



2022

ANNUAL REPORT
SWISS TXT CORP.



CONTENTS

CHAIRMAN'S FOREWORD	3
FACTS & FIGURES	5
HIGHLIGHTS	6
MARKET DATA AND FIGURES	8
■ ACCESSIBILITY SERVICES	
COMPANY	10
■ HUMAN RESOURCES	
■ ORGANIGRAM	
■ CORPORATE BODIES	
FINANCIAL STATEMENTS	14
■ THE BUSINESS AT A GLANCE	
■ BALANCE SHEET FOR THE YEAR ENDED 31 DECEMBER 2022	
■ INCOME STATEMENT 2022	
■ CASH FLOW STATEMENT 2022	
■ APPENDIX	
■ APPLICATION REGARDING THE APPROPRIATION OF NET INCOME	
■ AUDIT REPORT	



CHAIRMAN'S FOREWORD

After the pandemic, SWISS TXT employees returned to our offices and studios with renewed vigour. Customer support for SRG SSR and its Enterprise Units has been expanded and optimised with Key Account Management. SWISS TXT was able to celebrate significant successes on the market in the Accessibility Services area, and innovative Accessibility Services of the future are being developed through research and innovation projects.

Stronger after the pandemic

The beginning of the 2022 financial year was also affected by the COVID-19 pandemic. In the spring, employees returned to our offices and studios after working from home during the pandemic. Various measures from the in-house cultural initia-

tive, such as multilingual departmental portraits, further training on the topic of management, or the Leadership Charter, have been implemented so that decentralised, cross-linguistic and hybrid collaboration is further improved in a sustainable manner.

SRG is at the heart of our actions

Alongside Accessibility Services on the market, the revised business strategy focuses mainly on our main client SRG and its Enterprise Units. By setting up Key Account Management, an important element for professional customer support has been created, which further improves collaboration within the corporation and strengthens relations between the purchasers of the services and the service provider.

As the national centre of excellence and service provider of ICT, Distribution and Accessibility Services for the SRG, SWISS TXT safeguards the national infrastructure and services provided to the SRG and its five Enterprise Units across four linguistic regions. For our employees, this provides the opportunity to participate in exciting, complex projects across different linguistic regions in a technologically challenging and diversified broadcast and broadband environment. The secret of our success lies in utilising the competition for talent in the field of ICT.

Accessibility Services: accessible and forward-looking

The strategic focus on Accessibility Services on the market has been definitively integrated into the company's day-to-day operations. SWISS TXT participated in several conferences as a partner, and showcased the entire range of its Accessibility Services to its target audience. The new "LiveAccess" service with its three product lines met with a great deal of interest and the first orders have already been successfully processed. New technologies are currently being developed through several European research and innovation projects and integrated into existing services. In future, Accessibility Services will be fully automated and multilingual, as desired.

The diversity and quality of the services and products offered by SWISS TXT is only possible thanks to our committed and motivated employees.

I would like to thank all our employees, team leaders and SWISS TXT's Executive Board wholeheartedly for their dedication and commitment.



Marco Derighetti
Chairman of the Board of Directors
SWISS TXT CORP.

A handwritten signature in black ink, appearing to read "M. Derighetti".

FACTS & FIGURES

ANNUAL REVENUE

CHF 64.0 MILLION

PROFIT

CHF 0.5 MILLION

FOUNDED

23 DECEMBER 1983

OWNER

SRG SSR*

SUBTITLING FOR SRG

GERMAN-SPEAKING
SWITZERLAND:

19'459 hours of subtitles, or **79.0%** of SRG's total programme output

FRENCH-SPEAKING
SWITZERLAND:

13'669 hours of subtitles, or **81.8%** of SRG's total programme output

ITALIAN-SPEAKING
SWITZERLAND:

13'670 hours of subtitles, or **83.6%** of SRG's total programme output



(224 FTE)

292

STAFF



FROM

18

COUNTRIES

INCLUDING

7

TRAINEES

LANGUAGES

DE FR IT EN

63%

MEN

37%

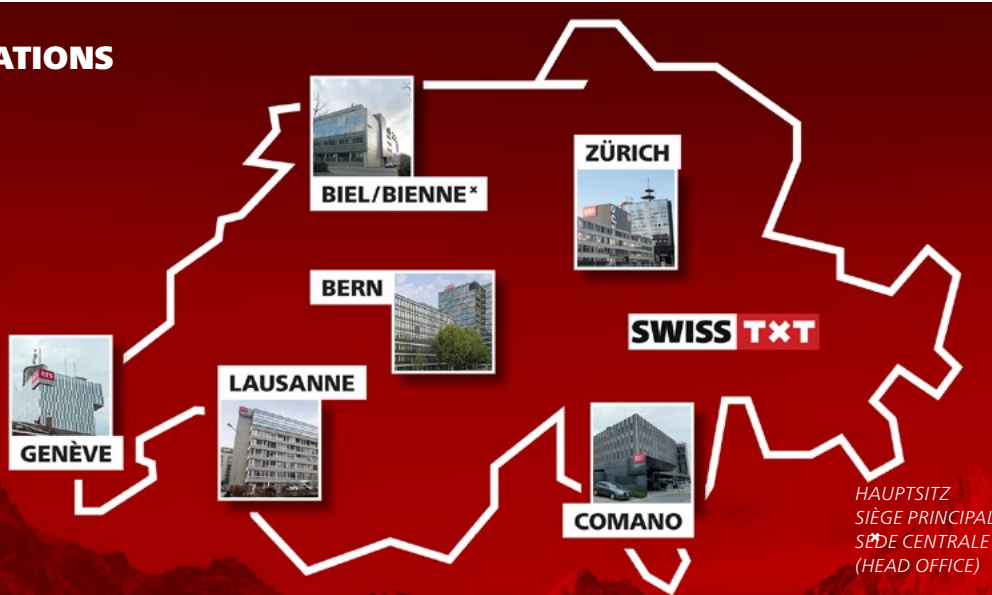
WOMEN

AVERAGE AGE

40.8

YEARS

LOCATIONS



HAUPTSITZ
SIÈGE PRINCIPAL
SEDE CENTRALE
(HEAD OFFICE)

