20231150977

ÅRSREDOVISNING

för

SIX Financial Information Nordic AB

Org.nr. 556764-9297

Styrelsen och verkställande direktören får härmed avlämna årsredovisning för räkenskapsåret 2022-01-01 - 2022-12-31

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Undertecknad styrelseledamot i SIX Financial Information Nordic AB intygar härmed, dels att denna kopia av årsredovisningen överensstämmer med originalet, dels att resultat- och balansräkning fastställts på årsstämma den 15 april 2023.
Stämman beslöt tillika godkänna styrelsens förslag till vinstdisposition.

Stockholm 2023-04-15

Tobias Ludvig Ohlsén

ÅRSREDOVISNING

för

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FÖRVALTNINGSBERÄTTELSE

Årsredovisningen är upprättad i KSEK.

Verksamheten
SIX Financial Information Nordic AB ("SIX") är specialiserat på värdepappers- och realtidsinformation för finansmarknaden.

Kunder är banker, fondkommissionärer, professionella investerare och media. SIX uppdrag är att vara den ledande partnern av värdeförädlad finansiell information på den svenska och nordiska marknaden.

Företagets säte är Stockholm

Flerårsjämförelse*

	2022	**2021**	**2020**	**2019**	**2018**
Nettoomsättning	86 244	79 311	90 203	100 183	120 231
Res. efter finansiella poster	41 385	33 562	32 042	-6 126	31 344
Res. i % av nettoomsättningen	47,98	42,31	35,52	-6,11	26,1
Balansomslutning	92 822	81 454	76 723	70 007	98 150
Soliditet (%)	75,37	74,37	71,71	66,35	71,1
Avkastning på eget kapital (%)	63,40	58,06	63,15	-10,54	44,9
Antal anställda	31	30	31	35	42

*Definitioner av nyckeltal, se noter

Ägarförhållanden
Bolaget är helägt dotterbolag till det schweiziska företaget SIX Group AG reg. no. CH-020.3.026.400-2. SIX Financial Information Nordic AB offentliggör inte någon koncernredovisning med hänvisning till undantaget enligt ÅRL 7 kap. 2§. Koncernredovisning upprättas av SIX Group AG. Årsredovisning för SIX Group AG finns tillgänglig på bolagets hemsida www.six-group.com.

Väsentliga händelser under räkenskapsåret
Under 2022 har försäljningen varit ca 6% högre än föregående år av SIX produkter och tjänster p.g.a. ökat kundbehov. Försäljningen inom fokusområdena index, regulatoriska data, och referensdata har haft en positiv utveckling under det gångna året.

Kostnaderna för personal varit något högre än föregående år medan konsultkostnaderna har varit något lägre än föregående år.

SIX har under året fortsatt fokusera på att utveckla tjänster för att möta regelverksförändringarna på finansmarknaden som stärker behovet av information och kringtjänster för finansmarknadens aktörer. SIX ser en ökad efterfrågan på information och tjänster som stödjer dessa regelverksförändringar med tillhörande rapporteringskrav som riktar sig mot både finans och försäkringssektorn.

Arbetet med att dra nytta av koncernens globala produkterbjudande och omfångsrika instrumentdatabas har fortsatt under året vilket har lett till marknadsframgångar, inte minst inom ovan nämnda regelverksområdet men även inom området referensdata.

Framtida utveckling samt risker och osäkerhetsfaktorer
SIX intäkter under 2023 är prognosticerade att minska jämfört med 2022 p.g.a. att ett större kundavtal avslutats under 2022 samt att ett partneravtal löper ut under Q3 2023. Den underliggande efterfrågan på företagets tjänster primärt inom områdena referensdata och regulatoriskdata förväntas dock att öka under året. Det råder dock fortsatt osäkerhet kring hur konjunkturläget kommer att utvecklas avseende inflationstakt och räntenivån samt att osäkerheten kvarstår kring det geopolitiska läget i Europa med kriget i Ukraina. Detta kan komma att leda till ytterligare sparbeting hos SIX kunder som kan påverka försäljningen negativt. När det gäller COVID 19 viruset är bedömningen att det i ringa omfattning kommer att påverka marknaden för finansiella data under 2023. För SIX egen del kommer detta att följas löpande och åtgärder har vidtagits för att undvika operationella störningar t.ex. genom arbete från hemmet för att minska risken för smittspridning.

SIX är utsatt för risker både vad gäller vår bransch och vårt företag.

De risker som här avses inkluderar bland annat

- förändrade förhållanden på marknaden
- politisk, företagsledningss- och ekonomisk utveckling samt ändrade regelverk på finansmarknaderna
- egen förmåga att utveckla och genomdriva en framgångsrik strategi
- finansiella risker såsom ränte- och valutaändringar

- försämring av marknadsposition
- förändring av kundernas struktur och finansiella styrka
- produktutveckling, leveranssvårigheter och förmåga att rekrytera och behålla kvalificerad personal.

Förändringarna av regelverk på finansmarknaden driver behovet av data för att säkerställa en regelverksefterlevnad vilket SIX avser att fortsätta att utveckla sitt erbjudande kring. Detta anser SIX kommer att stärka vårt värdeerbjudande och resultera i ytterligare intäkter. Detta anser SIX kommer ha över tiden en positiv utveckling på resultatet och vår konkurrenskraft.

Forskning och utveckling
Moderbolaget till SIX dvs SIX AG har fortsatt investerat i utveckling av produkter och tjänster för att möta marknadens efterfråga och öka konkurrenskraften i SIX erbjudande.

Förändringar i eget kapital

	Aktiekapital	Övrigt fritt eget kapital	Årets resultat	Summa fritt eget kapital
Belopp vid årets ingång	100	26 919	33 562	60 481
Resultatdisp. enl. beslut av årsstämma:		33 562	-33 562	0
Utdelning till aktieägare vid extra bolagsstämma		-32 000		-32 000
Årets vinst			41 385	41 385
Belopp vid årets utgång	100	28 481	41 385	69 866

Resultatdisposition (kronor)

Förslag till disposition av bolagets vinst

Till årsstämmans förfogande står	
balanserad vinst	28 480 528
årets vinst	41 384 541
	69 865 069
Styrelsen föreslår att	
till aktieägarna utdelas 234,78 kr per aktie	33 000 000
i ny räkning överföres	36 865 069
	69 865 069

Förslag till beslut om vinstutdelning
Styrelsen föreslår att utdelning lämnas med 33 000 000,00 kr. vilket motsvarar 234,78 kr. per aktie.

Styrelsen föreslår att utbetalning av utdelningen skall ske i omedelbar anslutning till årsstämman.

Styrelsens yttrande i enlighet med ABL 18 kap 4 §.
Styrelsen anser att den föreslagna vinstutdelningen är försvarlig med hänsyn till de krav som verksamhetens art, omfattning och risker ställer på storleken av det egna kapitalet samt bolagets konsolideringsbehov, likviditet och ställning i övrigt.

Yttrandet ska ses mot bakgrund av den information som framgår av årsredovisningen. Företagsledningen planerar inga väsentliga förändringar av befintlig verksamhet så som väsentliga investeringar, försäljningar eller avveckling.

Beträffande bolagets resultat och ställning i övrigt hänvisas till efterföljande resultat- och balansräkningar med tillhörande noter.

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RESULTATRÄKNING

	Not	2022-01-01 2022-12-31	2021-01-01 2021-12-31
Rörelsens intäkter m.m.			
Nettoomsättning	3	86 244	79 311
Övriga rörelseintäkter		11 918	13 189
		98 162	92 500
Rörelsens kostnader			
Övriga externa kostnader	4, 5	-48 413	-48 797
Personalkostnader	6	-39 882	-37 140
Av- och nedskrivningar av materiella och immateriella anläggningstillgångar	9, 10	-235	-274
Övriga rörelsekostnader		-739	-1 043
		-89 269	-87 254
Rörelseresultat		8 893	5 246
Resultat från finansiella poster			
Resultat från andelar i koncernföretag	7	32 444	28 318
Övriga ränteintäkter och liknande resultatposter		48	0
Räntekostnader och liknande resultatposter		0	-2
		32 492	28 316
Resultat efter finansiella poster		41 385	33 562
Resultat före skatt		41 385	33 562
Skatt på årets resultat	8	0	0
Årets resultat		**41 385**	**33 562**

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BALANSRÄKNING

	Not	2022-12-31	2021-12-31
TILLGÅNGAR			
Anläggningstillgångar			
Immateriella anläggningstillgångar			
Goodwill	9	0	0
Summa immateriella anläggningstillgångar		0	0
Materiella anläggningstillgångar			
Inventarier, verktyg och installationer	10	648	185
Summa materiella anläggningstillgångar		648	185
Finansiella anläggningstillgångar			
Andelar i koncernföretag	11	38 023	38 023
Summa finansiella anläggningstillgångar		38 023	38 023
Summa anläggningstillgångar		38 671	38 208
Omsättningstillgångar			
Kortfristiga fordringar			
Kundfordringar		3 917	2 194
Fordringar hos koncernföretag		11 332	2 410
Aktuell skattefordran		1 848	3 098
Övriga fordringar		1 172	1 133
Förutbetalda kostnader och upplupna intäkter	12	8 551	9 467
Summa kortfristiga fordringar		26 820	18 302
Kassa och bank			
Kassa och bank		27 331	24 944
Summa kassa och bank		27 331	24 944
Summa omsättningstillgångar		54 151	43 246
SUMMA TILLGÅNGAR		**92 822**	**81 454**

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BALANSRÄKNING

	Not	2022-12-31	2021-12-31
EGET KAPITAL OCH SKULDER			
Eget kapital			
Bundet eget kapital			
Aktiekapital	13	100	100
Summa bundet eget kapital		100	100
Fritt eget kapital			
Balanserat resultat		28 481	26 919
Årets resultat		41 385	33 562
Summa fritt eget kapital		69 866	60 481
Summa eget kapital		69 966	60 581
Avsättningar	14		
Övriga avsättningar		190	190
Summa avsättningar		190	190
Kortfristiga skulder			
Leverantörsskulder		302	1 698
Skulder till koncernföretag		5 094	1 509
Övriga skulder		1 041	1 279
Upplupna kostnader och förutbetalda intäkter	15	16 229	16 197
Summa kortfristiga skulder		22 666	20 683
SUMMA EGET KAPITAL OCH SKULDER		**92 822**	**81 454**

KASSAFLÖDESANALYS

	Not	2022-01-01 2022-12-31	2021-01-01 2021-12-31
Den löpande verksamheten			
Rörelseresultat		8 893	5 246
Justeringar för poster som inte ingår i kassaflödet		235	274
Erhållen ränta m.m.		48	0
Erlagd ränta		0	-2
Betald inkomstskatt		1 250	-433
Kassaflöde från den löpande verksamheten före förändringar av rörelsekapital		10 426	5 085
Kassaflöde från förändringar av rörelsekapital			
Minskning(+)/ökning(-) av kundfordringar		-1 723	428
Minskning(+)/ökning(-) av fordringar		-8 045	11 090
Minskning(-)/ökning(+) av leverantörsskulder		-1 396	-779
Minskning(-)/ökning(+) av kortfristiga skulder		3 379	-242
Kassaflöde från den löpande verksamheten		2 641	15 582
Investeringsverksamheten			
Förvärv av inventarier, verktyg och installationer	10	-698	0
Utdelning från koncernföretag	7	32 444	28 318
Ny utlåning till närstående		0	190
Kassaflöde från investeringsverksamheten		31 746	28 508
Finansieringsverksamheten			
Utbetald utdelning		-32 000	-28 000
Kassaflöde från finansieringsverksamheten		-32 000	-28 000
Förändring av likvida medel		2 387	16 090
Likvida medel vid årets början		24 944	8 854
Likvida medel vid årets slut		**27 331**	**24 944**

NOTER

Not 1 Redovisnings- och värderingsprinciper

Årsredovisningen är upprättad i enlighet med årsredovisningslagen och BFNAR 2012:1, Bokföringsnämndens allmäna råd om årsredovisning och koncernredovisning.
Principerna är oförändrade jämfört med föregående år.

Fordringar
Fordringar har upptagits till de belopp varmed de beräknas inflyta.

Övriga tillgångar, avsättningar och skulder
Övriga tillgångar, avsättningar och skulder har värderats till anskaffningsvärden om inget annat anges nedan.

Intäktsredovisning
Inkomsten redovisas till det verkliga värdet av vad som erhållits eller kommer att erhållas. Företaget redovisar därför inkomsten till periodiserat värde linjärt under avtalsperioden. Avdrag görs för lämnade rabatter.

Ränta och royalty
Ränta redovisas med tillämpning av effektivräntemetoden. Royalty periodiseras i enlighet med den aktuella överenskommelsens ekonomiska innebörd.

Materiella anläggningstillgångar
Materiella anläggningstillgångar redovisas till anskaffningsvärde med avdrag för ackumulerade avskrivningar och eventuella nedskrivningar. Tillgångarna skrivs av linjärt över tillgångarnas bedömda nyttjandeperiod. Nyttjandeperioden omprövas per varje balansdag. Följande nyttjandeperioder tillämpas:

	Antal år
Inventarier, verktyg och maskiner	3-7

Dotterföretag
Andelar i dotterföretag redovisas enligt anskaffningsvärdemetoden. Redovisat värde prövas vid varje balansdag för att bedöma om det finns indikation på nedskrivningsbehov. Som intäkt redovisas endast erhållna utdelningar under förutsättning att dessa härrör från vinstmedel som intjänats efter förvärvet. Utdelningar som överstiger dessa intjänade vinstmedel bettraktas som återbetalning av investeringar och reducerar andelens bokförda värde.

