cost as well as the discount rate applied to the forecasted 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 market data, 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 its previous approved business plans.

We deem the valuation assessment of goodwill and intangible assets with an indefinite useful life as a key audit matter because of its significance in the consolidated balance sheet. In addition, management has considerable discretion while applying the DCF method.

Please refer to the Note 22 on pages 89-91 within the Notes to the consolidated financial statements.

- We assessed, with the support of internal experts, 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 checked it for logical consistency and mathematical correctness.
- We compared the 2021 business results with the forecasts made in 2020 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, with the support of internal experts, the applied discount rates against the cost of capital of the Group and comparable media companies for its reasonableness.
- 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 cash flows forecasts.

Our audit results support Managment’s approach for assessing valuation of goodwill and intangible assets with an indefinite useful life.

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 standalone 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 communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

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

Report on other legal and regulatory requirements

In accordance with article 728a paragraph 1 item 3 CO and 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	Kevin Müller
Audit expert Auditor in charge	Audit expert

Zürich, 25 February 2022

Income statement

in CHF 000	Note	2021	2020
Media revenue		112 266	100 242
Other operating revenue and other income	5	103 319	121 714
Revenues		**215 586**	**221 956**
Costs of material and services		(40 142)	(43 902)
Personnel expenses		(88 470)	(79 303)
Other operating expenses	5	(72 229)	(70 932)
Operating income / (loss) before depreciation and amortisation (EBITDA)		**14 745**	**27 819**
Depreciation and amortisation		(14 570)	(15 699)
Operating income / (loss) (EBIT)		**175**	**12 120**
Financial income	5	331 126	56 610
Financial expense	5	(12 002)	(66 026)
Net income / (loss) before taxes (EBT)		**319 299**	**2 703**
Direct taxes		(6 660)	222
Net income / (loss) (EAT)		**312 639**	**2 925**

Balance sheet

in CHF 000	Note	31.12.2021	31.12.2020
Cash and cash equivalents		240 539	74 646
Trade accounts receivable	3	3 901	1 902
Other current receivables	3	143 430	165 560
Accrued income and prepaid expenses	3	10 303	15 825
Current financial assets	4	19 998	–
Current assets		**418 170**	**257 933**
Non-current financial assets	3/4/8/12	200 306	89 524
Investments	7/8	992 150	885 531
Property, plant and equipment	4	148 705	153 999
Intangible assets		5 648	9 490
Non-current assets		**1 346 810**	**1 138 544**
Total assets		**1 764 980**	**1 396 477**
Trade accounts payable	3	4 838	3 275
Current interest-bearing liabilities	3/4	30 558	31 030
Other current liabilities	3	130 656	140 988
Deferred revenues and accrued liabilities	3/4	18 240	14 616
Current provisions		1 242	1 695
Current liabilities		**185 534**	**191 604**
Non-current interest-bearing liabilities	3/4	156 742	94 772
Other non-current liabilities		38	–
Non-current provisions		2 115	1 846
Non-current liabilities		**158 895**	**96 618**
Total liabilities		**344 429**	**288 222**
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	922 522	919 597
Net income / (loss)		312 639	2 925
Treasury shares	9	(670)	(327)
Shareholders' equity		**1 420 551**	**1 108 256**
Liabilities and shareholders' equity		**1 764 980**	**1 396 477**

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 38 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

Note 1

Disclosures on the principles applied in the annual financial statements

These annual financial statements of TX Group AG, Zurich were prepared in compliance with the 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 approximately three months, which are measured at nominal value.

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

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

Investments in other companies

Investments are measured individually at cost less valuation allowances.

Property, plant and equipment and intangible assets

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

Revenue recognition

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

Barter transactions

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

Forward currency contracts

Forward currency contracts 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 currency contracts are recognised as current or non-current liabilities. Changes in measurement are disclosed in financial income.

Number of employees

Note 2

The average annual number of staff is over 250 full-time employees for the period from 1 January to 31 December 2021 and for the equivalent period of the previous year.