*Schweizerische Radio- und Fernsehgesellschaft (Swiss Broadcasting Corporation)

HIGHLIGHTS 2022



FLAGSHIP INNOSUISSE: INCLUSIVE INFORMATION AND COMMUNICATION TECHNOLOGIES

The Flagship Initiative IICT (inclusive information and communication technologies) has been launched. The initiative, which is supported by the Swiss Innovation Agency, Innosuisse, is intended to enable access for people with disabilities by means of innovative ICT solutions. Together with its research and implementation partner, SWISS TXT is making an important contribution in the fields of sign language, audio description and spoken subtitles.



JOURNEY TO THE CLOUD FOR SRG

SWISS TXT Cloud Brokerage Services continue to support SRG and its Enterprise Units in their Journey to the Cloud. In concrete terms, hyperconnectivity has been implemented for Azure and AWS. Furthermore, user-based billing (Pay as you go) has also been introduced. Microsoft Assessments have been initiated for the Broadcast Services; this is to support the phasing out of the data centre in Zurich, whilst taking into account Business Continuity Management.



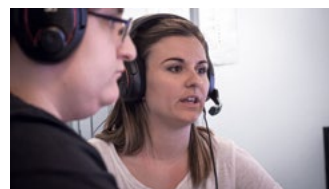
KEY ACCOUNT MANAGEMENT SRG

With the introduction of Key Account Management, SRG and its Enterprise Units are supported at all levels by SWISS TXT in a professional, pro-active and efficient manner. As part of this, SWISS TXT's role as a national centre of excellence of SRG for ICT, Distribution and Accessibility Services is to be strengthened, and SWISS TXT is to be established in the medium term as the "solution provider of first choice".



SWISS TXT ACCESSIBILITY SERVICES AND SONOMIX JOIN FORCES

Many concurrent components are required to ensure that in-person and online events with live streams can be broadcast in an accessible and technologically seamless manner. In Sonomix, a company based in the French-speaking part of Switzerland, SWISS TXT has found a partner with experienced specialists from the fields of sound engineering and audiovisual media. An ideal addition for SWISS TXT, which, together with the LiveAccess platform, allows people with sensory disabilities to access multimedia content through subtitling and sign language interpretation.



BOTA 2022 CONFERENCE IN ZURICH: MEETING FOR SPECIALISTS FROM THE FIELD OF HEARING IMPAIRMENT

From 20 to 22 April, the University of Teacher Education in Special Needs in Zurich (HfH) organised a meeting on hearing impairment under the motto "Stimulation not compensation". The 200 or so visitors who attended came from the area where Germany, Austria and Switzerland meet. SWISS TXT was also there to support the specialist conference with its online service.



ROBIN RIBBACK ELECTED TO THE EUROPEAN BROADCASTING UNION (EBU) TECHNICAL COMMITTEE

During the 28th EBU Technical Assembly, Robin Ribback, Head of Innovation & Research at SWISS TXT, was elected to the EBU Technical Committee as the SRG representative. He will represent SRG and SWISS TXT on this committee, which brings together representatives of all EBU members to discuss aspects of technology that are of strategic importance for public service media organisations.





Conclusion of the in-house cultural initiative

The in-house "Cultural initiative" project has been formally concluded. The cultural initiative involved the following key aspects:

STRATEGY IN TOUCH: All employees understand the revised business strategy.

SPIRIT OF COLLABORATION: Strengthen and incorporate common understanding with regard to values in collaboration.

ONE TEAM – ONE GOAL: Strengthen and incorporate common understanding with regard to values in leadership functions and in collaboration.



"DIGITAL EVENTS" WEBINAR: MULTIPLE LANGUAGES AND ACCESSIBLE

More and more events and meetings are taking place online. People who have impaired hearing or speak another language often encounter barriers. SWISS TXT's LiveAccess Platform makes it easy to follow talks by using live text/subtitles in several languages. Participants at our webinar on 22/09/2022 were able to experience this live.



DATA CENTRE & SAP PLATFORM IN COMANO

SWISS TXT set up the required data centre and security infrastructure in collaboration with the Comano Campus. In addition, the national SAP platform was replaced after seven years and substituted with a modern, hyperconvergent platform that has already been activated.



CLIENT ACCESS NETWORK FOR THE RADIO HALL IN ZURICH

In the context of the new construction of the Radio Hall for SRF in Zurich, SWISS TXT set up the entire network environment for the workstations. In addition, new video channels for the operation of visual radio have been set up and activated.



E-ACCESSIBILITY DAY 2022: 4TH EDITION OF THE ONLINE SYMPOSIUM

The symposium, held on 17/11/2022, informed and raised awareness about accessibility among experts, politicians, stakeholders and other interested parties. The talks were given in German or French and translated live in writing through SWISS TXT's LiveAccess Platform (into German, French, Italian and other languages).