Leasing
Ett finansiellt leasingavtal är ett leasingavtal enligt vilket de ekonomiska risker och fördelar som är förknippade med att äga en tillgång i allt väsentligt överförs från leasegivaren till leasetagaren. Ett operationellt leasingavtal är ett leasingavtal som inte är ett finansiellt leasingavtal.

Operationella leasingavtal kostnadsförs linjärt över leasingperioden.

Rättigheter och skyldigheter enligt finansiella leasingavtal redovisas som tillgång och skuld i balansräkningen. Tillgången och skulden redovisas till det lägsta av tillgångens verkliga värde och nuvärdet av minimileaseavgifterna, fastställda vid leasingavtalets ingående. Leasingavgifterna fördelas på ränta och amortering av skulden enligt effektivräntemetoden. Variabla avgifter redovisas som kostnad det räkenskapsår utgifterna uppkommer.

Samtliga leasingavtal bedöms som operationella leasingavtal och kostnadsförs linjärt över leasingperioden.

Inkomstskatt
Aktuell skatt är inkomstskatt för innevarande räkenskapsår som avser årets skattepliktiga resultat och den del av tidigare räkenskapsårs inkomstskatt som ännu inte har redovisats.
Aktuell skatt värderas till det sannolika beloppet enligt de skattesatser och skatteregler som gäller på balansdagen.

NOTER

Avsättningar
Avsättningar redovisas när det finns en legal eller informell förpliktelse till följd av en tidigare händelse, det är sannolikt att ett utflöde av resurser kommer att krävas för att reglera förpliktelsen och beloppen kan uppskattas på ett tillförlitligt sätt. Tidpunkten eller beloppet för utflödet kan fortfarande vara osäker.

Avsättningar för omstruktureringar redovisas bara om en fastställd och utförlig omstruktureringsplan har utarbetats och införts, eller om företaget minst har offentliggjort planens huvuddrag till dem som berörs av den. Avsättningar redovisas inte för utgifter som hör samman med den framtida verksamheten.

En avsättning redovisas till den bästa uppskattningen av det belopp som krävs för att reglera förpliktelsen på balansdagen. Avsättningar tas endast i anspråk för de utgifter som avsättningen ursprungligen var avsedd för. Avsättningar diskonteras till sina nuvärden där pengars tidsvärde är väsentligt.

Fordringar och skulder i utländsk valuta
Monetära fordringar och skulder i utländsk valuta har räknats om till balansdagens kurs.

Valutakursdifferenser som uppkommer vid reglering eller omräkning av monetära poster redovisas i resultaträkningen det räkenskapsår de uppkommer, antingen som en rörelsepost eller som en finansiell post utifrån den underliggande affärshändelsen.

Not 2 Uppskattningar och bedömningar

Upprättandet av bokslut och tillämpning av redovisningsprinciper baseras ofta på ledningens bedömningar, uppskattningar och antaganden som anses vara rimliga vid den tidpunkt då bedömningen görs. Uppskattningar och bedömningar är baserade på historiska erfarenheter och ett antal andra faktorer, som under rådande omständigheter anses vara rimliga. Resultatet av dessa används för att bedöma de redovisade värdena på tillgångar och skulder, som inte annars framgår tydligt från andra källor. Det verkliga utfallet kan avvika från dessa uppskattningar och bedömningar. Uppskattningar och antaganden ses över regelbundet.

Inga väsentliga källor till osäkerhet i uppskattningar och antaganden på balansdagen bedöms kunna innebära en betydande risk för en väsentlig justering av redovisade värden för tillgångar och skulder under nästa räkenskapsår.

UPPLYSNINGAR TILL ENSKILDA POSTER

Not 3 Inköp och försäljning inom koncernen	2022	2021
Andel av försäljningen som avser koncernföretag	35%	14%
Andel av inköpen som avser koncernföretag	19%	8%

NOTER

Not 4	**Leasingavtal - Operationell leasing leasetagare**	**2022**	**2021**
	Under året har företagets leasingavgifter uppgått till	4 665	5 043
	Framtida minimileasingavgifter för icke uppsägningsbara leasingavtal, förfaller till betalning enligt följande:		
	Inom 1 år	2 535	843
	Mellan 2 till 5 år	9 273	3 282
		11 808	4 125

Not 5	**Ersättning till revisorer**	**2022**	**2021**
	Ernst & Young AB		
	Revisionsuppdrag	352	360
		352	360

Med revisionsuppdrag avses revisors arbete för den lagstadgade revisionen och med revisionsverksamhet olika typer av kvalitetssäkringstjänster. Övriga tjänster är sådant som inte ingår i revisionsuppdrag, revisionsverksamhet eller skatterådgivning.

Not 6	**Personal**	**2022**	**2021**
	Medelantal anställda		
	Medelantalet anställda bygger på av bolaget betalda närvarotimmar relaterade till en normal arbetstid.		
	Medelantal anställda har varit	31	30
	varav kvinnor	6	5
	varav män	25	25

NOTER

Löner, ersättningar m.m.
Löner, ersättningar, sociala kostnader och pensionskostnader har utgått med följande belopp:

Styrelsen och VD:		
Löner och ersättningar	2 426	2 410
Pensionskostnader	554	538
	2 980	2 948
Övriga anställda:		
Löner och ersättningar	22 515	18 951
Pensionskostnader	5 484	6 139
	27 999	25 090
Sociala kostnader	8 372	8 662
Summa styrelse, VD och övriga	39 351	36 700
Antal styrelseledamöter	3	3
varav kvinnor	2	2
varav män	1	1
Antal övriga befattningshavare inkl. VD	5	5
varav kvinnor	0	0
varav män	5	5

Not 7	**Resultat från andelar i koncernföretag**	**2022**	**2021**
	Erhållna utdelningar	32 444	28 318
		32 444	28 318

Not 8	**Skatt på årets resultat**	**2022**	**2021**
	Aktuell skatt	0	0
		0	0
	Avstämning av effektiv skatt		
	Resultat före skatt	41 385	33 562
	Skattekostnad 20,60% (20,60%)	-8 525	-6 914
	Skatteeffekt av:		
	Ej avdragsgilla kostnader	-110	316
	Ej skattepliktiga intäkter	7 041	5 834
	Uppkommna ej utnyttjade underskottsavdrag	1 594	764
	Summa	0	0

Bolaget har underskottsavdrag från tidigare år som uppgår till 24 196 tkr. (27 907 tkr).

NOTER

Not 9 Goodwill

	2022-12-31	2021-12-31
Ingående anskaffningsvärde	18 594	18 594
Utgående ackumulerade anskaffningsvärden	18 594	18 594
Ingående avskrivningar	-9 914	-9 914
Utgående ackumulerade avskrivningar	-9 914	-9 914
Ingående nedskrivningar	-8 680	-8 680
Utgående ackumulerade nedskrivningar	-8 680	-8 680
Utgående redovisat värde	0	0

Not 10 Inventarier, verktyg och installationer

	2022-12-31	2021-12-31
Ingående anskaffningsvärde	21 549	21 549
Inköp	698	0
Utgående ackumulerade anskaffningsvärden	22 247	21 549
Ingående avskrivningar	-21 364	-21 090
Årets avskrivningar	-235	-274
Utgående ackumulerade avskrivningar	-21 599	-21 364
Utgående redovisat värde	648	185

Not 11 Andelar i koncernföretag

Företag Organisationsnummer	Säte	Antal/Kap. andel %	2022-12-31 Redovisat värde	2021-12-31 Redovisat värde
SIX Financial Information Denmark A/S 66 936 228	Köpenhamn	100	38 023	38 023
			38 023	38 023

Uppgifter om eget kapital och resultat	Eget kapital	Resultat
SIX Financial Information Denmark A/S	53 885	33 116

Not 12 Förutbetalda kostnader och upplupna intäkter

	2022-12-31	2021-12-31
Upplupna intäkter	7 719	7 750
Övriga förutbetalda kostnader	832	1 717
	8 551	9 467

Not 13 Upplysningar om aktiekapital

	Antal aktier	Kvotvärde per aktie
Antal/värde vid årets utgång	100 000	1,00

NOTER

Not 14	**Avsättningar**	**2022-12-31**	**2021-12-31**
	Övriga avsättningar		
	Redovisat värde vid årets början	190	0
	Årets avsättningar	0	190
	Redovisat värde vid årets slut	190	190

Not 15	**Upplupna kostnader och förutbetalda intäkter**	**2022-12-31**	**2021-12-31**
	Upplupna löner	887	697
	Upplupna semesterlöner	5 873	5 731
	Upplupna sociala avgifter	2 207	3 796
	Upplupen bonus	2 355	2 336
	Övriga upplupna kostnader	4 907	3 637
		16 229	16 197

Not 16 Definition av nyckeltal

Soliditet
Justerat eget kapital i procent av balansomslutning

Avkastning på eget kapital
Resultat efter finansiella poster i procent av genomsnittligt justerat eget kapital

SIX Financial Information Nordic AB
Org.nr. 556764-9297

NOTER

Stockholm, den dag som framgår av den elektroniska signaturen.

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Marion Woodward
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Marion Woodward
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Kerry Delaney
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Styrelseledamot

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Tobias Ohlsén
EDE6E88529C0415...
Tobias Ohlsén
Styrelseledamot
Verkställande direktör

Vår revisionsberättelse har lämnats enligt datum som framgår av den elektroniska signaturen.

Ernst & Young AB

DocuSigned by:
Ulrika Sewik
CE38108D0574434...
Ulrika Sewik
Auktoriserad revisor

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Status: Completed
Subject: Complete with DocuSign: SFI-Nordic
Company Name of the Client:
Source Envelope:
Document Pages: 31
Signatures: 11
Certificate Pages: 5
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Envelope Originator:
Kerry Delaney
Pfingstweidstrasse 110
Zürich, ZH 8005
kerry.delaney@six-group.com
IP Address: 153.46.105.98

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kerry.delaney@six-group.com
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Viewed: 4/14/2023 2:28:52 PM
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marion.leslie@six-group.com
HEAD BFI
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Tobias Ohlsén
tobias.ohlsen@six-group.com
LCH
SIX Financial Information
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Authentication: SMS (+46 76 546 63 08)

Signature Adoption: Pre-selected Style
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Signer Events	Signature	Timestamp
Ulrika Sewik ulrika.sewik@se.ey.com Security Level: Email, Account Authentication (None)	DocuSigned by: Ulrika Sewik CE38108D0574434...	Sent: 4/14/2023 2:42:23 PM Resent: 4/14/2023 7:18:27 PM Viewed: 4/14/2023 7:19:28 PM Signed: 4/14/2023 7:20:46 PM
	Signature Adoption: Pre-selected Style Using IP Address: 62.220.164.65	

Electronic Record and Signature Disclosure:
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ID: 3011e865-369a-4179-b81f-bae7eca2f5b6

In Person Signer Events	Signature	Timestamp
Editor Delivery Events	**Status**	**Timestamp**
Agent Delivery Events	**Status**	**Timestamp**
Intermediary Delivery Events	**Status**	**Timestamp**
Certified Delivery Events	**Status**	**Timestamp**
Carbon Copy Events	**Status**	**Timestamp**
Witness Events	**Signature**	**Timestamp**
Notary Events	**Signature**	**Timestamp**
Envelope Summary Events	**Status**	**Timestamps**
Envelope Sent	Hashed/Encrypted	4/14/2023 2:28:39 PM
Envelope Updated	Security Checked	4/14/2023 7:16:41 PM
Certified Delivered	Security Checked	4/14/2023 7:19:28 PM
Signing Complete	Security Checked	4/14/2023 7:20:46 PM
Completed	Security Checked	4/14/2023 7:20:46 PM
Payment Events	**Status**	**Timestamps**

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Revisionsberättelse

Till bolagsstämman i **SIX Financial Information Nordic AB, org.nr 556764-9297**

Rapport om årsredovisningen

Uttalanden

Vi har utfört en revision av årsredovisningen för SIX Financial Information Nordic AB för räkenskapsåret 2022-01-01 - 2022-12-31.

Enligt vår uppfattning har årsredovisningen upprättats i enlighet med årsredovisningslagen och ger en i alla väsentliga avseenden rättvisande bild av SIX Financial Information Nordic AB:s finansiella ställning per den 31 december 2022 och av dess finansiella resultat och kassaflöde för året enligt årsredovisningslagen. Förvaltningsberättelsen är förenlig med årsredovisningens övriga delar.

Vi tillstyrker därför att bolagsstämman fastställer resultaträkningen och balansräkningen.

Grund för uttalanden

Vi har utfört revisionen enligt International Standards on Auditing (ISA) och god revisionssed i Sverige. Vårt ansvar enligt dessa standarder beskrivs närmare i avsnittet *Revisorns ansvar*. Vi är oberoende i förhållande till SIX Financial Information Nordic AB enligt god revisorssed i Sverige och har i övrigt fullgjort vårt yrkesetiska ansvar enligt dessa krav.