Note 3

Receivables and liabilities from/to investments

in CHF 000	2021 Investments	2021 Third party	2021 Total
Total assets			
Trade accounts receivable	1 907	1 994	**3 901**
Other current receivables	139 961	3 469	**143 430**
Accrued income and prepaid expenses	690	9 613	**10 303**
Non-current financial assets	46 855	153 451	**200 306**
Liabilities and shareholders' equity			
Trade accounts payable	712	4 125	**4 838**
Current interest-bearing liabilities	30 506	51	**30 558**
Other current liablities	123 079	7 577	**130 656**
Deferred revenues and current liablities	301	17 939	**18 240**
Non-current interest-bearing liabilities	155 573	1 169	**156 742**

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**
Non-current 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 liablities	135 021	5 967	**140 988**
Non-current interest-bearing liabilities	93 316	1 456	**94 772**

Note 4

Notes and disclosures on additional balance sheet items

Current financial assets

in CHF 000	2021	2020
Money market fund	19 998	–
Total current financial assets	**19 998**	**–**

Non-current financial assets

in CHF 000	2021	2020
Loans to subsidiaries	46 855	75 327
Loans to third parties	137 744	150
Total loans	**184 599**	**75 477**
Shares in other investments	15 660	13 780
Blocked account for subscription insurance and tenancy deposits	47	267
Total other financial assets	**15 707**	**14 047**
Total non-current financial assets	**200 306**	**89 524**

Property, plant and equipment

in CHF 000	2021	2020
Fixtures and fittings	2 063	2 727
IT equipment	1 897	1 759
Plant and machinery	15 118	17 279
Other movable property, plant and equipment	7 681	4 441
Total movable property, plant and equipment	**26 760**	**26 205**
Buildings	52 220	55 325
Land	56 116	56 116
Installations and building fixtures	12 727	15 192
Tenant fittings	882	1 161
Total real estate	**121 945**	**127 794**
Total property, plant and equipment	**148 705**	**153 999**

Current interest-bearing liabilities

in CHF 000	2021	2020
Current account liabilities	58	3 030
Other current interest-bearing liabilities	30 500	28 000
Total current interest-bearing liabilities	**30 558**	**31 030**

Deferred revenues and accrued liabilities

in CHF 000	2021	2020
Subscriptions	–	(287)
Personnel	7 964	3 769
Direct taxes	2 296	–
Other accrued liabilities	7 980	11 134
Total deferred revenues and accrued liabilities	**18 240**	**14 616**

Non-current interest-bearing liabilities

in CHF 000	2021	2020
Loans	155 573	93 316
Other non-current interest-bearing liabilities	1 169	1 456
Total non-current interest-bearing liabilities	**156 742**	**94 772**

Voluntary retained earnings

in CHF 000	2021	2020
Balance as of 1 January	**919 597**	**853 742**
Withdrawal/Allocation from appropriation of net income	2 925	66 226
Price loss realised on treasury shares	–	(372)
Balance as of 31 December	**922 522**	**919 597**

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

Note 5

Notes and disclosures on income statement items

Other operating revenue and other income

in CHF 000	2021	2020
Management fees	70 229	80 779
Transport revenues	–	4
Revenue from real-estate	28 416	32 313
Change in provisions for doubtful accounts	888	5 253
Other operating revenue	3 787	3 366
Total other operating revenue and other income	**103 319**	**121 714**

Other operating expenses

in CHF 000	2021	2020
Distribution and sales expenses	(14 980)	(14 582)
Advertising and PR expenses	(4 924)	(2 855)
Rent, lease payments and licences	(8 243)	(7 983)
Management fees	(20 272)	(22 049)
Other operating expenses	(23 810)	(23 464)
Total other operating expenses	**(72 229)**	**(70 932)**

Financial result

in CHF 000	2021	2020
Interest income	5 616	1 997
Revenue from investments	47 009	53 084
Gain from sale of investments	251 828	–
Reversal of value adjustments of investments	13 119	–
Other financial income	13 555	1 528
Total financial income	**331 126**	**56 610**
Interest expense	(1 383)	(1 552)
Impairment on financial assets	(246)	(466)
Impairment on investments	(6 646)	(34 644)
Loss from sale of investments	–	(27 642)
Other financial expenses	(3 727)	(1 722)
Total financial expense	**(12 002)**	**(66 026)**
Total financial result	**319 124**	**(9 417)**

Note 6

Net reversal of hidden reserves

in CHF 000	2021	2020
Material net reversal of hidden reserves	5 652	7 639

Direct and indirect investments

Note 7

The direct and indirect investments held by TX Group AG are disclosed in Note 38 to the consolidated financial statements.