ACCESSIBILITY SERVICES

Based on its revised corporate strategy, SWISS TXT is now focusing on the market for Accessibility Services. For this reason, the organisational and operational structure of this area has been adapted:

- Creation of the new role of “CTO Accessibility Services”
- Creation of the new position of “Head of IT Accessibility Services”
- Independent support in the area of Accessibility Services

Services for SRG

According to the agreement between the associations for sensory impaired persons and the SRG SSR, which expired at the end of 2022, a subtitling share of 80% in linear television had to be achieved in 2022. This goal was achieved with a share of 80.2%. Last

year too, we made substantial contributions again for 3sat and Webonly content as part of the core mission. An external analysis carried out in accordance with the internationally recognised NER model revealed that our live respeaking service (provided by people) is performing well in all three languages. In 2022, for the first time, daily broadcasts were produced with speech recognition or automatic translation with post-editing. We will develop this segment further over the coming years and thereby reduce the production costs.

With regard to audio description, we were able to significantly increase the services provided to SRG.

The subtitling services for Play Suisse fell, by contrast. But this was to be expected, as Play Suisse has now transitioned to normal operations following the creation of a foundation. The Mediahub has proven itself as a creation platform.

Market activities

For speech-to-text interpreting, we were able to increase the turnover to CHF 1.8 million. The “Live-Access” platform used for this was continuously expanded as part of this. It can now also be used interlingually. This platform has already been used several times for SRG events and on the market.

Furthermore, we were able to further expand the production of interlingual subtitles and signed content with interpreters for the deaf, for the Enterprise Units and for the market.

CORE MISSION OF SUBTITLING

BROADCAST		HOURS	% OF TOTAL output	+/- (%)
SRF 1		6'197	77.4	1.6
SRF zwei		6'571	78.8	8.0
SRF info		6'691	80.8	2.6
SRF TOTAL		19'459	79.0	4.0
RTS Un		6'712	81.5	10.7
RTS Deux		6'957	82.0	1.7
RTS TOTAL		13'669	81.8	5.9
RSI LA 1		7'232	85.7	7.3
RSI LA 2		6'438	75.0	0.0
RSI TOTAL		13'670	83.6	3.8
TOTAL HOURS ACROSS SWITZERLAND		46'798	80.2	4.5

OTHER SERVICES FOR SRG

	SRF	+/-	RTS	+/-	RSI	+/-	CH	+/-
Audio description	4'565	+828	7'317	+1'637	4'778	-126	16'660	+2'339
Subtitling Webonly	2'328		8'140					
Subtitling 3sat	5'521							

	DE		FR		IT		CH	
Subtitling Play Suisse	19'459	-11'914	19'606	-13'768	26'320	-14'732	65'385	-40'414

Figures in minutes; the figures for the previous year (2021) had not yet been recorded for 3sat and Webonly



COMPANY

STAFF DEVELOPMENT

TOTAL NUMBER OF EMPLOYEES: DECEMBER 2021 COMPARED TO DECEMBER 2022 (NOMINAL FIGURES)

	2022 NUMBER	%	FTE*	2021 NUMBER	%	FTE
STAFF	292		224	287		221
- Women	108	37		102	36	
- Men	184	63		185	64	
DIVISIONS						
- Management & Services	26	9	20	22	8	18
- Service Technologies (until 31/12/2021)				40	14	38
- Customer & Service Management	43	15	39	6	2	5
- Service Operation	87	30	85	85	30	81
- Cloud Brokerage Services	6	2	5	6	2	5
- Accessibility Services	123	42	67	119	41	63
- IT trainees/apprentices	7	2	7	9	3	9
	292			287		

FTE = full-time equivalent, converted to 100% of full-time hours, incl. 7 trainees/apprentices

TOTAL NUMBER OF EMPLOYEES IN THE REGIONS AS AT THE END OF 2022

LOCATION	NUMBER OF STAFF	FULL-TIME EQUIVALENT (FTE)
Bern	18	17
Biel	68	58
Comano	31	19
Geneva	37	21
Lausanne	9	9
Zurich	129	100

FULL-TIME EQUIVALENT (FTE) ANALYSIS

The total number of employees has increased slightly again on the previous year and corresponded to 224 full-time staff as at the end of the year (+1.3% FTE).

EQUAL PAY ANALYSIS

In 2022, SWISS TXT, as a company with more than 100 employees, carried out its first equal pay analysis using the standard analysis tool (Logib).

An independent auditor was appointed to carry out a review of the equal pay analysis. During this, he did not find any instances in which the legal requirements pursuant to Article 13d of the Swiss Gender Equality Act (GEA) and Article 7 of the Swiss Ordinance regarding the reviewing of equal pay analysis were not observed in any of the departments.

The analysis was carried out in accordance with the new provisions of the Swiss Gender Equality Act. The law does not provide for any obligations to compensate for disparities. On the other hand, employees must be informed of such disparities.

CULTURAL AND STAFF DEVELOPMENT

The company's managers play a vital role with regard to cultural and staff development. SWISS TXT continuously invests in developing their skills by means of targeted training and initiatives, among other things in the area of feedback and protection of personal integrity. Thanks to training sessions delivered online, all employees can now complete further education and training courses autonomously, at any time, with such courses being tailored to their needs, which contributes to maintaining our staff's employability. On average, employees completed 1.7 days of training in 2022.