Vi anser att de revisionsbevis vi har inhämtat är tillräckliga och ändamålsenliga som grund för våra uttalanden.

Styrelsens och verkställande direktörens ansvar

Det är styrelsen och verkställande direktören som har ansvaret för att årsredovisningen upprättas och att den ger en rättvisande bild enligt årsredovisningslagen. Styrelsen och verkställande direktören ansvarar även för den interna kontroll som de bedömer är nödvändig för att upprätta en årsredovisning som inte innehåller några väsentliga felaktigheter, vare sig dessa beror på oegentligheter eller misstag.

Vid upprättandet av årsredovisningen ansvarar styrelsen och verkställande direktören för bedömningen av bolagets förmåga att fortsätta verksamheten. De upplyser, när så är tillämpligt, om förhållanden som kan påverka förmågan att fortsätta verksamheten och att använda antagandet om fortsatt drift. Antagandet om fortsatt drift tillämpas dock inte om styrelsen och verkställande direktören avser att likvidera bolaget, upphöra med verksamheten eller inte har något realistiskt alternativ till att göra något av detta.

Revisorns ansvar

Våra mål är att uppnå en rimlig grad av säkerhet om att årsredovisningen som helhet inte innehåller några väsentliga felaktigheter, vare sig dessa beror på oegentligheter eller misstag, och att lämna en revisionsberättelse som innehåller våra uttalanden. Rimlig säkerhet är en hög grad av säkerhet, men är ingen garanti för att en revision som utförs enligt ISA och god revisionssed i Sverige alltid kommer att upptäcka en väsentlig felaktighet om en sådan finns. Felaktigheter kan uppstå på grund av oegentligheter eller misstag och anses vara väsentliga om de enskilt eller tillsammans rimligen kan förväntas påverka de ekonomiska beslut som användare fattar med grund i årsredovisningen.

Som del av en revision enligt ISA använder vi professionellt omdöme och har en professionellt skeptisk inställning under hela revisionen. Dessutom:

- identifierar och bedömer vi riskerna för väsentliga felaktigheter i årsredovisningen, vare sig dessa beror på oegentligheter eller misstag, utformar och utför granskningsåtgärder bland annat utifrån dessa risker och inhämtar revisionsbevis som är tillräckliga och ändamålsenliga för att utgöra en grund för våra uttalanden. Risken för att inte upptäcka en väsentlig felaktighet till följd av oegentligheter är högre än för en väsentlig felaktighet som beror på misstag, eftersom oegentligheter kan innefatta agerande i maskopi, förfalskning, avsiktliga utelämnanden, felaktig information eller åsidosättande av intern kontroll.
- skaffar vi oss en förståelse av den del av bolagets interna kontroll som har betydelse för vår revision för att utforma granskningsåtgärder som är lämpliga med hänsyn till omständigheterna, men inte för att uttala oss om effektiviteten i den interna kontrollen.
- utvärderar vi lämpligheten i de redovisningsprinciper som används och rimligheten i styrelsens och verkställande direktörens uppskattningar i redovisningen och tillhörande upplysningar.
- drar vi en slutsats om lämpligheten i att styrelsen och verkställande direktören använder antagandet om fortsatt drift vid upprättandet av årsredovisningen. Vi drar också en slutsats, med grund i de inhämtade revisionsbevisen, om det finns någon väsentlig osäkerhetsfaktor som avser sådana händelser eller förhållanden som kan leda till betydande tvivel om bolagets förmåga att fortsätta verksamheten. Om vi drar slutsatsen att det finns en väsentlig osäkerhetsfaktor, måste vi i revisionsberättelsen fästa uppmärksamheten på upplysningarna i årsredovisningen om den väsentliga osäkerhetsfaktorn eller, om sådana upplysningar är otillräckliga, modifiera uttalandet om årsredovisningen. Våra slutsatser baseras på de revisionsbevis som inhämtas fram till datumet för revisionsberättelsen. Dock kan framtida händelser eller förhållanden göra att ett bolag inte längre kan fortsätta verksamheten.
- utvärderar vi den övergripande presentationen, strukturen och innehållet i årsredovisningen, däribland upplysningarna, och om årsredovisningen återger de underliggande transaktionerna och händelserna på ett sätt som ger en rättvisande bild.

Vi måste informera styrelsen om bland annat revisionens planerade omfattning och inriktning samt tidpunkten för den. Vi måste också informera om betydelsefulla iakttagelser under revisionen, däribland de eventuella betydande brister i den interna kontrollen som vi identifierat.

Penneo dokumentnyckel: 0PCP8-S5NCO-7SFEW-0P5OD-ZZS1C-7IFN1

Rapport om andra krav enligt lagar och andra författningar

Uttalanden

Utöver vår revision av årsredovisningen har vi även utfört en revision av styrelsens och verkställande direktörens förvaltning av SIX Financial Information Nordic AB för räkenskapsåret 2022-01-01 - 2022-12-31 samt av förslaget till dispositioner beträffande bolagets vinst eller förlust.

Vi tillstyrker att bolagsstämman disponerar vinsten enligt förslaget i förvaltningsberättelsen och beviljar styrelsens ledamöter och verkställande direktören ansvarsfrihet för räkenskapsåret.

Grund för uttalanden

Vi har utfört revisionen enligt god revisionssed i Sverige. Vårt ansvar enligt denna beskrivs närmare i avsnittet *Revisorns ansvar*. Vi är oberoende i förhållande till SIX Financial Information Nordic AB enligt god revisorssed i Sverige och har i övrigt fullgjort vårt yrkesetiska ansvar enligt dessa krav.

Vi anser att de revisionsbevis vi har inhämtat är tillräckliga och ändamålsenliga som grund för våra uttalanden.

Styrelsens och verkställande direktörens ansvar

Det är styrelsen som har ansvaret för förslaget till dispositioner beträffande bolagets vinst eller förlust. Vid förslag till utdelning innefattar detta bland annat en bedömning av om utdelningen är försvarlig med hänsyn till de krav som bolagets verksamhetsart, omfattning och risker ställer på storleken av bolagets egna kapital, konsolideringsbehov, likviditet och ställning i övrigt.

Styrelsen ansvarar för bolagets organisation och förvaltningen av bolagets angelägenheter. Detta innefattar bland annat att fortlöpande bedöma bolagets ekonomiska situation och att tillse att bolagets organisation är utformad så att bokföringen, medelsförvaltningen och bolagets ekonomiska angelägenheter i övrigt kontrolleras på ett betryggande sätt. Verkställande direktören ska sköta den löpande förvaltningen enligt styrelsens riktlinjer och anvisningar och bland annat vidta de åtgärder som är nödvändiga för att bolagets bokföring ska fullgöras i överensstämmelse med lag och för att medelsförvaltningen ska skötas på ett betryggande sätt.

Revisorns ansvar

Vårt mål beträffande revisionen av förvaltningen, och därmed vårt uttalande om ansvarsfrihet, är att inhämta revisionsbevis för att med en rimlig grad av säkerhet kunna bedöma om någon styrelseledamot eller verkställande direktören i något väsentligt avseende:

- företagit någon åtgärd eller gjort sig skyldig till någon försummelse som kan föranleda ersättningsskyldighet mot bolaget, eller
- på något annat sätt handlat i strid med aktiebolagslagen, årsredovisningslagen eller bolagsordningen.

Vårt mål beträffande revisionen av förslaget till dispositioner av bolagets vinst eller förlust, och därmed vårt uttalande om detta, är att med rimlig grad av säkerhet bedöma om förslaget är förenligt med aktiebolagslagen.

Rimlig säkerhet är en hög grad av säkerhet, men ingen garanti för att en revision som utförs enligt god revisionssed i Sverige alltid kommer att upptäcka åtgärder eller försummelser som kan föranleda ersättningsskyldighet mot bolaget, eller att ett förslag till dispositioner av bolagets vinst eller förlust inte är förenligt med aktiebolagslagen.

Som en del av en revision enligt god revisionssed i Sverige använder vi professionellt omdöme och har en professionellt skeptisk inställning under hela revisionen. Granskningen av förvaltningen och förslaget till dispositioner av bolagets vinst eller förlust grundar sig främst på revisionen av räkenskaperna. Vilka tillkommande granskningsåtgärder som utförs baseras på vår professionella bedömning med utgångspunkt i risk och väsentlighet. Det innebär att vi fokuserar granskningen på sådana åtgärder, områden och förhållanden som är väsentliga för verksamheten och där avsteg och överträdelser skulle ha särskild betydelse för bolagets situation. Vi går igenom och prövar fattade beslut, beslutsunderlag, vidtagna åtgärder och andra förhållanden som är relevanta för vårt uttalande om ansvarsfrihet. Som underlag för vårt uttalande om styrelsens förslag till dispositioner beträffande bolagets vinst eller förlust har vi granskat styrelsens motiverade yttrande samt ett urval av underlagen för detta för att kunna bedöma om förslaget är förenligt med aktiebolagslagen.

Karlstad den dag som framgår av elektronisk signatur

Ernst & Young AB

Ulrika Sewik
Auktoriserad revisor

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IP: 62.220.xxx.xxx
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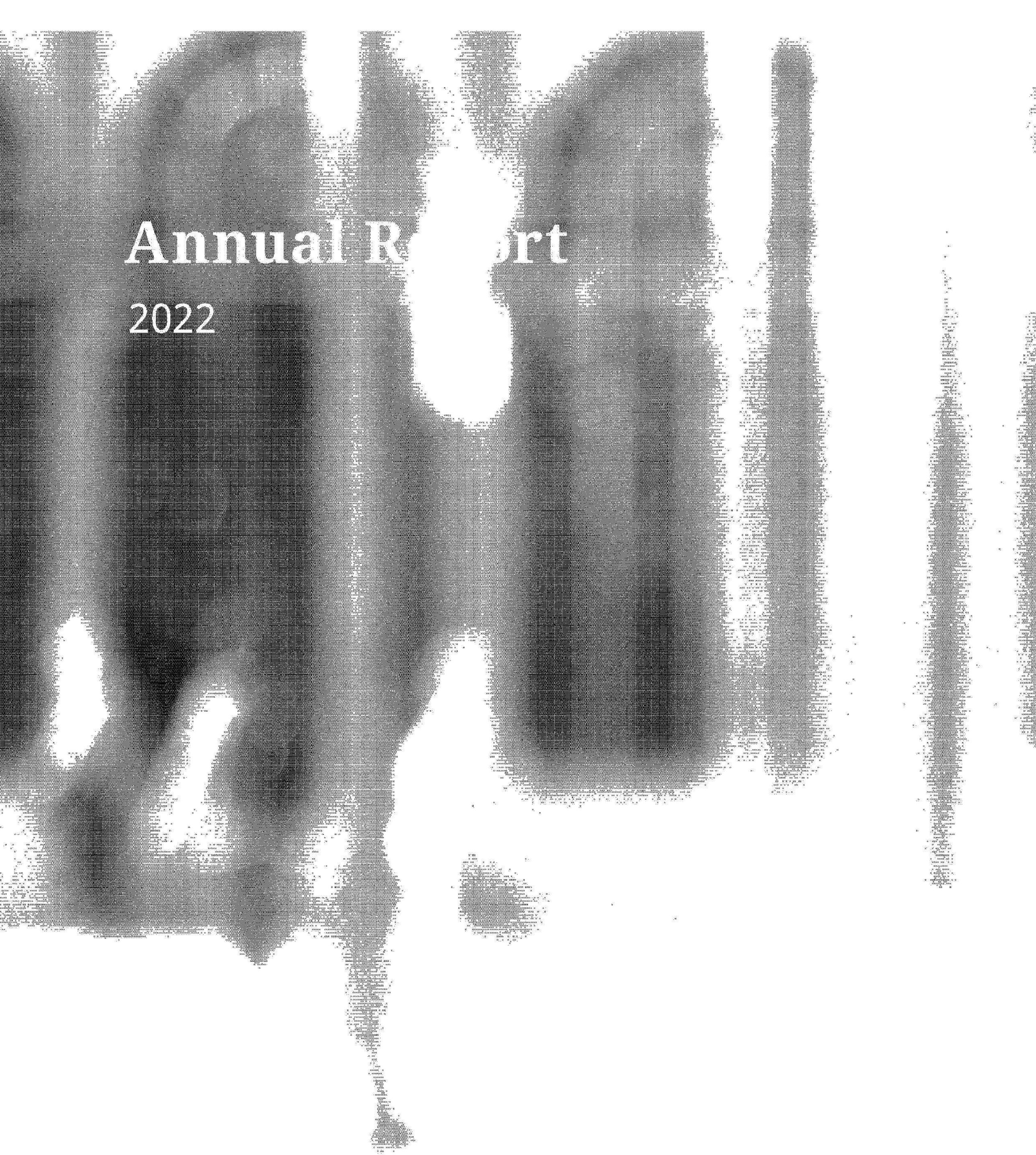
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Annual Report