Annual impairment testing of investments and loans

Note 8

As of 31 December 2021, the investments and loans were tested for impairment. Their values in use were calculated using the discounted cash flow (DCF) method and the calculation led to a valuation allowance of CHF 0.1 million for the loans. With regard to the investments, the analysis led to a reversal of value adjustments of CHF 13.1 million (previous year CHF 0.0 million) as well as to a value adjustment of CHF 6.6 million (previous year CHF 34.6 million).

Treasury shares

Note 9

	2021		2020	
	number	in CHF 000	number	in CHF 000
Balance as of 1 January	4 426	327	9 266	914
Acquisition of treasury shares	5 709	670	16 241	1 475
Sale of treasury shares	(4 426)	(327)	(21 081)	(2 062)
Balance as of 31 December	**5 709**	**670**	**4 426**	**327**

Treasury shares were sold in connection with the profit participation programme for the Group Management (see Note 40 to the consolidated financial statements).

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

Note 10

in CHF 000	2021	2020
Liabilities from leases equivalent to purchase agreements	71	178
Liabilities from fixed rental contracts	14 733	23 233

Liabilities to employee benefit funds

Note 11

in CHF 000	2021	2020
Liabilities to employee benefit funds	64	55

Total amount of subordinated claims on borrowings

Note 12

in CHF 000	2021	2020
Subordinated claims in favour of investments	25 490	30 520
Subordinated claims in favour of thirds	711	1 061

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

Note 13

in CHF 000	2021	2020
Securities	–	267

Note 14

Contingent liabilities

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

Note 15

Shares and options for corporate bodies and staff

	2021		2020	
	number	in CHF 000	number	in CHF 000
Shares allocated during financial year to members of the Management Board	1 986	311	–	–

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

Note 16

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

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

	2021		2020	
No. of shares	Shares owned	Total shares [1] owned including those held by related parties	Shares owned	Total shares [1] owned including those held by related parties
Pietro Supino	33 338	1 439 160	33 338	1 439 160
Pascale Bruderer	–	–	–	–
Martin Kall	–	–	–	–
Pierre Lamunière	3 000	4 804	2 000	3 804
Sverre Munck	–	–	–	–
Konstantin Richter	28 229	738 365	16 229	726 295
Andreas Schulthess	586 222	1 256 633	200	1 256 633[2]
Christoph Tonini	37 698	37 698	37 698	37 698

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	2021 Shares owned	2021 Total shares owned including those held by related parties	2020 Shares owned	2020 Total shares owned including those held by related parties
Pietro Supino [1]	–	–	–	–
Samuel Hügli	1 835	1 835	700	700
Sandro Macciacchini	2 480	2 480	6 459	6 459

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

Shareholdings of major shareholders

Note 17

Name	2021 [1]	2020 [1]	2019 [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.	0.00%	11.85% [3]	11.85% [3]
Fabia Schulthess, Zurich	5.53%	0.00%	0.00%
Andreas Schulthess, Wettswil a.A.	5.53%	0.00%	0.00%
Ellermann Lawena Stiftung, FL-Vaduz	6.87%	6.87%	6.87%
Ellermann Pyrit GmbH, Stuttgart, Germany	4.20%	4.31%	4.31%
Ellermann Rappenstein Stiftung, FL-Vaduz	5.86%	5.86%	5.86%
Other members of the shareholders' agreement	3.04% [4]	2.14% [4]	2.14%
Total members of the shareholders' agreement	**69.10%**	**69.10%**	**69.10%**
Regula Hauser-Coninx, Weggis	**4.63%**	**4.63%**	**4.63%**
Tweedy Browne Company LLC	**4.59%**	**4.66%**	**4.73%**
Epicea AG, Bern	3.25% [5]	0.00%	0.00%
Montalto Holding AG, Zug	0.00%	1.83%	1.83%
Epicea Holding AG, Zug	0.00%	1.42%	1.42%
Franziska Reinhardt-Scherz, Muri b. Bern	0.69%	0.69% [6]	0.69% [6]
Franziska Reinhardt-Scherz, Muri b. Bern	**3.94%**	**3.94%**	**3.94%**

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

Note 18

Performance of an equal pay analysis

In accordance with Art. 13a of the Gender Equality Act (GEA), TX Group AG performed an equal pay analysis for the month of December 2020 and had this formally audited by an independent body as per Art. 13d GEA. The results of the analysis show the pay gap is within the tolerated parameters of 5 per cent.

Note 19

Important events after the balance sheet date

See Note 41 to the consolidated financial statements.