The gender distribution remained roughly the same compared to the previous year. The proportion of women now corresponds to 37% of the total workforce. The proportion of women in managerial roles (Collective Employment Agreements and contracts for managers) has increased slightly and now corresponds to 33%. More than half (54%) of employees have a part-time role.

AGE STRUCTURE AS AT 31/12/2022

AGE	NUMBER OF STAFF	%
Under 20	11	2
20 – 29	58	20
30 – 39	79	27
40 – 49	74	25
50 – 59	56	19
Over 60	19	7

The average age is 40.8 years.

**IN 2022, SWISS TXT CORP. EMPLOYED
STAFF FROM 18 DIFFERENT COUNTRIES**

Switzerland



Australia



Belgium



Germany



France



Greece



Italy



Kosovo



Croatia



Liechtenstein



North Macedonia



The Netherlands



Austria



Portugal



Slovakia



Spain

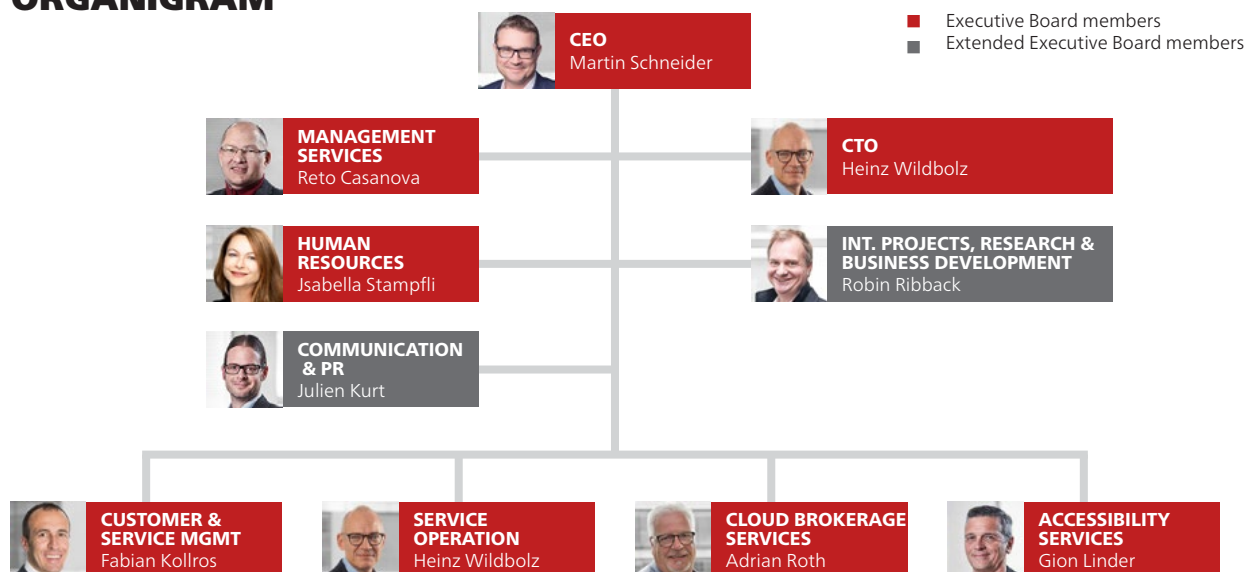


Togo



Turkey

ORGANIGRAM



CORPORATE BODIES

BOARD OF DIRECTORS

CHAIRMAN	Marco Derighetti	Director of Operations, SRG SSR
MEMBERS	Carole Ackermann <i>(until February 2022)</i>	Entrepreneur, Member of the Board of Directors and Academic <i>(external)</i>
	Daniel Benninger	Entrepreneur, Consultant and Academic <i>(external)</i>
	Larissa M. Bieler	Director, SWI swissinfo.ch
	Valère Borruat <i>(until May 2022)</i>	Head of the Operations Department, RTS
	Paolo Di Casola <i>(since June 2022)</i>	Head of Operations, RSI
	Christoph Gebel	Head of the Production & Technology Department, SRF
	Severine Schori-Vogt <i>(as of March 2022)</i>	Head of Staff, Development and Services, SRG

EXECUTIVE BOARD

DIRECTORATE	Martin Schneider	CEO
MEMBERS	Reto Casanova	Head of Management Services
	Hansruedi Jucker <i>(until 31/01/2022)</i>	Head of Service Technologies
	Fabian Kollros	Head of Customer & Service Management
	Gion Linder	Head of Accessibility Services
	Adrian Roth	Head of Cloud Brokerage Services
	Jsabella Stampfli	Head of Human Resources
	Heinz Wildbolz	Head of Service Operation & CTO

AUDITORS

BDO AG

Information correct as at: 31/12/2022



FINANCIAL STATEMENTS

THE BUSINESS AT A GLANCE

At the end of the 2022 financial year, the company recorded profits of around CHF 0.5 million. This meant that annual profits were roughly the same as for the previous year.

In the year just ended, SWISS TXT generated operating revenue of CHF 64.0 million, which was an increase of around CHF 1.2 million (or 1.9%) compared to the previous year.

This increase in revenue can be attributed primarily to the Accessibility Services business area on the one hand – thanks to inclusion services like speech-to-text interpreting for the hearing-impaired – and on the other hand, to the services and projects for SRG's essential technical provision.

Operating expenses were CHF 64.0 million, an increase of around CHF 1.4 million (or 2.2%) over the previous year.