2022



WELCOME TO SIX

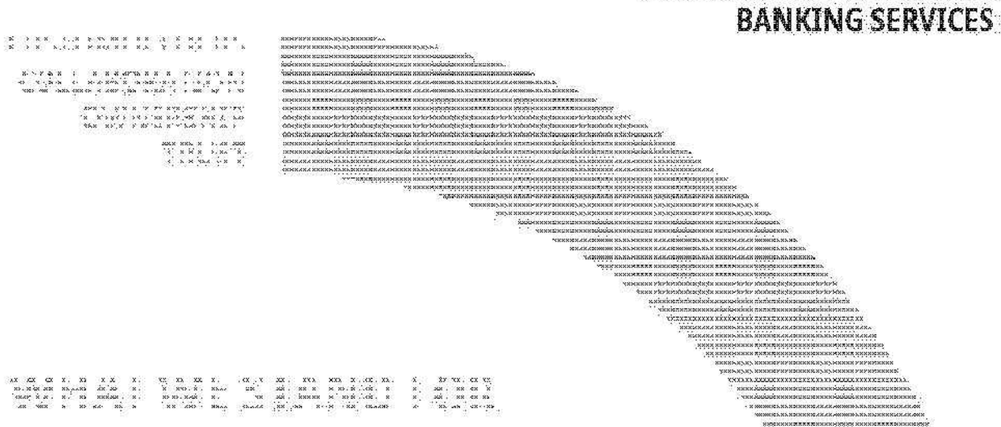
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INNOVATION
STABILITY
EXPERTISE
SUSTAINABILITY

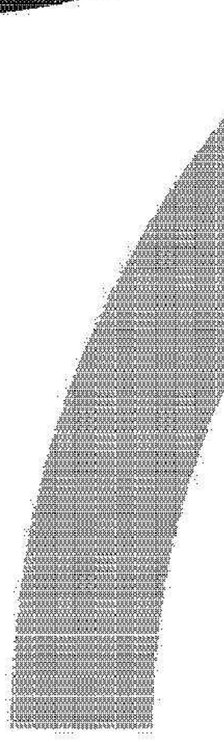
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SIX provides and operates stable and efficient infrastructure for the Swiss and Spanish financial centers, thus ensuring access to the capital markets and the flow of information and money between financial market players. We are the Swiss competence center for payments and other banking services. We provide data, regulatory services, and indices to customers around the world.

EXCHANGES
SECURITIES SERVICES
FINANCIAL INFORMATION
BANKING SERVICES



Our corporate culture is shaped by four core values. Customer Focus: We generate added value for our customers. Collaboration: We collaborate constructively with customers and partners, and work in teams. Ownership: We assume responsibility and drive innovation. Trust: We promote a culture of transparency and mutual trust.



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ACADEMIA

WHO WE WORK WITH

SIX connects financial market participants in Switzerland, Spain, and around the world. We are owned by more than 120 national and international financial institutions. They are the main users of our infrastructure and are our most important clients.

HIGHLIGHTS 2022

We invest in technology, products and services, and our people to build the systems and infrastructures for the future of finance.

NEW SUSTAINABILITY STRATEGY

Joining forces for sustainable financial markets and net-zero commitment

INTRODUCTION OF QR-BILL

Modern, digital, and secure payment solution for Switzerland

ACQUISITION OF REGIS-TR COMPLETED

Leading European trade repository portfolio of over 2,000 European clients across more than 40 countries

UBS AG is first listed SMI company to issue bond on SIX Digital Exchange (SDX)

CHF 1,494.1 mn
Operating Income

CHF 397.7 mn
EBITDA

CHF 243.9 mn
EBIT

CHF 185.0 mn
Group Net Profit

3,910.5
Employees (FTE)

CHF 5.10
Dividend per Share

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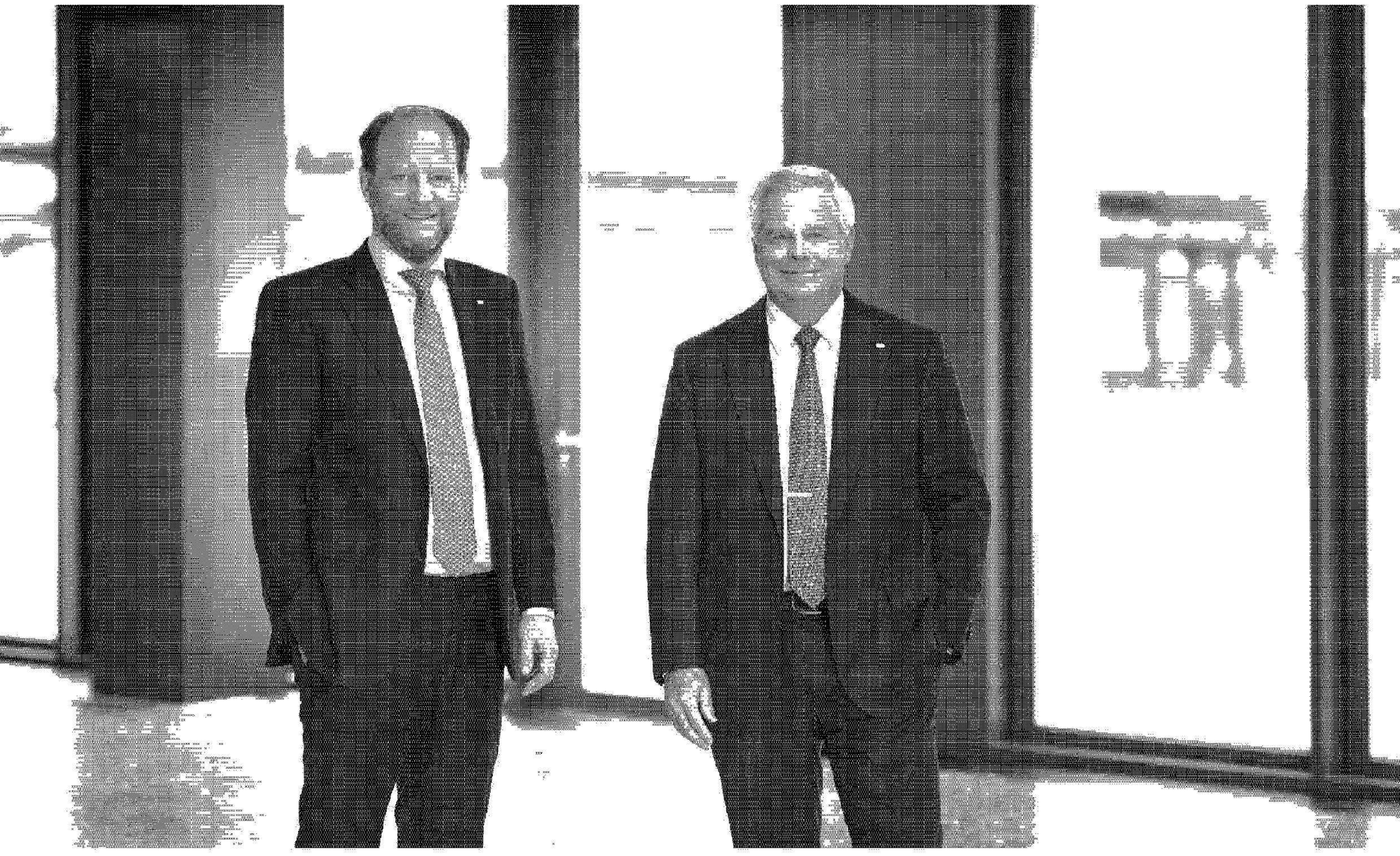
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Thomas Wellauer, Chairman of the Board of Directors (right), and Jos Dijsselhof, CEO (left).

Dear readers

The year 2022 brought fundamental changes to the financial markets, most notably driven by the return of inflation and the increase in interest rates. The war in Ukraine, the energy crisis, recessionary trends, resurgent strains in China-US relations, and continuing instabilities caused by the pandemic posed new challenges to the financial markets and SIX.

SIX actively adapted to this changing environment, and continued to build on its growth strategy. We further invested in our technology, our products and services, and our people to build the systems and infrastructures for the future of finance, while upholding strict cost control. We adapted our short-term plans, while our business strategy and our diverse product portfolio have evidenced the company's resilience.

Group Net Profit Increased

Despite the increasing macroeconomic challenges, we delivered solid results and increased Group operating income by 2.1% year-on-year at constant currencies. Operating earnings before interest, tax, depreciation and amortization (EBITDA) reached CHF 397.7 million, down 5.7% year-on-year in reporting currency and 0.9% at constant currencies. Earnings before interest and tax (EBIT) of CHF 243.9 million are 65.7% above the previous year's level due to one-off effects in 2021 related to the stake of SIX in Worldline and the full acquisition of the REGIS-TR trade repository. Net profit increased substantially from CHF 73.5 million in 2021 to CHF 185.0 million in 2022.

> "Our diversified business model proved its strength once again."
>
> **Thomas Wellauer,**
> Chairman of the
> Board of Directors of SIX

Targeted Investments

With continuous investment in SIX Digital Exchange (SDX) we further strengthened our role in the pioneering field of distributed ledger technology-based infrastructure. Over the past year, we have been focusing on interoperability between SDX and existing infrastructures to build the migration path for market adoption of new technologies. The acquisition of the European trade repository REGIS-TR was completed, and we expanded numerous services in our international custody business. The Financial Information business unit launched a product offer for regulatory risk data and services in connection with the EU Sustainable Finance Action Plan. In our Banking Services business unit, one of the highlights of the year was the nationwide rollout of the Swiss QR-bill. The recovery of cashless payments and ATM transactions as well as the new generation of debit cards were important drivers for additional growth.

Continuing the Growth Strategy

Growth remains a prerequisite for successfully operating a global platform business. From an industry point of view, SIX operates in a dynamic and attractive market. In October 2022, the Board of Directors confirmed the strategic direction of SIX, taking the new macroeconomic situation into consideration. The new environment requires even more careful examination of uncertainty factors, such as interest rates, inflation, and currency fluctuations. To react more flexibly to market opportunities for further growth in the international capital market infrastructure business, we realigned our legal structure as per 1 January 2023. The three business units of Exchanges, Securities Services, and Financial Information are now consolidated under the roof of the newly formed SIX Exchange Group Ltd. At the same time, the Banking Services business unit will fully concentrate on providing critical solutions in the interest of the Swiss financial center. Both entities continue to operate under the umbrella of SIX Group.

Joining Forces for Sustainable Financial Markets

As a provider of financial market infrastructure, SIX is in an optimal position to act as a key player in the development of sustainable financial markets because we are trusted, central, and neutral. In 2022, we launched a new sustainability strategy, refocused our activities, and strengthened our governance over sustainability. Since January of this year, we have established the new position of Head Sustainability, reporting directly to the Executive Board. Furthermore, we have committed to reducing our carbon footprint to net zero by no later than 2050, in line with the Science Based Targets initiative (SBTi).

> “With our new sustainability strategy, we are accelerating positive change for a sustainable future.”
>
> **Jos Dijsselhof,**
> CEO SIX

Changes in the Executive Board

At the beginning of December, Dieter Goerdten succeeded Marco Menotti as Head Banking Services. Before joining SIX in 2018, Dieter Goerdten worked for Swiss banks on the development and launch of innovative products and services for over 20 years.

After 14 years on the Executive Board of SIX, Thomas Zeeb has decided to leave SIX at the end of January 2023. Christoph Landis, currently Head IT, will lead the Exchanges business unit on an interim basis. He was responsible for the Swiss Exchange unit from 2015 to 2018 and has been a member of the Executive Board of SIX ever since.

Roger Fankhauser joined SIX as General Counsel in May 2022. He is in charge of the newly established entity that incorporates the Legal, Group Corporate Secretary, and Regulatory Affairs departments at SIX and is part of the extended Executive Board.

Outlook

We will continue to deliver excellent services to our clients and bring innovative products to the market. Pioneering digital assets along the entire value chain and building more bridges between the distributed ledger technology of SDX and the traditional markets remains a focal point. We will also expand our ESG product range, based on new tech-based solutions for aggregating, analyzing, delivering, and reporting data.

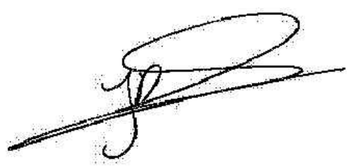
Cost efficiency remains a top priority. We will further optimize our cost base by leveraging the largely fixed-cost nature of the business, cost synergies from the BME acquisition, and other targeted cost measures. Bolt-on acquisitions and partnering opportunities will continue to strengthen our portfolio. We expect a revenue increase of > 4% p.a. in the medium term, driven by initiatives such as SDX and digital assets, revenue synergies from BME, and opportunities in Financial Information.