The Board of Directors' proposed appropriation of available earnings

As proposed by the Board of Directors, TX Group has decided not to pay a dividend in 2020. For 2021, in view of the solid free cash flow, the Board of Directors will propose a regular dividend per share of CHF 3.20 at the Annual General Meeting. In addition, the Board of Directors of TX Group intends to distribute the cash proceeds of CHF 135 million resulting from the merger of the digital marketplaces to form SMG Swiss Marketplace Group to the shareholders. The special dividend is to be paid out over three years and amount to CHF 4.20 per share and financial year. In total, the Board of Directors of TX Group proposes a dividend of CHF 7.40 per share for the financial year 2021. Subject to shareholder approval at the Annual General Meeting on 8 April 2022, the dividends will be paid on 14 April 2022 to shareholders of record as at 12 April 2022.

in CHF 000	2021	2020
At the disposal of the General Meeting		
Balance brought forward	–	–
Net income / (loss)	312 639	2 925
Retained earnings	**312 639**	**2 925**
Motion of the Board of Directors		
Retained earnings	**312 639**	**2 925**
Dividend payment	(78 440)	–
Allocation to voluntary retained earnings	(234 199)	(2 925)
Balance to be carried forward	**–**	–

Zurich, 25 February 2022

On behalf of the Board of Directors

Chairman
Pietro Supino

Chief Operating Officer (COO)
Sandro Macciacchini

Report of the statutory auditor

to the General Meeting of TX Group AG

Zürich

Report on the audit of the financial statements

Opinion

We have audited the financial statements of TX Group AG, which comprise the income statement, the balance sheet as at 31 December 2021 and notes to the annual financial statements for the year then ended, including a summary of significant accounting policies.

In our opinion, the financial statements pages 118 - 128 as at 31 December 2021 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 million

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the financial statements as a whole, taking into account the structure of the 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 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 million
Benchmark applied	Percentage 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 0.6 million identified during our audit as well as any misstatements below that amount which, in our view, warranted reporting for qualitative reasons.

Audit scope

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

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 and loans to subsidiaries

Key audit matter	How our audit addressed the key audit matter
As at 31 December 2021, TX Group AG has investments in subsidiaries in the amount of CHF 992 million and loans to subsidiaries of CHF 47 million. Investments are measured individually at cost less impairment. Loans to subsidiaries are measured individually at cost less valuation allowances. 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 forecasted cash flows. Management has a defined process in place to make its forecasts for the separate business divisions. The Board of Directors monitors this process and assesses whether the	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 2021 with the forecasts made in 2020. This allowed us to assess the accuracy of the estimates made by Management during the previous period. • We compared the assumptions concerning long-term growth with economic and industry-specific forecasts. • We compared the discount rates with the costs of capital of the Group and of analogous media companies.

assumptions used are in line with the business plans that it has approved. We deem the valuation assessment of investments and loans to subsidiaries as a key audit matter because of its significance in the consolidated balance sheet. In addition, management has considerable discretion when applying valuation models. Please refer to the Note 8 on page 124 within the Notes to the annual financial statements of TX Group AG.	Our audit results support Management's approach for assessing valuation of investments and loans to subsidiaries.

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 communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

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

Report on other legal and regulatory requirements

In accordance with article 728a paragraph 1 item 3 CO and 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 Board of Directors' proposed appropriation of available earnings complies with Swiss law and the company's articles of incorporation. We recommend that the financial statements submitted to you be approved.

PricewaterhouseCoopers AG

Patrick Balkanyi	Kevin Müller
Audit expert Auditor in charge	Audit expert

Zürich, 25 February 2022

Compensation Report

Content and method of determining compensation and shareholding programmes

Scope

The disclosures comprise the compensation for the Board of Directors and Group Management. The compensation and shareholdings awarded to the Board of Directors and Group Management are determined by the Board of Directors and submitted to the Annual General Meeting for approval. The Compensation Committee (further information on the Compensation Committee can be found in the "Corporate Governance" section) assists the Board of Directors in defining the compensation system. Compensation paid to members of Group Management is approved by the Board of Directors, within the framework of the compensation policy and principles defined by the Board of Directors and based on recommendations from the Chief Executive Officer. Any significant amendments to existing compensation models are made with the help of external consultants. The compensation principles are based on Articles 26 to 29 of the Articles of Incorporation[1] of the TX Group.