This increase in expenditure came primarily from expenditure on materials and external services on one hand – mainly additional maintenance expenditure

and external services for SRG's essential technical provision – and on the other hand, from expenditure on staffing – due to the higher benefit costs for early retirements.

Depreciations fell by around CHF 0.7 million (or 9.6%) compared to the previous year.

The innovation projects "Easier" (signing app), "Helios" ("citizen journalism" and social media), "5G Mediahub" (streaming & player) and "MediaVerse" (accessibility API & multilingual subtitling), as part of the EU "Horizon2020" development programme, and project "IICT" (solutions for audiovisual content) supported by the Swiss Innovation Agency, "Innosuisse", generated an additional CHF 0.5 million as a result of ancillary business.

The company's overall result is approximately the same as previous year.

BALANCE SHEET AS AT 31 DECEMBER 2022

ASSETS			
<i>Amount in CHF</i>	APPENDIX	31/12/2022	31/12/2021
CURRENT ASSETS			
Cash and cash equivalents	3.1	8'599'084	5'968'762
Trade receivables	3.2		
Third parties		1'270'241	863'440
- Del credere		-178'053	-239'945
Stakeholders		4'150'315	4'028'034
Other short-term receivables	3.2	555'339	363'387
Deferred expenses	3.3	8'333'565	6'755'130
Third parties		8'178'648	6'660'335
Stakeholders		154'917	94'795
TOTAL CURRENT ASSETS		22'730'491	17'738'807
in % of total assets		53%	45%
FIXED ASSETS	3.4		
Property, plant and equipment			
Land and buildings		0	8'644
Means of production		18'572'579	20'993'338
Other fixed assets		16'878	21'701
Assets under construction		1'955'285	376'474
Intangible assets		17'907	81'510
TOTAL FIXED ASSETS		20'562'649	21'481'667
in % of total assets		47%	55%
TOTAL ASSETS		43'293'140	39'220'475

BALANCE SHEET AS AT 31 DECEMBER 2022

LIABILITIES AND EQUITY			
<i>Amount in CHF</i>	APPENDIX	31/12/2022	31/12/2021
SHORT-TERM LIABILITIES			
Trade payables	3.5		
Third parties		5'677'897	2'195'003
Stakeholders		546'000	298'384
Other short-term liabilities	3.5		
Third parties		1'117'907	1'090'616
Deferred income	3.6	3'344'636	3'248'882
Third parties		3'294'560	3'214'107
Stakeholders		50'077	34'775
Provisions for liabilities and charges (short-term)	3.7	0	291'657
TOTAL SHORT-TERM LIABILITIES		10'686'442	7'124'541
in % of total assets		25%	18%
LONG-TERM LIABILITIES			
Long-term financial obligations parties	3.8	21'000'000	21'000'000
Provisions/accruals (long-term)	3.9	715'434	695'275
TOTAL LONG-TERM LIABILITIES		21'715'434	21'695'275
in % of total assets		50%	55%
TOTAL LIABILITIES		32'401'876	28'819'817
in % of total assets		75%	73%
EQUITY	3.10		
Share capital		1'000'000	1'000'000
Statutory reserves		1'000'000	1'000'000
Voluntary reserves		8'891'264	8'400'658
Profit brought forward		158	191
Net income		490'606	537'967
Net profit		490'764	538'158
Other voluntary reserves		8'400'500	7'862'500
TOTAL EQUITY		10'891'264	10'400'658
in % of total assets		25%	27%
TOTAL LIABILITIES		43'293'140	39'220'475

INCOME STATEMENT 2022

<i>Amount in CHF</i>	APPENDIX	2022	2021
PRODUCTION INCOME STATEMENT (TOTAL COST METHOD)			
Net sales revenues	3.11	64'043'125	62'829'568
Cost of materials and services	3.12	21'910'085	19'971'938
Staff expenses	3.13	30'021'014	29'722'063
Other operating expenses	3.14	4'934'524	5'046'886
EARNINGS BEFORE INTEREST, TAXES, DEPRECIATION, AND AMORTISATION (EBITDA)		7'177'502	8'088'682
Depreciation and value adjustments for fixed assets	3.15	6'897'885	7'631'553
EARNINGS BEFORE INTEREST AND TAX (EBIT)		279'617	457'129
Financial expenses	3.16	281'018	296'821
Financial income		127'447	97'249
EARNINGS BEFORE TAX (EBT)		126'046	257'557
Non-operating revenues	3.17	498'832	512'721
Extraordinary, non-recurring and off-period expenses	3.18	1'968	89'859
ANNUAL RESULT BEFORE TAX		622'910	680'419
Direct taxes		132'304	142'452
NET INCOME		490'606	537'967

CASH FLOW STATEMENT 2022

<i>Amount in CHF</i>	2022	2021
Net income	490'606	537'967
Depreciation / value impairment of fixed assets	6'899'853	7'631'553
Other transactions not significant for funding	-271'498	37'331
Changes to short-term receivables	-782'926	5'374'083
Changes to prepaid expenses/accrued income	-1'578'435	2'639'132
Changes to short-term liabilities	3'757'802	-9'663'233
Changes to deferred income	95'755	-209'880
OPERATING CASH FLOW	8'611'157	6'346'952
Investments in property, plant and other equipment	-5'980'835	-4'969'151
Disinvestments from property, plant and other equipment	0	799'097
CASH FLOW FROM INVESTING ACTIVITIES	-5'980'835	-4'170'054
Changes to long-term liabilities	0	-1'544'440
CASH FLOW FROM FINANCING ACTIVITIES	0	-1'544'440
CHANGE IN NET CASH AND CASH EQUIVALENTS	2'630'322	632'458
as at 1 January	5'968'762	5'336'303
as at 31 December	8'599'084	5'968'762
CHANGE IN NET CASH AND CASH EQUIVALENTS	2'630'322	632'458

APPENDIX AS AT 31 DECEMBER 2022

1. PRINCIPLES

The 2022 annual financial statements for SWISS TXT Corp., formerly Schweizerische Teletext AG, with registered office in Biel, were prepared according to the provisions of the Swiss Accounting Law (art. 957–963b, valid from 1 January 2013).