We know that the past year has posed challenges to all participants in the financial markets, our shareholders and partners, our clients, and our employees. We express our sincere thanks to all of you for your great collaboration through these times of extended uncertainty, and are looking forward to working with you in driving forward the transformation of the financial markets.

six-group.com

Yours sincerely





Dr Thomas Wellauer Jos Dijsselhof

REPORT ON THE BUSINESS YEAR

SIX Key Figures

CHF million		2022	2021	Change
Income statement				
Total operating income		1,494.1	1,498.3	–0.3%
Total operating income at constant currencies[1]		*1,494.1*	*1,463.7*	*2.1%*
Total operating expenses		–1,096.4	–1,076.6	1.8%
Total operating expenses at constant currencies[1]		*–1,096.4*	*–1,062.6*	*3.2%*
Earnings before interest, tax, depreciation and amortization (EBITDA)		**397.7**	**421.7**	**–5.7%**
EBITDA at constant currencies[1]		***397.7***	***401.1***	***–0.9%***
Depreciation, amortization and impairment		–177.5	–173.6	2.2%
Net financial result		2.1	1.3	62.7%
Share of profit or loss of associates and joint ventures		21.6	–102.1	n/a
Earnings before interest and tax (EBIT)		**243.9**	**147.2**	**65.7%**
EBIT at constant currencies[1]		***243.9***	***133.5***	***82.7%***
Net interest and tax expenses		–59.0	–73.7	–20.0%
Group net profit		**185.0**	**73.5**	**151.5%**
Group net profit at constant currencies[1]		***185.0***	***62.3***	***197.0%***
Cash flow statement				
Cash flow from operating activities		–2,119.4	375.8	n/a
Cash flow from investing activities		–150.8	–154.4	–2.3%
Cash flow from financing activities		–129.0	184.5	n/a
Balance sheet as at 31/12				
Total assets		17,171.7	17,983.4	–4.5%
Total liabilities		12,139.2	12,771.0	–4.9%
Total equity		5,032.5	5,212.3	–3.5%
Net debt to EBITDA[2]		1.75	1.57	0.17
Equity ratio (average)[3]		69.2%	71.6%	–2.4 pp
Return on equity (average)[4]		3.6%	1.4%	2.3 pp
Shareholders' key figures				
Earnings per share	CHF	9.80	3.91	150.7%
Ordinary dividend paid per share	CHF	5.10	4.75	7.4%
Payout ratio (adjusted)[5]		60%	53%	7 pp
Operating key figures				
Workforce as at 31/12 (full-time equivalents)	number	3,910.5	3,685.1	6.1%
Workforce as at 31/12 (headcount)	number	4,044	3,826	5.7%
Swiss stock exchange trading turnover	CHF billion	1,208.1	1,281.6	–5.7%
Spanish stock exchange trading turnover (equities only)	EUR billion	362.5	379.5	–4.5%
Market share of Swiss equities		67.8%	75.6%	–7.8 pp
Market share of Spanish equities		59.3%	62.5%	–3.2 pp
Swiss deposit volume (average)	CHF billion	3,701.9	4,079.7	–9.3%
Spanish deposit volume (average)	EUR billion	2,508.2	2,494.2	0.6%
Number of SIC transactions	1,000	943,807	893,533	5.6%
Number of delivered financial instruments (Financial Information business unit)	million	1,918	1,788	7.3%

[1] Prior year's figures are translated with the annual average exchange rates for 2022 (constant foreign exchange).

[2] Net debt to EBITDA = net debt / adjusted EBITDA previous 12 months, see note 21.

[3] Equity ratio = average equity previous 12 months / (average adjusted liabilities previous 12 months + average equity previous 12 months). The adjustments of the liabilities include the positions "Payables from clearing & settlement" and "Forwards from clearing & settlement".

[4] Return on equity = profit previous 12 months / average equity previous 12 months.

[5] According to the dividend policy, the dividend distribution is based on the reported Group net profit without any effects in the context of participation in Worldline.

Financial Review

SIX closed 2022 with solid results on the back of challenging market conditions. The Group achieved an operating income of CHF 1.5 billion, representing a growth of 2.1% at constant currencies. EBITDA at constant currencies was down by 0.9% with a margin at 26.6%, while EBIT increased by 65.7% in reporting currency. Group net profit also rose, reaching CHF 185.0 million.

With the integration of BME and the growth of the international business, SIX has expanded its global presence. This resulted in a higher exchange rate exposure, especially between the Swiss franc and the euro. The weakening of foreign currencies versus the Swiss franc in 2022 had a negative effect on the results of SIX. Moreover, the increase in interest rates in the second half of the year had an impact on SIX, particularly on the post-trading and banking services business. Despite this challenging environment, SIX successfully grew the business in three of four business units at constant exchange rates.

Solid Results and Higher Dividend

While the Group operating income remained stable year-on-year, the CHF 1.5 billion represents a growth of 2.1% at constant currencies. Earnings before interest, tax, depreciation and amortization (EBITDA) remained solid at CHF 397.7 million, with an EBITDA margin of 26.6% (2021: CHF 421.7 million, 28.1%). Earnings before interest and tax (EBIT) increased by 65.7% to CHF 243.9 million. This increase compared to the previous year was mainly due to a one-off effect in 2021 related to the stake of SIX in Worldline. In 2021, an impairment resulting from the announced sale of Worldline's Terminals, Solutions & Services (TSS) business negatively affected the share of profit or loss of associates and joint ventures of SIX (2021: CHF –102.1 million). Share of profit or loss of associates and joint ventures in 2022 amounted to CHF 21.6 million and was also mainly related to the stake of SIX in Worldline. Group net profit amounted to CHF 185.0 million (2021: CHF 73.5 million). In accordance with the SIX Group dividend policy, the Board of Directors recommends that the Annual General Meeting approve an ordinary dividend of CHF 5.10 per share. This equates to an increase of 7.4% compared to the previous year (2021: CHF 4.75).

Results by Business Unit

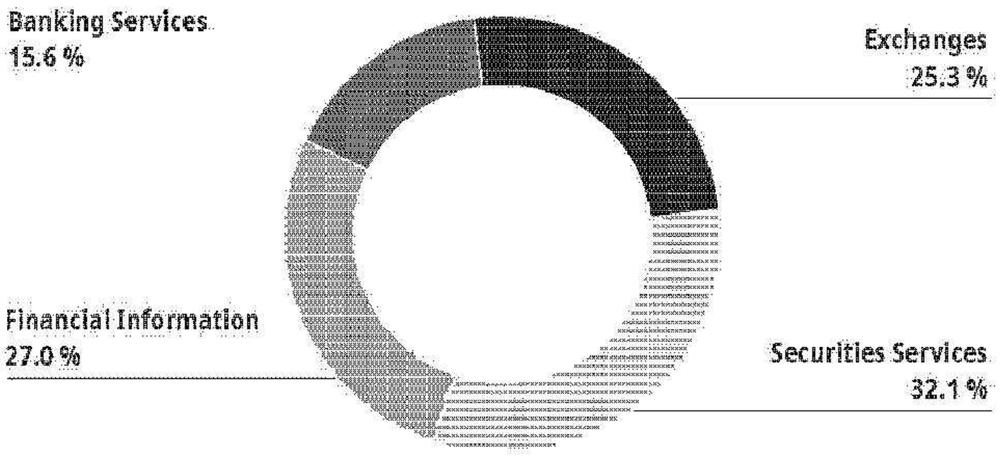
The year under review marked the second consecutive year of BME fully contributing to the Group results. Both markets, Switzerland and Spain, were affected by the adverse economic environment, especially during the second half of the year, which resulted in lower trading volumes. In the Exchanges business unit, SIX generated an operating income of CHF 367.4 million (–5.8% vs. 2021). The Securities Services business unit recorded an operating income of CHF 465.9 million (–0.8% vs. 2021). The results of both units were significantly impacted by currency effects. At constant currencies, operating income decreased by 2.9% for the Exchanges business unit, and increased by 0.9% for the Securities Services business unit. Apart from the general economic environment, market share pressure from expanding multilateral trading facilities (MTF) affected all major primary exchanges over the past year. SIX is tackling this development with several targeted initiatives.

Investments in selected growth initiatives continued during 2022.

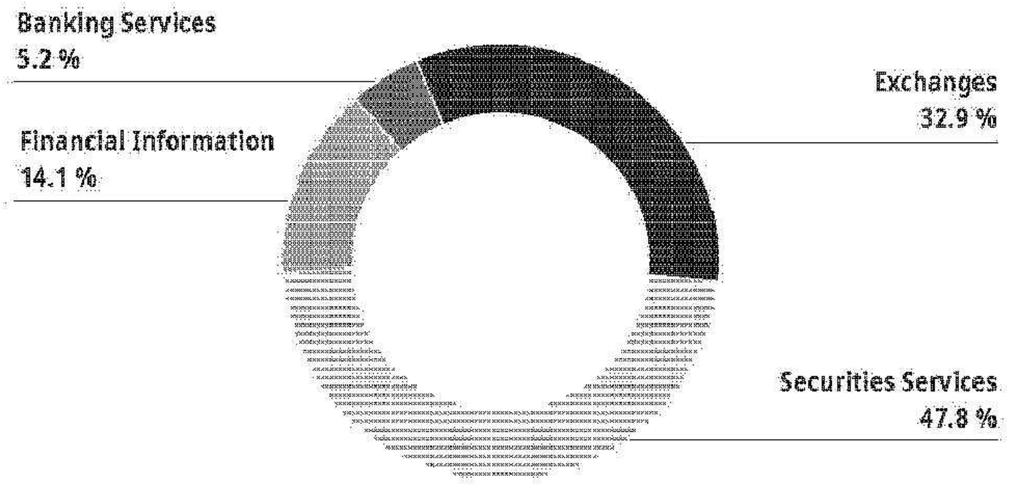
In the Financial Information business unit, the growth trajectory that started in 2021 continued to show positive results. The unit closed the year at CHF 392.6 million in operating income, a gain of 1.1% year-on-year in reporting currency and 4.3% at constant currencies.

After investing with a clear focus on digital solutions in recent years, the Banking Services business unit yielded positive results throughout 2022. Operating income grew by 6.0% year-on-year, to CHF 225.7 million. At constant currencies, the growth in the Banking Services business unit amounted to 6.8%. Digital services were rolled out and brought positive results. Post-COVID, people resumed using more physical banking services and cash, which also had a positive effect on the unit's results. >

OPERATING INCOME: CONTRIBUTION OF BUSINESS UNITS
excl. corporate functions



PROFIT: CONTRIBUTION OF BUSINESS UNITS
excl. corporate functions



The contribution of the four business units to the operating income of the Group remained stable. When comparing profit by unit, the biggest changes are the decrease in the contribution of the Exchanges business unit from 42.4% in 2021 to 32.9% in 2022, and the increase in the contribution to Group profit by the Securities Services business unit from 38.0% in 2021 to 47.8% in 2022. This change stems from a decrease in income in the Exchanges business unit on the BME side, coupled with a lower cost base in the Securities Services business unit.

Investments and Cost Efficiency
Investments in selected organic and inorganic growth initiatives continued during 2022. This included completion of the acquisition of REGIS-TR, further development of SIX Digital Exchange (SDX), and investments in the long-term infrastructure of SIX. In the year under review, investments in infrastructure and integration expenses led to a year-on-year cost increase of 1.8%. At the same time, SIX continued its dedicated Group-wide cost-efficiency program, which comes on top of cost synergies from the BME acquisition. >

Cost efficiency remains a priority for SIX.

The year 2022 was the second year of SIX participating in the capital markets via its three outstanding bonds that come to maturity in 2025, 2026, and 2029. SIX still benefits from a solid financing structure with low financing costs as all bonds were issued in favorable interest rate environments with coupons ranging from 0 to 0.20%.

Financial Outlook

Despite a challenging 2022 and external headwinds, SIX remains committed to its growth strategy. SIX expects a revenue increase of > 4% p.a. in the medium term, driven by dedicated initiatives such as SDX and digital assets, revenue synergies from the BME acquisition, and growth from the Financial Information business unit. Cost efficiency remains a priority for SIX. An optimized cost base will be achieved by leveraging the largely fixed cost nature of the business, cost synergies from the BME acquisition, and other targeted cost measures. Profitability is expected to increase on the back of increasing revenues and an optimized cost base.

SIX will continue to diversify its product portfolio, support organic growth and innovation, and also to explore inorganic growth opportunities while maintaining competitive prices and delivering attractive returns to its shareholders. ■

Business Performance & Highlights

The diversified business model of SIX once again demonstrated its worth during the past year. SIX grew its operating income in the Banking Services business unit by 6.0% in reporting currency and by 6.8% at constant currencies. The operating income in the Financial Information business unit also grew, by 1.1% in reporting currency and 4.3% at constant currencies. The investments into these business units over the past three years have paid off and largely compensated for the declines in the Exchanges and Securities Services business units of SIX as a result of unfavorable market conditions.

SIX successfully launched new products in all business units, and pushed the strategic expansion into ESG markets and digital assets. In the Financial Information business unit, SIX expanded its ESG data and services offering as part of the EU Sustainable Finance Action Plan. With a series of new offerings on SIX Digital Exchange (SDX), SIX has prepared the foundation for the future of financial market infrastructures and services based on distributed ledger technology (DLT).

In the past year, SIX finalized the acquisition of the European trade repository REGIS-TR and expanded numerous services in its international custody business. The workforce grew by 6.1% compared to 2021, to a total of 3,910.5 employees in full-time equivalents by year end. This was mainly driven by the integration of REGIS-TR and the expansion of the central services in Warsaw.

SIX continued to execute its growth strategy, focusing on increasing volumes on its infrastructures and expanding its international reach. SIX welcomed a total of 14 new companies on SIX Swiss Exchange, and a total of 18 new companies on BME Exchange in their different exchange market segments. The global presence of SIX in the custody markets was strengthened with an office opening in Singapore.