Levels of responsibility

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

1 Chairman of the Board of Directors and 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. Compensation is also influenced by how the TX Group is performing as a business, the competition and the market for comparable roles. If necessary, benchmarks are defined in cooperation with specialised consulting firms and then utilised to design compensation components.

Compensation of members of the Board of Directors

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

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

Chairman of the Board of Directors and Publisher of the TX Group

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

Compensation of members of Group Management

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

Overview of compensation components

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

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

Basic salary

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

Management profit participation (STI)

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

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

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

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

The amount of management profit participation depends on 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 2021 financial year, 156 per cent (previous year: 52 per cent) of the expected value was achieved.

Group Management profit participation (LTI)

The current profit participation programme applies to the years 2021 to 2023. Members of Group Management are entitled to participate as of their second year of service. Payment is made if the profit margin (net income margin) of 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.

For the 2021 financial year, the Board of Directors exercised its right and increased payment at its discretion. Group Management was granted a profit participation of CHF 0.6 million, with CHF 0.3 million being for the shares allocated. Group Management did not receive any profit participation payments for the 2020 financial year.

As part of the profit participation programme, 2,156 treasury shares were issued in 2021 for the 2017 financial year to the members of Group Management. Measured in terms of market value on the allocation date, the total value of these shares was CHF 0.3 million.

Contracts for members of Group Management

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

Pension benefits and insurance, expenses and non-monetary benefits

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

Members of Group Management are covered by two funds here. The benefits offered by these funds 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 participate in the pension fund that is available to all employees in Switzerland, and they are also covered by a special management pension fund. Annual income of up to CHF 860,400 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 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. A member of Group Management has a GA travelcard for SBB. The same rules as for all other employees apply with respect to additional non-monetary benefits voluntarily provided by the company, such as free newspaper or magazine subscriptions or long-service awards.

Loans to officers and directors of the company

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

Compensation of the Board of Directors and Group Management

The compensation shown reflects the expenditures recognised in the income statement during the reporting year (irrespective of the dates on which these were paid). Included among the active members of the Board of Directors and 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 or Group Management.

Total compensation paid to the Board of Directors and Group Management

in CHF 000	Directors [1]	Group Management	**Total**
2021			
Number of members per balance sheet date	8.0	3.0	**11.0**
Annual average of members	8.0	3.0	**11.0**
Emoluments/basic salaries	2 165	933	**3 098**
Management and Group Management profit-sharing paid in cash	–	751	**751**
Share of profits for Group Management paid in shares 2021 [4]	–	300 [5]	**300**
Pension and social security contributions	227	293	**520**
Expense reimbursements	123	45	**168**
Non-monetary payments	–	6	**6**
Other compensation	–	–	**–**
Total	**2 514**	**2 328**	**4 843**

2020	Directors	Group Management	**Total**
Number of members per balance sheet date	8.0	3.0	**11.0**
Annual average of members	7.5 [2]	3.5 [3]	**11.0**
Emoluments/basic salaries	2 125	1 458	**3 583**
Management and Group Management profit-sharing paid in cash	–	500	**500**
Share of profits for Group Management paid in shares 2020 [4]	–	– [5]	**–**
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**

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 See information on profit participation of the Group Management.
5 For the purpose of disclosure in the compensation report, share-based payments are taken into account at the time of their allocation. In contrast, the amount accrued in the reporting year is shown in note 40 of the consolidated financial statements.

Compensation paid to the Board of Directors[1]

in CHF 000	Emoluments/[1] basic salaries	Profit participation for managers and share of profits for Group Management	Pension and social security contributions	Expense reimbursements	Contributions in kind and other compensation	**Total**
2021						
Pietro Supino	1 464	–	207	39	–	**1 710**
Martin Kall	100	–	–	12	–	**112**
Pascale Bruderer	100	–	–	12	–	**112**
Pierre Lamunière	100	–	5	12	–	**117**
Sverre Munck	100	–	–	12	–	**112**
Konstantin Richter	100	–	8	12	–	**120**
Andreas Schulthess	100	–	8	12	–	**120**
Christoph Tonini	100	–	–	12	–	**112**
Total	**2 165**	**–**	**227**	**123**	**–**	**2 514**
2020						
Pietro Supino	1 464	–	204	36	–	**1 704**
Martin Kall	100	–	–	12	–	**112**
Pascale Bruderer	75	–	–	9	–	**84**
Marina de Planta	25	–	2	3	–	**30**
Pierre Lamunière	100	–	5	12	–	**117**
Sverre Munck	100	–	–	12	–	**112**
Konstantin Richter	100	–	7	12	–	**119**
Andreas Schulthess	100	–	7	12	–	**119**
Christoph Tonini	60	–	–	6	–	**66**
Total	**2 125**	**–**	**226**	**114**	**–**	**2 464**

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 3.0 million (previous year: CHF 3.2 million) to Groupe Edipresse, over which Pierre Lamunière exerts a significant influence.