2. ACCOUNTING PRINCIPLES

2.1 CONVERSION OF FOREIGN CURRENCIES

The annual financial statements were calculated in the local currency, the Swiss Franc (CHF). Foreign exchange valuation at the end of the year was based on the exchange rate on the reporting date of 31/12/2022. Exchange rate gains and losses arising from transactions in foreign currencies are recorded as affecting net income.

2.2 ACCOUNTING AND VALUATION PRINCIPLES

For SWISS TXT Corp.'s annual financial statements, assets were generally valued as acquisition or production costs. This corresponds to the principle of individual valuation of assets and liabilities. The existence of asset impairment indicators is assessed at each reporting date. If a value impairment exists, the book value is reduced to the recoverable value and this affects the result for the period. If, at a later point in time, the reason for the value impairment is (partially) removed, an appreciation is recorded as affecting net income.

2.3 RECEIVABLES

Receivables include all unmet claims against third parties and are recorded at their nominal value less any value adjustments. After deducting individual value adjustments, the remaining reserve is calculated with a fixed allowance of 2% for general credit and interest risks.

2.4 FIXED ASSETS / INTANGIBLE ASSETS

The valuation of fixed assets / intangible assets is based on acquisition and production costs less any depreciation and value adjustments deemed commercially necessary. The assets under construction include accumulated, capitalised project costs. Uncapitalised expenses and any interest costs are charged to the income statement as appropriate to the period. Assets worth less than CHF 5,000 are not capitalised. Instead, they are charged directly to the income statement at the time of acquisition.

Depreciation is calculated based on the acquisition or production value. All assets are depreciated on a linear basis over the estimated useful life of the asset (3 to 10 years). The first depreciation takes place from commissioning, completion or the date of transfer of ownership in proportion to the useful life of the asset.

2.5 PROVISIONS FOR LIABILITIES AND CHARGES

Provisions for liabilities and charges are made based on probable obligations arising from an event in the past, whose amount and/or maturity is uncertain, but can be estimated. These obligations create a liability. Provisions should not be used for the impairment of assets. The obligating event in the past must have taken place before the reporting date. The provisions for liabilities and charges correspond to actual obligations on the reporting date.

3. EXPLANATORY NOTES FOR THE BALANCE SHEET AND INCOME STATEMENT

3.1 CASH AND CASH EQUIVALENTS

Cash and cash equivalents amounted to CHF 8.6 million at the end of the year, representing an increase of 44.1% against the previous year.

3.2 RECEIVABLES

Trade receivables showed a net increase as at the reporting date. The main reason for this are the higher receivables against third parties at the end of the year.

3.3 PRE-PAID EXPENSES / ACCRUED INCOME

Pre-paid expenses and accrued income increased by around CHF 1.6 million compared with the previous year.

3.4 FIXED ASSETS

As at the end of 2022, total fixed assets amounted to CHF 20.6 million. This represents a decrease of around CHF 0.9 million compared to the previous year. In the 2022 financial year, SWISS TXT arranged investments in fixed and intangible assets worth around CHF 6.0 million. The largest investments

concerned acquisitions for the means of production – including, among other things, the renovation of SAP Hana, development of the Comano campus, renovation of the archiving infrastructure, renovation of Teletext Inserter & Broadcast, and replacement of the BGP router.

STATEMENT OF FIXED ASSETS 2022					
ACQUISITION VALUE	AS AT 1/1	RECLASSIFI- CATIONS	ADDITIONS	DISPOSALS	AS AT 31/12
PROPERTY, PLANT AND EQUIPMENT					
Pre-payments / advance payments					
Assets under construction	376'474	-502'389	2'081'200		1'955'285
Land and property	801'838				801'838
Means of production	37'127'003	502'389	3'899'636	-1'309'138	40'219'890
IT					
Other fixed assets	657'301				657'301
TOTAL FIXED ASSETS	38'962'617		5'980'836	-1'309'138	43'634'315
INTANGIBLE ASSETS					
Licences/rights	141'731				141'731
Software ownership	1'307'515				1'307'515
TOTAL INTANGIBLE ASSETS	1'449'247				1'449'247
TOTAL FIXED ASSETS	40'411'863		5'980'836	-1'309'138	45'083'561