Further milestone projects included the expansion of the CONNEXOR reference data platform into Spanish markets, the consolidation of market data feeds and SWIFT systems in both home markets, and the settlement and custody of Swiss securities now possible via the Spanish central securities depository Iberclear.

Realignment of Legal Structure

SIX realigned its legal structure for further growth in the international capital market infrastructure business. The consolidation of the three business units Exchanges, Securities Services, and Financial Information in the newly formed SIX Exchange Group Ltd is effective as per 1 January 2023. The new structure will allow the exchange-related businesses more flexibility to seize market opportunities and develop a strong profile internationally. At the same time, the Banking Services business unit continues to concentrate fully on providing critical solutions in the interest of the Swiss financial center. The new structure under the umbrella of SIX Group will allow both business areas to achieve sharper customer focus, forge additional synergies, and further improve margins. This realignment has no impact on the governance or management of SIX.

By realigning its legal structure, SIX has gained more flexibility to seize market opportunities.

Exchanges

SIX Swiss Exchange

Despite a strong start into the year, the trading turnover on SIX Swiss Exchange decreased to CHF 1,208.1 billion. The main reasons for the 5.7% difference compared to 2021 were reduced trading volumes and market share in the second half of the year. The Swiss blue chip index, SMI, closed 2022 at 10,729.4 points, a drop of –16.7% compared to 2021. There were four new listings on the main market of SIX Swiss Exchange during the past year: Talenthouse AG, EPIC Suisse AG, Kinarus Therapeutics Holding AG, and Accelleron Industries AG.

In February 2022, the Sparks SME segment at SIX Swiss Exchange recorded its first listing. Xlife Sciences is a Swiss company that focuses on the development and commercialization of promising early-stage life sciences research projects. The second edition of the Sparks IPO Academy was launched in November 2022, with a total of 14 companies. The program will run until the summer of 2023 and aims to familiarize participating companies with the Sparks platform.

The Shanghai Stock Exchange, the Shenzhen Stock Exchange, and SIX Swiss Exchange officially launched their cooperation in the China-Switzerland Stock Connect program on 28 July 2022. Global Depository Receipts (GDRs) of nine companies were listed on SIX Swiss Exchange over the second half of 2022.

In total, 14 companies chose to issue and list equity securities on SIX Swiss Exchange, with an aggregated transaction value of CHF 3.2 billion. In addition, already-listed companies were able to raise approximately CHF 7 billion in equity capital, highlighting how the exchange connects companies with the Swiss financial market and enables them to find financing options in challenging times.

In 2022, nine new product issuers joined SIX Swiss Exchange. These include structured product issuer Swissquote and investment fund issuer Cronos Finance as well as seven ETP issuers: Invesco, Fidelity, Helveteq, Hashdex, Pando Asset, Global X, and Leonteq.

The market share of SIX Swiss Exchange in Swiss equity trading reached an average of 67.8% compared to 75.6% in the same period of 2021. The market share in 2021 was higher compared to 2022 because in January 2021 the market share amounted to 100% due to non-equivalence of the SIX Swiss Exchange with European markets. With the arrival of six new trading participants – Redburn, Grammont Finance, CLSA, China International Capital Corporation, Virtu ITG Europe, and Hardcastle Trading – in 2022, the membership base of the SIX Swiss Exchange was further internationalized.

Compared to the previous year, the trading volume in Swiss franc bonds increased by 21.2% to around CHF 140.8 billion, while the number of transactions increased by 29.2%.

In 2022, around CHF 114.3 billion was raised via debt securities (bonds and money market papers), of which around CHF 109.7 billion was raised via bonds, compared to CHF 92.7 billion in 2021 (+18.4%). In total, the bond segment recorded 393 new listings, of which 349 were denominated in Swiss francs.

The number of sustainable bonds listed and/or admitted to trading on SIX Swiss Exchange continued to grow in 2022, exceeding the 100 mark. This reflects global ESG trends and the growing importance of sustainable financing on the Swiss capital market. A total of 108 sustainable bonds with an aggregate nominal value of around CHF 28 billion are now tradable on SIX Swiss Exchange.

SIX welcomed a total of 14 new companies at SIX Swiss Exchange and in the China-Switzerland Stock-Connect program.

All participants of SIX Swiss Exchange benefit from fair and equal access to low-latency market data transmission. Since June 2022, the network has featured a connection between Frankfurt (Equinix FR2) and Bergamo (Aruba IT3). With this latest network expansion, participants of SIX Swiss Exchange benefit from the fastest possible technology for transmission of market data from Zurich to London, Frankfurt and Milan, from Frankfurt to Bergamo and Milan, as well as from London to Milan and – in cooperation with Nasdaq – to Stockholm.

In 2022, almost 1.5 million newly issued products were submitted to the scalable XML-based reference data platform CONNEXOR. As part of the integration of BME into SIX, the well-established CONNEXOR service is also now available to issuers of warrants in Spain. CONNEXOR will streamline the warrant admission process and make it more efficient by forwarding reference data from issuers to BME.

BME Exchange

The leading index in Spain, IBEX-35, closed the year at 8,229.1 points, with a decrease of 5,6% compared to 2021. The equity trading turnover at BME Exchange decreased 4.2% from the previous year to EUR 362.5 billion in 2022. The market share of BME Exchange in Spanish equity trading reached an average of 59.3% in 2022 compared to 62.5% in 2021.

In total, 18 companies listed their shares through IPOs in Spain: 15 in the BME Growth segment, one in the Latin-American segment Latibex, and two on the main market. Atrys Health successfully moved from BME Growth, where it debuted a number of years ago, to the main market of BME Exchange in February. One new trading participant joined BME Exchange in 2022.

The Pre-Market Environment, BME's pre-IPO and acceleration program designed to incorporate promising young companies into the financial markets, comprised 24 companies at the end of 2022.

On the BME Fixed Income Market, the volume of Spanish public debt issued and admitted to trading in 2022 reached EUR 252.2 million, 5.5% less than the previous year, in line with the reduction in the high rate of public sector issuance in previous years. In the regulated corporate debt market, the volume of Spanish private debt issued and admitted to trading reached EUR 114.0 million, with slight growth of close to 1.3%. In the Fixed Income Alternative Market (MARF), the volume of issues and admissions incorporated in 2022 reached EUR 13.8 million, a figure that represents a small reduction of 1.5% compared with the previous year. Over the year, 19 companies went to the MARF market for the first time to cover financing needs through the issuance of fixed income instruments. With sustained growth in its almost ten years of operation, MARF now plays a leading role in promoting the diversification of business financing sources in Spain.

18 new companies joined BME Exchanges, of which 15 were in the Growth segment.

In the fixed income markets and platforms managed by BME in 2022, 28 green, social, and sustainable fixed income issues were also admitted to trading for a total amount of more than EUR 52.8 million, from both Spanish and foreign issuers.

On the Spanish derivatives market, MEFF, the total trading volume during 2022 reached 33.1 million contracts, which is comparable to the previous year's level. As a consequence of greater volatility and a better relative performance of the IBEX 35 compared to other international indices, the number of futures contracts traded on the IBEX 35 increased by 3.5%, and the number of trades also increased by 15.1%. The negotiation of options on individual shares was close to 15.0 million contracts in 2022, an increase of 6.6%.

SIX Digital Exchange

SIX continued to invest in SIX Digital Exchange (SDX), strengthening its pioneering role in building a market infrastructure for digital tokens based on distributed ledger technology (DLT). Over the past year, the focus has been on establishing a migration plan for the industry to adopt the new technology. A first step was to build a link between SDX and the existing SIX infrastructure in the third quarter of 2022.

The new separate Web3-focused business line was established to provide an institutional-grade crypto and NFT custody platform and a non-custodial staking service for the institutional market. A first client has already signed for the service. While SIX was not adversely affected by the FTX downfall, the case of FTX highlights the importance of trusted counterparties, transparency, clarity, and judicious regulation. SDX is ideally positioned to capitalize on these market requirements.

On 3 November, UBS issued a digital bond of CHF 375 million on SDX. The bond, which has a maturity of three years and a coupon of 2.33% per annum, is the world's first digital bond issued by a banking institution on a regulated digital exchange. With dual listing on SDX and SIX Swiss Exchange, the bond is seamlessly traded and settled in both the digital and traditional markets and is therefore an example of how the industry can transition to new technology.

Since October 2022, the collaboration between SDX, Berner Kantonalbank and daura enables the issuance, trading, and custody of tokenized shares for Swiss SMEs. SMEs can issue their shares digitally, in the form of uncertificated securities or blockchain-based securities in accordance with the Swiss Code of Obligations and make the shares seamlessly available for regulated bank custody.

Securities Services

Average deposit volumes decreased by 9.3% in Switzerland, and increased by 0.6% in Spain. The impact of volatility triggered by the war in Ukraine and the subsequent sanctions on Russia have caused several phases of very high processing requests for the Securities Services business unit. Thanks to a stable setup and an extraordinary team effort, SIX successfully managed the challenges without incurring any service disruptions. Downstream from trading, settlement transactions and deposit volumes were lower compared to the previous year.

Securities Services accounted for 47.8% of the profit of SIX in 2022.

At the same time, expansion in the international custody business continued. Given Singapore's importance as a global wealth management hub for Switzerland and other financial centers, the office opening in Singapore marks another major step forward in the international growth strategy of SIX.

Since October, all clients of SIX with Spanish securities have been benefiting from preferred service provision in Spain, with direct communication channels across all services via Iberclear. SIX also introduced a new digital proxy voting service for shareholder meetings in Spain.

In the clearing business SIX partnered with LMAX Group, the leading operator of institutional exchanges for FX and cryptocurrency trading, to launch cash-settled, centrally cleared crypto-asset futures ("crypto futures"). The partnership with ARTEX also began in 2022. By becoming the world's first art shares exchange, ARTEX will offer the opportunity to invest and trade in a new alternative asset class to the public. SIX will provide services relating to clearing and settlement.

Since March 2022, SIX has been the sole shareholder of REGIS-TR after the acquisition of Clearstream's 50% stake. REGIS-TR is a leading European trade repository for reporting trades and transactions across multiple product classes and jurisdictions. It has a portfolio of over 2,000 European clients across more than 40 countries. This includes both financial institutions and other companies. REGIS-TR is an important complimentary business to the existing services of SIX.

In 2022, SIX also introduced an innovative Triparty Collateral Management (TCM) solution. The new Collateral Cockpit™ in combination with the TCM by SIX allows the monitoring of exposures and margin calls in real time. It simplifies processes in collateral management such as substitutions. All functionalities required to open, manage, and close collateral exposures can be controlled in the Collateral Cockpit™. With this tool, SIX offers a direct link to the major margin calculation agents and margin transfer utilities and ISDA-reviewed custodian documentation.

Financial Information

Within its Financial Information business unit SIX continued to invest in its core capabilities – reference, pricing, and corporate actions data – which are foundational to the value-added services it creates. Specific extensions through investments in real-time market data, indices, funds, ESG data and services, and ETFs added to the breadth and quality of cross-asset data sets covered globally. They were complemented by continued investments in data access and delivery channels.

2022 marked the launch of several ESG regulatory risk data services that were developed in the context of the EU Sustainable Finance Action Plan. SIX provides a range of fundamental ESG data sets to support the EU Taxonomy and Sustainable Finance Disclosure Regulation (SFDR) as well as services aligned with the European ESG Template (EET). SIX introduced new specialist data sets through its own data hub. SIX will continue to develop data and services products to enable its clients to make informed sustainable investments and finance decisions. The ESG offering will be expanded through the ecosystem for ESG data, services, and solutions, supported by strategic partnerships. As part of this ambition, SIX will focus on new technology-based solutions for ESG and regulatory risk data management and analysis. >

Over CHF 100 billion in AuM tied to the Swiss and Swiss ESG Indices mark a new high.

Regarding the index business, SIX had a successful year, with over CHF 100 billion in assets under management tied to the Swiss and Swiss ESG Indices. The growing volume demonstrates continued high client interest in ESG topics, as well as for SARON. In addition, over 20,000 structured products were issued based on the Swiss Market Index SMI.

On the digital assets side, SIX also continues to support and extend the SDX value proposition through the Financial Information business unit. SIX entered a partnership with CryptoCompare, a UK-based digital asset market data provider regulated by the UK Financial Conduct Authority. The partnership adds data from over 300 trading venues worldwide to the platform. Building on the strengths of its regulatory data services, SIX also launched a new data service to support changes in the regulatory landscape relating to cryptocurrency.

SIX further developed its regulatory services by extending the coverage of its Sanctioned Securities Monitoring Service to ETFs. This capability, supported by Ultumus, allows clients to identify sanctioned securities within ETFs. Daily data updates show the impact of sanctions on individual securities within ETFs. Ultumus is a SIX company specializing in ETF and index data. Ultumus also completed the first creation order placed on its COSMOS platform. The COSMOS platform is designed to provide the market with a single interface to streamline the ETF creation and redemption process across different time zones and regions. This innovation builds on the strengths of SIX in the growing ETF segment.

Banking Services

Through its Banking Services business unit SIX continues to drive the digitization of payments in Switzerland and beyond – in cooperation with the banks. At the same time, SIX provides stable, secure, high-performance infrastructure that constitutes the backbone of the Swiss economy.