Shares owned by members of the Board of Directors

	2021		**2020**	
No. of shares	Shares owned	Total shares[1] owned including those held by related parties	Shares owned	Total shares[1] owned including those held by related parties
Pietro Supino	33 338	1 439 160	33 338	1 439 160
Pascale Bruderer	–	–	–	–
Martin Kall	–	–	–	–
Pierre Lamunière	3 000	4 804	2 000	3 804
Sverre Munck	–	–	–	–
Konstantin Richter	28 229	738 365	16 229	726 295
Andreas Schulthess	586 222	1 256 633	200	1 256 633[2]
Christoph Tonini	37 698	37 698	37 698	37 698

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 Group Management

in CHF 000	Emoluments/ basic salaries	Profit participation for managers and share of profits for Group Management	Pension and social security contributions	Expense reimbursements	Contributions in kind and other compensation	**Total**
2021						
Pietro Supino [1]	–	–	–	–	–	**–**
Samuel Hügli	472	495	140	23	6	**1 134**
Sandro Macciacchini	461	556	153	23	–	**1 194**
Total	**933**	**1 051**	**293**	**45**	**6**	**2 328**
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.

Share-based component of Group Management profit participation

number	2021	2020
As of 1 January	4 959	32 960
Entitlements of members of the former Management Board no longer taken into account	–	(6 720)
Exercised	(2 156)	(20 251)
Forfeited	–	(1 030)
Allocated	1 986	–
As of 31 December	**4 789**	**4 959**
of which exercisable	–	–

in CHF/ number of shares	Allocation date	Blocked until	Fair value as of grant date	Fair value as of 31 December	Outstanding entitlements 2021	Outstanding entitlements 2020
	31.12.2017	31.12.2020	138.0	156.4	–	2 156
	31.12.2018	31.12.2021	105.5	156.4	1 957	1 957
	31.12.2019	31.12.2022	93.7	156.4	846	846
	31.12.2020	31.12.2023	–	–	–	–
	31.12.2021	31.12.2024	156.4	–	1 986	–

Shareholdings of Group Management

	2021		2020	
No. of shares	Shares owned	Total shares owned including those held by related parties	Shares owned	Total shares owned including those held by related parties
Pietro Supino [1]	–	–	–	–
Samuel Hügli	1 835	1 835	700	700
Sandro Macciacchini	2 480	2 480	6 459	6 459

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

Report of the statutory auditor

to the General Meeting of TX Group AG

Zürich

We have audited the remuneration report of TX Group AG for the year ended 31 December 2021. 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 133 to 140 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 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 2021 complies with Swiss law and articles 14–16 of the Ordinance.

PricewaterhouseCoopers AG

Patrick Balkanyi	Kevin Müller
Audit expert Auditor in charge	Audit expert

Zürich, 25 February 2022

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Corporate Governance

Group structure and shareholders

Group structure

The Group’s operational structure is shown on page 8 of the Annual Report.

The scope of consolidation includes the following listed company:

Name:	TX Group AG (formerly Tamedia AG), Zurich
Location of registration:	SIX Swiss Exchange, Switzerland
	listed since 2 October 2000
Market capitalisation:	see section “Capital structure”
Treasury shares (as of 31 December 2021):	5 709
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 38 of the consolidated financial statements (pages 106 to 108).