VALUE ADJUSTMENTS	AS AT 1/1	RECLASSIFI- CATIONS	ADDITIONS	DISPOSALS	AS AT 31/12	BOOK VALUE 31/12
PROPERTY, PLANT AND EQUIP- MENT						
Pre-payments / advance payments						
Assets under construction						1'955'285
Land and property	793'194		8'644		801'838	
Means of production	16'133'666		6'820'815	-1'307'170	21'647'311	18'572'579
IT						
Other fixed assets	635'600		4'823		640'423	16'878
TOTAL FIXED ASSETS	17'562'460		6'834'282	-1'307'170	23'089'572	20'544'742
INTANGIBLE ASSETS						
Licences/rights	107'025				107'025	34'706
Software ownership	1'260'711		63'604		1'324'315	-16'800
TOTAL INTANGIBLE ASSETS	1'367'736		63'604		1'431'340	17'907
TOTAL FIXED ASSETS	18'930'196		6'897'886	-1'307'170	24'520'912	
TOTAL BOOK VALUES	21'481'667		-917'050	-1'968	20'562'649	

3.5 LIABILITIES

The liabilities include all unmet claims against third parties and stakeholders. They are recognised at nominal value. They increased during the year by around CHF 3.8 million.

3.6 DEFERRED INCOME

Deferred income increased by around CHF 0.1 million compared with the previous year.

3.7 SHORT-TERM PROVISIONS FOR LIABILITIES AND CHARGES

Regarding provisions for liabilities and charges, this consists of restructuring expenditure in the amount of CHF 0.3 million, which were built up in previous years for use in 2022.

STATEMENT OF SHORT-TERM PROVISIONS FOR LIABILITIES AND CHARGES				
Amount in CHF	PROVISION FOR PENSIONS LIABILITIES	PROVISION FOR RESTRUCTURING	OTHER PROVISIONS	TOTAL
Book value as at 01/01/2022		291'657		291'657
Creation				
Use		-291'657		-291'657
Dispersals				
Reallocations short/long-term				
BOOK VALUE AS AT 31/12/2022	0	0	0	0

3.8 LONG-TERM FINANCIAL OBLIGATIONS

The merger carried out in 2020 led to large quantities of assets being transferred. This was financed with a Group loan of around CHF 22.5 million. In 2021, the loan was reduced by CHF 1.5 million. In 2022, no repayment was made.

3.9 LONG-TERM PROVISIONS FOR LIABILITIES AND CHARGES

The other provisions for liabilities and charges are composed of provision for restructuring, training for managers and the long-term account (LTA). These increased by around 2.9% compared to the previous year.

STATEMENT OF LONG-TERM PROVISIONS FOR LIABILITIES AND CHARGES				
<i>Amount in CHF</i>	PROVISION FOR PENSIONS LIABILITIES	PROVISION FOR RESTRUCTURING	OTHER PROVISIONS	TOTAL
Book value as at 01/01/2022			695'275	695'275
Creation		8'000	12'159	20'159
Use				
Dispersals				
Reallocations short/long-term				
BOOK VALUE AS AT 31/12/2022	0	8'000	707'434	715'434

3.10 SHAREHOLDERS' EQUITY

Shareholders' equity increased to approximately CHF 10.9 million thanks to the use of profits from the previous year and profits made in 2022. As at the end of 2022, the share of equity amounted to approximately 25%.

EQUITY STATEMENT					
<i>Amount in CHF</i>	CAPITAL STOCK	RETAINED EARNINGS	PROFIT BROUGHT FORWARD	PROFIT PERFORMANCE	TOTAL SHAREHOLDERS' EQUITY
BALANCE ON 1 JANUARY 2021	1'000'000	8'433'500	2'268	426'924	9'862'692
Reclassification of 2020 profit		429'000	-2'077	-426'924	
Dividends					
Company result				537'967	537'967
BALANCE ON 31 DECEMBER 2021	1'000'000	8'862'500	191	537'967	10'400'658
Reclassification of 2021 profit		538'000	-33	-537'967	
Change in retained earnings					
Company result				490'606	490'606
BALANCE ON 31 DECEMBER 2022	1'000'000	9'400'500	158	490'606	10'891'264

3.11 NET SALES REVENUES

Net operating profit grew in the 2022 financial year by around CHF 1.2 million. This represents a 1.9% increase compared to the previous year. This increase is primarily due to increases in Public Cloud services in IT services, as well as in inclusion services, such as speech-to-text interpreting in the Accessibility Services business area.

Amount in CHF	2022	2021
Gross service revenues	64'020'076	62'848'241
Revenue reductions	23'049	-18'673
NET SERVICE REVENUES	64'043'125	62'829'568

3.12 COST OF MATERIALS AND SERVICES

Expenditure on goods and services rose by around CHF 1.9 million, or 9.7%, compared to the previous year. This was due primarily to additional maintenance contracts and external services.

Amount in CHF	2022	2021
Material costs	6'660'508	6'115'019
Third-party services costs	15'249'577	13'856'919
COST OF MATERIALS AND SERVICES	21'910'085	19'971'938

3.13 STAFF EXPENSES

Staff expenses increased by approximately CHF 0.3 million, or 1.0%, compared to the previous year. The main reasons for this increase can be attributed to higher benefit costs for early retirements.

SWISS TXT is a service provider, so it is no surprise that staffing accounted for the largest portion of expenses again in 2022. Total staffing costs amounted to approximately CHF 30.0 million, or around half of all SWISS TXT's operating expenses.

Amount in CHF	2022	2021
Wages and salaries	23'895'705	23'823'794
Social security and allowances	2'492'354	2'472'228
Employee benefits institution	2'947'652	2'677'503
Other staff expenses	685'302	748'538
STAFF EXPENSES	30'021'014	29'722'063

3.14 OTHER OPERATING EXPENSES

Other operating expenses were approximately CHF 0.1 million lower than in the previous year. The main reason for this was lower costs in relation to Customer Relations.