The seamless and well-coordinated nationwide rollout of the QR-bill was a major achievement in the autumn of 2022. It was the result of careful preparation and a two-year transition phase. The vast project affected a large number of financial institutions, software firms, organizations, and industry associations, as well as Swiss companies and the population at large. SIX thus reduced the numerous invoicing methods to two modern, digital, and secure solutions: one is the QR-bill, which transmits all relevant invoicing information in a QR code, and the other is the fully digital eBill solution, which handles invoices directly in the customer's online banking. By the end of the year, eBill achieved transaction growth of around 15% compared to the previous year and counted over 2.7 million registered users (+13%), representing half of Swiss households. The activation of the additional eBill Donations service will open up further opportunities for the eBill market in the coming years. With this extension, users will receive donation requests from their preferred non-profit organizations directly in their online banking and can donate with just one click.

In the summer of 2022, SIX started the productive operation of the Secure Swiss Finance Network (SSFN). The new gateway to the infrastructure services of SIX allows all connected users in the Swiss financial center >

Almost half of Swiss households use eBill in their online banking.

to communicate securely with SIX, other financial market infrastructures, and also with each other. The network is based on the SCION technology developed by the Swiss Federal Institute of Technology (ETH) in Zurich, thanks to which a new level of security, performance, and functionality in data exchange processes has been achieved, fostering the cyber resilience of the Swiss financial center. At the end of September 2024, SSFN will replace the current communication network, Finance IPNet. All infrastructure services of SIX currently accessible via Finance IPNet have been enabled to be accessible via SSFN connection.

During 2022, the number of interbank payments increased, with transaction numbers rising year-on-year in Swiss Interbank Clearing (SIC, +5.6%) and Euro Swiss Interbank Clearing (euroSIC, +9.5%). Over the next year, SIX will lay the foundations for instant payments in Switzerland, along similar lines to the SEPA Instant Credit Transfer scheme. From 2024 onward, instant payments will be processed 24 hours a day, 7 days a week, 365 days a year, with the potential to bring about fundamental change in the payments landscape.

Debit card and ATM transactions recovered during the post-pandemic phase in 2022. The rollout of the new generation of debit cards that can be used in e-commerce was an important driver for additional growth. This business area, which involves a range of services including fraud handling, subsequently led to the replacement of around 50% of conventional Maestro cards. Last year marked the one-year anniversary of the corresponding proprietary mobile app (debiX+) for cards run by SIX. It was in use by 280,000 users from 64 banks by year-end. In addition, the majority of Swiss banks established the mobile wallet payments option with Apple and Google Pay, which boosted the usage of debit cards even further. SIX registered yearly growth of more than 10% in debit card transactions, reaching 1.2 billion at the end of 2022. The year also marked the start of the implementation of Near Field Communication (NFC) as a new ATM functionality. The technology, which is being rolled out gradually, allows contactless processes while using ATMs. As part of its digitalization effort, SIX succeeded in attracting more Swiss banks for its cardless ATM solution, whereby bank customers can both withdraw and deposit cash by scanning a QR code. Another milestone was reached in 2022 when SIX began operating ATMs of Swiss banks as part of "Cash as a Service", with banks fully outsourcing ATM operations to SIX.

With its bLink API platform, SIX is also making a substantial contribution to the successful development of open banking in the Swiss financial center. In 2022, SIX improved end-to-end processes for both Swiss banks and FinTechs to enable more scalable connections via the platform, while continuing to engage with potential new participants in a mutually beneficial way. As a result, bLink will double its member base by early 2023 to a total of over 10 banks and 20 FinTechs, thereby establishing itself as the leading open banking platform in Switzerland. ■

FOCUS



SDX: Finger on the Pulse of Digital Assets

SIX Digital Exchange (SDX) forms the infrastructure for an ecosystem that comprises more than digital securities. In 2022, SIX extended the field of activity of SDX to digital assets that are traded outside the regulated framework.

In 2018, SIX recognized the revolutionary nature of **distributed ledger technology (DLT)**[1] and started its journey with SIX Digital Exchange (SDX). As the name suggests, the goal was to build a fully integrated platform for the issuance, trading, settlement, and custody of digital assets – and to do so in a secure, regulated environment. It turned out to be a success. Since 2021, SIX has had equivalent licenses for SDX as a trading platform and central security depository as it has for its traditional infrastructure. But today SDX is far more than a digital exchange. SDX is an infrastructure that forms the foundation of an entire ecosystem for digital assets.

Digital Securities and Private Blockchains

Digital asset classes are based on DLT, also known as **blockchain.**[2] Implemented as a **private blockchain**[3] on SDX, it serves to settle digital securities efficiently. Among other things, DLT allows for the **"atomic settlement"**[4] of existing asset classes.

After issuing the world's first digital bond on a regulated infrastructure in 2021, the first digital share, F10, followed in mid-2022. Berner Kantonalbank joined SDX in the fall. It uses the new infrastructure to enable SMEs to digitally issue private participation certificates.

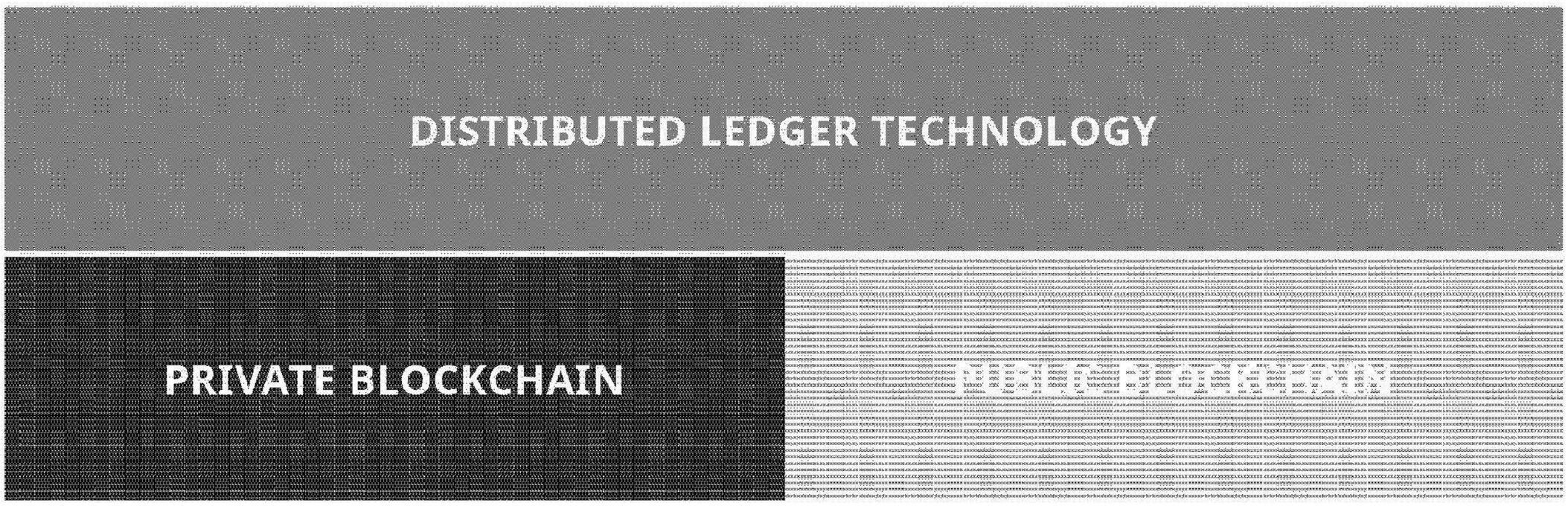
And 2022 also brought the next digital bond on SDX, the first in the world to be issued by a bank. In that instance, UBS took advantage of the fact that there was a connection between SDX

and SIX SIS, the traditional central securities depository system of SIX. As the issuer of a digital bond, UBS can thus reach the investor community in both worlds and receive full liquidity. The bond can be traded both on SDX and on SIX Swiss Exchange, with settlement either on SDX – as atomic settlement – or via SIX SIS (with T+2). Over-the-counter trading outside the stock exchange is also possible.

Over the course of 2023, it will also become possible the other way around: Securities traded on SIX Swiss Exchange will then be able to be traded and settled on SDX, too – with all of its benefits.

Cryptocurrencies and Public Blockchains

In 2022 we also saw the launch of SDX Web3 services. The term **Web3**[5] describes the next generation of the Internet that is based on the decentralized nature of the blockchain technology. Typically Web3 relies on unregulated **public blockchains.**[6] Behind this



SDX
a SIX company



is the same idea that underlies decentralized finance, or **DeFi**[7] for short.

SDX Web3 services are aimed at institutional clients and initially focus on the key applications in Web3, which include cryptocurrencies. The first offers therefore include a corresponding custody service for the two most important cryptocurrencies. Since October 2022, this has guaranteed secure, cost-effective storage and transfer of Bitcoin and Ether. If requested by clients, further crytpo-currencies may be added.

It has been possible for institutional clients to stake Ether on SDX since back in May 2022. Staking means that an owner of cryptocurrencies makes them available for a certain period of time in exchange for a reward to support the operation of a blockchain.

Additional Types of Assets Becoming Tradable

Both the digital securities in the fully regulated offering from SDX and the cryptocurrencies as they appear in connection with the SDX Web3 services can be described as **tokens.**[8] The latter are a form of payment token.

In the case of the digital securities, they are asset tokens. DLT will in future make it possible to create asset tokens based on assets that previously could not be traded on a stock exchange, or only with great difficulty, such as real estate, carbon offsets, and art. SDX is also well positioned for the category of such non-traditional assets, regardless of whether these are established in a regulated or an unregulated environment.

Glossary

1. **Distributed ledger technology (DLT)** uses independently operating computers (nodes) to save, share, and synchronize information on a decentralized basis. This is a fundamental difference from traditional databases that keep information in a central location.

2. The **blockchain** is a type of DLT. However, the two terms are often used synonymously. The "chain" arises from an encrypted sequence of data blocks that have been verified and validated by a decentralized network.

3. A **private blockchain** is a network that is closed to the external world. This means that exclusively previously activated participants can perform actions.

4. With DLT, the trading and settlement of tokenized assets are no longer separate steps. This is known as **atomic settlement**. Settlement takes place immediately, not with a two-day interval (T+2) like on conventional stock exchanges.

5. **Web3** refers to the latest iteration of the internet, which is generally based on open public blockchains, and where control of the data remains with the users. Security and trust in the transactions are not guaranteed centrally, but instead by the DLT. DeFi describes the form of Web3 for finance.

6. A **public blockchain** is the opposite of a private blockchain. Anyone can participate in the open network and access data without restrictions.

7. **DeFi** stands for decentralized finance, in which – typically for Web3 – participants interact with smart contracts to execute transactions. Smart contracts run on the blockchain and can perform similar functions to banks and exchanges, such as lending or trading.

8. It is not just cryptocurrencies that are referred to as **tokens** (payment tokens), but also digital securities (asset tokens), among other things. These tokens document ownership based on the DLT property rights in the digital world. Tokenization makes everything tradable, including real estate, carbon offsets, and art.

The New Debit Cards: The Number One Means of Payment and a Promise for the Future

Payments is one of the fastest-growing business areas in banking. Nowhere can this be seen more clearly in Switzerland than when it comes to debit cards. The additional functions that come with the latest generation of cards promise great potential for the future.

Debit cards have overtaken cash as the most popular means of payment in Switzerland and have been the preferred means of payment since 2021. Annual transaction growth rates of over 10% have been a reality for many years, making debit card processing an important cornerstone for the overall business growth of SIX.

This upturn was made possible partly by the new debit cards from SIX. In 2018, SIX decided to add Visa Debit and Debit Mastercard to its portfolio, thus bringing debit cards as a means of payment forward into the digital age. Their predecessors, V PAY and Maestro, could only be used by consumers for cash withdrawals and shopping in stores. And this was usually possible only in Switzerland and Europe.

Paying with an Electronic Wallet

By contrast, Visa Debit and Debit Mastercard allow for mobile payments where the debit card is saved in an electronic wallet on the cardholder's smartphone (such as Apple Pay or Samsung Pay). Consumers can use their debit cards in e-commerce, too. This means that online shopping, hotel bookings, and rental car reservations, for example, are now possible with debit cards as well.

In cooperation with SIX, the banks have already exchanged more than half of the over 8 million V PAY and Maestro debit cards that were in circulation. For cost reasons, the banks are not renewing their card portfolios all at once, but rather annually and in tranches. It normally takes around three years for the entire

Visa Debit and Debit Mastercard cover the full scope of services offered by previous debit cards...

+

... can be used in e-commerce.

+

... can be stored as tokens in encrypted form with online retailers (such as Netflix or Spotify).

+

... facilitate digital use cases via electronic wallets (such as Apple Pay or Samsung Pay).



portfolio to be replaced. For the new debit cards, SIX has a market share of over 80%.

Staying Close to Customers with Debit Cards

SIX aims to further strengthen the position of debit cards as the number one means of payment, keeping them top of wallet. In this way, banks can continue to hold their own when competing for the digital customer interface for mobile payments and in e-commerce – and can do so globally. SIX can keep supporting targeted growth by way of additional transactions.