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	2021 [1]	2020 [1]	2019 [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.	0.00%	11.85% [3]	11.85% [3]
Fabia Schulthess, Zurich	5.53%	0.00%	0.00%
Andreas Schulthess, Wettswil a.A.	5.53%	0.00%	0.00%
Ellermann Lawena Stiftung, FL-Vaduz	6.87%	6.87%	6.87%
Ellermann Pyrit GmbH, Stuttgart, Germany	4.20%	4.31%	4.31%
Ellermann Rappenstein Stiftung, FL-Vaduz	5.86%	5.86%	5.86%
Other members of the shareholders' agreement	3.04% [4]	2.14% [4]	2.14%
Total members of the shareholders' agreement	**69.10%**	**69.10%**	**69.10%**
Regula Hauser-Coninx, Weggis	**4.63%**	**4.63%**	**4.63%**
Tweedy Browne Company LLC	**4.59%**	**4.66%**	**4.73%**
Epicea AG, Bern	3.25% [5]	0.00%	0.00%
Montalto Holding AG, Zug	0.00%	1.83%	1.83%
Epicea Holding AG, Zug	0.00%	1.42%	1.42%
Franziska Reinhardt-Scherz, Muri b. Bern	0.69%	0.69% [6]	0.69% [6]
Franziska Reinhardt-Scherz, Muri b. Bern	**3.94%**	**3.94%**	**3.94%**

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

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 Franziska Reinhardt-Scherz, Muri and Epicea AG, Bern, which is under their control. 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	2021	2020	2019
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 52 of the consolidated financial statements.

Registered shares

number		2021	2020	2019
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		10 594 291	10 595 574	10 595 574
Total number of voting rights		10 594 291	10 595 574	10 595 574
Number of outstanding shares (weighted average)		10 596 897	10 588 338	10 588 338
Number of treasury shares (as of balance sheet due date)		5 709	4 426	4 426

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 46.

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 4 to 5.
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	2022		
Martin Kall	Vice-Chairman / Lead Director	2013	2022		C
Pascale Bruderer	Member	2020	2022	M	
Pierre Lamunière	Member	2009	2022		M
Sverre Munck	Member	2018	2022	C	
Konstantin Richter	Member	2004	2022	M	
Andreas Schulthess	Member	2019	2022		M
Christoph Tonini	Member	2020	2022		

C: Committee chairman
M: Member

1 The terms of office of all members of the Board of Directors expire at the next Annual General Meeting on 8 April 2022.

Lead Director

In accordance with the Swiss Code of Best Practice for Corporate Governance (point 19), the TX Group's Internal Governance Rules envisage appointing a non-executive member of the Board of Directors to serve as Lead Director if the positions of Chairman of the Board of Directors and Chief Executive Officer are held by the same person. At the start of each meeting, the Board of Directors convenes under the Lead Director with the Chairman not in attendance.

1 www.tx.group/statuten

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 35 of the consolidated financial statements (pages 100 to 102). The authorities and responsibilities of the Board of Directors and its committees, as well as the schedule of approval authorities with respect to Group Management, 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 Chief Executive Officer 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 Chief Executive Officer 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	8[1]	7:15
Compensation Committee	3[2]	1:30
Audit Committee	4[3]	2:05

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

1 www.tx.group/statuten

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 Chief Executive Officer is invited to attend meetings. The Compensation Committee does not sit at set intervals, but meets as required to prepare business for the Board of Directors. The meetings held in the reporting year are listed in the overview in the Meetings section.

Audit Committee

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

The Audit Committee also represents the Board of Directors as liaison with the external statutory auditors and monitors and assesses 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 6 to 7. 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 and Group Management can be found in the Compensation Report on pages 130 to 137.

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

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 149).

Agenda

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

Registration in the share register

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

Changes of control and defensive measures

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

Statutory auditors

Duration of the mandate and term of office of the lead auditor
The statutory auditors are appointed by the General Meeting for a period of one year.

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

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 1.0 million), of which CHF 0.8 million relate to expenditures for the audit conducted by PricewaterhouseCoopers AG.

Additional fees
The total amount of fees paid to PricewaterhouseCoopers AG and/or its affiliated persons for additional financial services,IT and strategy advisory services amounted to CHF 0.6 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 53 to 64).

An agenda including the date of the General Meeting and the date of publication of the half-year report can be found on page 46.

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.

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

Contact person for specific questions about the TX Group:

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

Trading blackout periods

Trading in shares of TX Group Ltd is prohibited for all corporate bodies and employees of TX Group Ltd and its controlled subsidiaries during the ordinary trading blackout period. Trading in shares of TX Group Ltd is deemed to be the purchase, sale, but also the modification or cancellation of an order relating to shares of TX Group Ltd, derivatives derived therefrom or other financial instruments.

The ordinary trading suspension begins ten trading days before the publication of the half-year results and the annual results of TX Group Ltd and lasts until the end of the first trading day after the publication of the aforementioned results.

The employer shall inform in advance of the exact start and duration of the ordinary trading suspension.

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