Amount in CHF	2022	2021
Office space costs	3'561'901	3'535'505
Maintenance, repairs, replacements and vehicle costs	1'263	11'085
Insurance premiums and duties	54'450	65'345
Administrative and IT costs	1'024'971	1'032'638
Advertising and marketing costs	291'940	402'313
OTHER OPERATING EXPENSES	4'934'524	5'046'886

3.15 DEPRECIATIONS

Depreciations amounted to approximately CHF 6.9 million. This represented a decrease of CHF 0.7 million, or 9.6%, compared to the previous year.

3.16 FINANCIAL EXPENDITURE

The group loan led to interest expenditure of approximately CHF 0.3 million.

3.17 NON-OPERATING REVENUES

The four innovation projects "Helios" (citizen journalism and social media), "Easier" (signing app), "5G Mediahub" (streaming & player) and "MediaVerse" (accessibility API & multilingual subtitling), formed part of the EU's "Horizon2020" development programme in 2022. All projects forming part of the EU development programme will last around 3 years. The projects have been developed together with international partners. A 4-year project called "IICT" (Inclusive Information and Communication Technologies, meaning solutions for audiovisual content) is under way with the support of the Swiss Innovation Agency, "Innosuisse". SWISS TXT's share of revenue for 2022 amounted to approximately CHF 0.5 million.

3.18 EXTRAORDINARY, NON-RECURRING AND OFF-PERIOD EXPENSES

This item covers the scrapping of equipment that is no longer required.

4. OTHER DATA

4.1 LIABILITIES TOWARDS THE EMPLOYEE BENEFITS INSTITUTION

As of the reporting date there was an outstanding pension fund liability of approximately CHF 0.4 million. This liability was settled with the first payment run of 2023.

Amount in CHF	2022	2021
LIABILITIES TOWARDS THE PENSION FUND	365'597	353'720

4.2 NUMBER OF FULL-TIME POSITIONS

The annual average number of full-time positions was between 50 and 249 FTE in 2022, as it was in 2021.

4.3 LEASING OBLIGATIONS / LONG-TERM RENTAL AND FRAMEWORK AGREEMENTS

As at 31 December 2022, obligations from leases and long-term rental and framework agreements amounted to CHF 12.8 million.

4.4 RISK ASSESSMENT

At its meeting of 10 November 2022, SWISS TXT's Board of Directors undertook an adequate risk assessment, and took all necessary action on the basis of this assessment to ensure that the risk of any errors in the accounts was low.

4.5 EVENTS AFTER THE REPORTING DATE

Between the reporting date and 9 March 2023, when the Board of Directors signed off the annual financial statements, no significant events took place that might adversely affect the representative nature of the 2022 financial statements and / or that would have needed to be disclosed in the present report.

4.6 REMUNERATION OF THE BOARD OF DIRECTORS AND THE EXECUTIVE BOARD

In 2022, six non-executive members of the Board of Directors received remuneration amounting to approximately CHF 0.1 million.

Total annual remuneration for the members of the Executive Board amounted to approximately CHF 1.8 million. This figure includes basic salaries, performance-related pay, payment for ancillary services and employer contributions to social security.

APPLICATION REGARDING THE APPROPRIATION OF NET INCOME

<i>Amount in CHF</i>	31/12/2022	31/12/2021
Profit brought forward from previous year	158	191
Annual result after tax	490'606	537'967
NET PROFIT	490'764	538'158
Dividends	0	0
Allocation to the statutory reserve	0	0
Allocation to the voluntary reserve	-490'000	-538'000
PROFIT BROUGHT FORWARD TO NEW ACCOUNT	764	158

AUDIT REPORT



Phone +41 31 327 17 17
www.bdo.ch
bern@bdo.ch

BDO Ltd
Hodlerstrasse 5
3001 Bern

STATUTORY AUDITOR'S REPORT

To the general meeting of SWISS TXT AG, Biel/Bienne

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of SWISS TXT AG (the Company) - which comprise the balance sheet as at December 31, 2022, and the income statement and the cash flow statement for the year then ended, and notes to the financial statements.

In our opinion the financial statements (pages 14 to 26) comply with Swiss law and the articles of incorporation.

Basis for Opinion

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

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

Other Information

The board of directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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 for such internal control as the board of directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

BDO Ltd, a limited company under Swiss law, incorporated in Zurich, forms part of the international BDO Network of independent member firms.



Phone +41 31 327 17 17
www.bdo.ch
bern@bdo.ch

BDO Ltd
Hodlerstrasse 5
3001 Bern

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 Standards on Audits of Financial Statements 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.

A further description of the auditor's responsibilities for the audit of the financial statements is located at EXPERTSuisse's website at: <https://www.expertsuisse.ch/en/audit-report-for-ordinary-audits>. This description forms part of our auditor's report.

Report on Other Legal and Regulatory Requirements

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

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

Bern, March 9, 2023

BDO Ltd

Thomas Bigler
Licensed audit expert

Fabian Mollet
Licensed audit expert
Auditor in charge

BDO Ltd, a limited company under Swiss law, incorporated in Zurich, forms part of the international BDO Network of independent member firms.



SWISS TXT CORP.
Alexander-Schöni-Strasse 40
Postfach 1136
2501 Biel/Bienne, Switzerland

Tel. +41 58 136 40 00
swisstxt.ch