The Debit Card App

The future customer journey will be complex and multi-faceted. A wide range of physical and digital interactions with consumers will be crucial in the years to come. The debiX+ app (see box) from SIX, which celebrated its first anniversary and its 285,000th download in the year under review, will play a central role here.

debiX+, the App that Keeps Getting Better

In November 2022, a year after its launch, the debiX+ app had 285,000 users, who were customers of 66 different banks in Switzerland and Liechtenstein. It already contained more than a dozen features at that time. What started with 3D Secure – for approving online purchases – now also comprises transaction notifications, for example, and an overview of all the online services where the digital counterpart to the debit card is saved, including the option to block or delete it directly in the app.

debiX+ is modular, allowing SIX to develop and activate additional features over time. Every three months, there is an update to further improve the user experience. SIX also meets with the banks that offer the white-label app – each with their own look and feel – at three-month intervals to exchange ideas. The focus here is on their needs and the needs of the target group. There are practically no limits to the number and characteristics of new features.

Debit & Mobile Services: a Growing Ecosystem

Together with the banks, SIX is continuously expanding the Debit & Mobile Services ecosystem. Why not also put eBill services or other services from SIX in the app? Or provide customers with new startup services in debiX+ quickly and easily via bLink?

Future of Finance Study: a Positive Outlook

In a time of economic and geopolitical uncertainty, the majority of the financial industry remains confident. Many of the reasons for the expected growth cited in the Future of Finance Study are in line with the business model of SIX.

Everywhere around the world, business leaders in finance expect the overall economic environment to improve over the next 12 months. This is one of the key findings in the Future of Finance Study by SIX. Despite the current inflationary pressures and the low economic growth, the vast majority of them believe they are well positioned for the future.

During the global Future of Finance study, in August 2022 SIX surveyed executives across 297 international financial institutions. The respondents work in asset management, wealth management, asset servicing, banking services, retail banking, and investment banking.

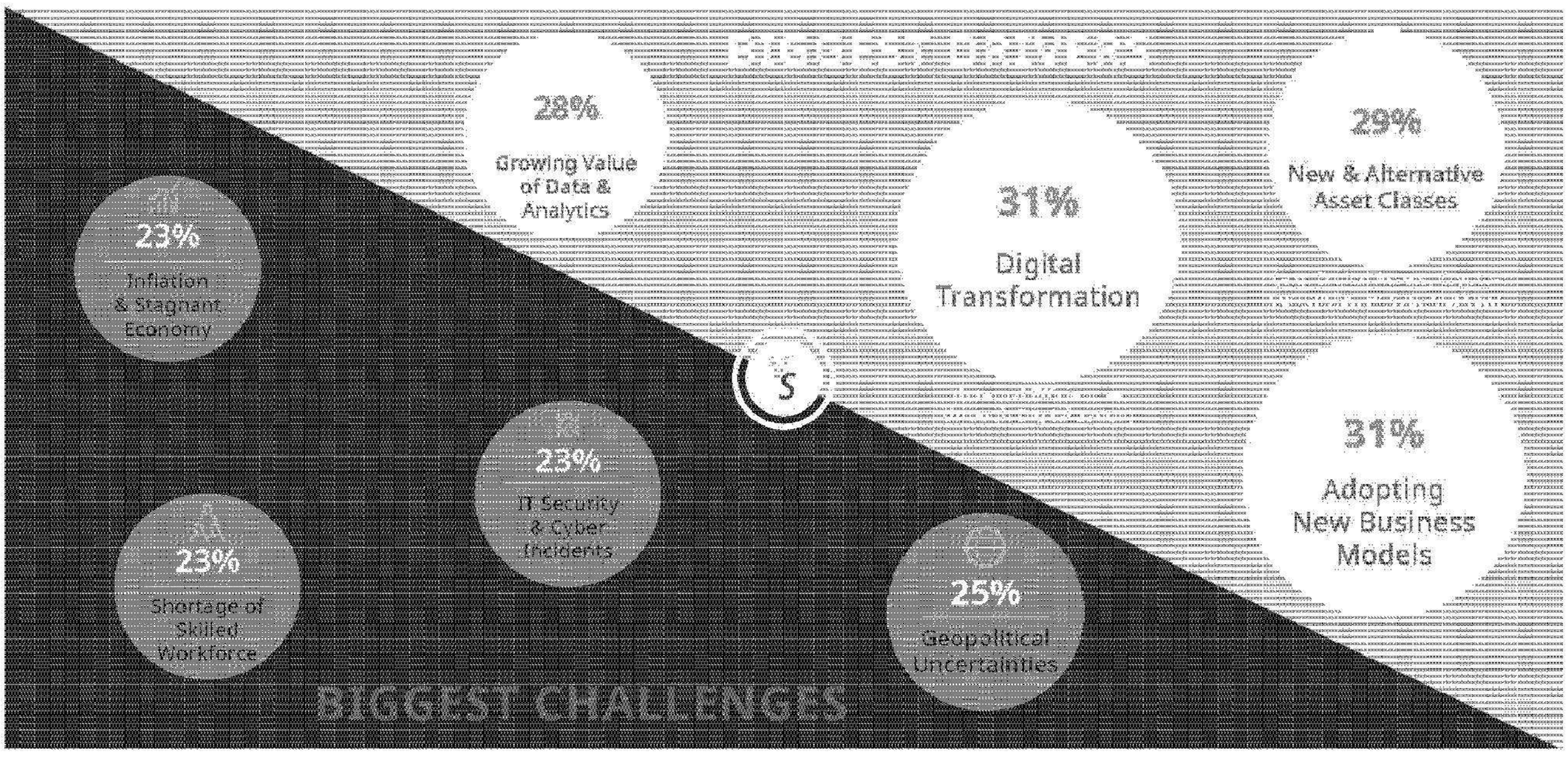
As to what is driving the growth expectations, the adoption of new business models is one of the most commonly given reasons, as well as the internal efficiency gains generated by digitalization. Advanced data & analytics are also recognized as a major driver for expansion. Other drivers for growth are new and alternative asset classes, including crypto. For almost all of the respondents, distributed ledger technology will be important in the next three years – for just under a third of them, it will be critical.

ESG Gains Traction

Emerging sustainability concerns are also seen as opportunities to be grasped rather than the imposition of unwanted regulation. When it comes to ESG-related data products, the biggest data gaps prevalent in the market relate to alternative ESG data sets, aggregated ESG data sets, and the raw, underlying data points.

The biggest drag on growth is likely to be the industry's continuing skills shortage. Financial institutions are looking at more flexible working models that also include hybrid and remote working, but also strategic partnerships that complement the existing in-house capabilities.

Download the study: six-group.com/future-finance-study



STRATEGY

Continuous Execution of the SIX Growth Strategy

Financial markets are evolving. New technologies allow for ground-breaking innovations that will lead toward the transformation of the entire financial market infrastructure landscape. SIX is one of the very few companies acting at the intersection of data, technology, and infrastructure. Innovation, continuous investment, and margin accretive growth are indispensable for SIX to stay competitive and serve the financial centers in the long term.

SIX is one of the largest financial market infrastructure companies in Europe. Our purpose is to drive the competitiveness of our customers in both of our home markets – Switzerland and Spain – as well as globally.

Besides our customers in the financial industry, our services also benefit the wider economy and society as a whole. Accordingly, SIX pursues a holistic set of targets, encompassing all relevant stakeholders:

- **Customers:** Offer first-class innovative products and services
- **Financial Center and Economy:** Maintain a secure, stable, and efficient infrastructure for traditional & digital assets
- **People and Environment:** Enable a sustainable future
- **Shareholders:** Serve as a vehicle for growth and value creation

To achieve these targets in a rapidly changing and increasingly global environment, SIX builds on its unique business portfolio covering capital raising, trading, post-trade, data, and banking infrastructure services. The diversified business portfolio puts SIX in a competitive position, allowing the company to tap into the growth opportunities along the entire securities value chain that add most value to our customers.

Seizing these growth opportunities while at the same time ensuring the stability and efficiency of our infrastructure requires continuous investment. SIX itself must remain attractive for investors in order to finance this investment going forward. The diligent execution of its ambitious growth strategy ensures that SIX realizes economies of scale and reaches its financial targets.

With recovery from the global pandemic, war in Ukraine, and muted macro-economic backdrop emerging, 2022 has been a challenging year. Despite these challenges, SIX remains committed to its growth strategy. In the current strategy cycle, SIX aims for further growth alongside a gradual increase of its profitability. Revenue growth of > 4% p.a. and strict cost discipline will go hand in hand to achieve this target.

The key elements of the SIX growth strategy are:

- further strengthening the capital-raising ecosystems in Switzerland and Spain, especially for SMEs
- fully leveraging capabilities and realizing synergies after the successful integration of the Spanish units

Besides its customers in the financial industry, the services of SIX also benefit the wider economy and society as a whole.

- growing the clearing and custody business by extending our offering and increasing our global footprint, for example by offering cross-border custody solutions in Asia and the US
- extending the offering in the digital asset space and loading liquidity onto the platform around SIX Digital Exchange
- expanding our attractive market position in the financial information space by pursuing various growth opportunities around tax and regulatory services, funds/ETFs, and ESG
- accelerating the current growth path in the banking services space by various measures, such as expanding our digitized billing offering (eBill) and growing our open banking ecosystem (bLink)

As in past years, and given the rapidly evolving state of industry consolidation, seizing inorganic growth opportunities will remain an integral part of our growth strategy.

One important element to support the growth strategy of SIX is the realignment of the legal structure. In 2022, SIX consolidated the exchange-related businesses in the new SIX Exchange Group entity, providing flexibility to seize market opportunities and develop a strong international profile. SIX Exchange Group and SIX Banking Services will continue to operate under the SIX Group holding umbrella, and the ownership structure as well as management structures of SIX remain unchanged.

The systemically important role of SIX in the Swiss and Spanish financial centers brings with it a responsibility with regard to facilitating sustainable finance. Financial markets play a pivotal role in the transition to a greener, more sustainable economy by enabling the mobilization and reallocation of capital necessary for this transformation. In 2022, SIX started to fully integrate sustainability into its overall strategic thinking with the launch of a sustainability strategy. Being at the heart of the capital market ecosystem, SIX will continue to actively support the transformation of Swiss and Spanish financial centers. ■

Additional information can be found at **six-group.com**

PURPOSE

We strengthen the competitiveness of our clients in our home markets and on international financial markets through first-class services and innovations.

TARGETS

First-class innovative products and services.

SIX provides a unique portfolio of products and services in a highly dynamic market environment. Our services and innovations enable our clients to excel in their core business, reduce their operational costs, and create value.

CUSTOMERS

Secure, stable, and efficient infrastructure for conventional & digital assets.

As a financial market infrastructure, SIX plays a systemically important role in Swiss and Spanish financial centers. SIX is committed to the stability and efficient running of the financial markets – today and tomorrow.

FINANCIAL CENTER & ECONOMY

enabling a sustainable future

As an FMI, SIX plays a pivotal role in the transition to a greener, more sustainable economy by enabling the mobilization and reallocation of capital necessary for this transformation.

Vehicle for growth and value creation.

The consolidating global capital markets infrastructure and financial information landscape remains highly attractive. The diversified business portfolio of SIX allows the company to tap into the most promising growth opportunities within that field, creating an attractive value proposition for shareholder value creation.

SHAREHOLDERS

STRATEGY

SIX Growth Strategy to ensure sufficient financing for necessary investments for scalable business success

Sustainability at SIX

In the past year, SIX launched its first group-wide sustainability strategy and has made great initial progress. The strategy focuses on the areas in which SIX can achieve the greatest possible impact. The further implementation of the strategy will be led by the new Head Sustainability.

To define its first group-wide sustainability strategy, SIX performed an extensive double-materiality analysis, which resulted in a list of 17 material topics. These were grouped into three areas, reflecting the roles of SIX as a financial market infrastructure provider, as a product supplier and service provider, and as a good corporate citizen. For an overview of the sustainability strategy and the objectives, please refer to the next page.

Net-Zero Target
Decisive action to limit global warming to a minimum and thus mitigate the impact of climate change is one of the biggest challenges for the global community. SIX supports the Paris Climate Agreement and is committed to protecting the climate and fostering the transition to a low-carbon and climate-resilient economy. In 2022, SIX joined the Science Based Target initiative (SBTi) and committed to a net-zero target by 2050. SIX will now work on further professionalizing the framework for the collection and calculation of environmental data and set up interim reduction targets as part of the overall climate strategy.

Financial Information Business Unit ESG Product Roadmap
In 2022, the Financial Information business unit developed a new ESG product strategy and roadmap through 2025, and launched a range of new ESG and regulatory risk-related data sets and services. With its new ESG product roadmap, SIX addresses the high market demand for fundamental and specialist ESG data across asset classes and themes.

Sustainability Platform for Internal Communication
In view of the growing importance of sustainability topics and the need to integrate these into existing business routines and processes, SIX has provided its employees with training and education on sustainability. In 2022, SIX rolled out a new intranet platform for internal communications on sustainability topics, which is continuously being enhanced with new training offers.

New Role Head Sustainability
As a point of reference and expertise on corporate sustainability, SIX decided to establish the new position of Head Sustainability. The role reports directly to the Executive Board sponsor for sustainability topics. The Head Sustainability has been leading the sustainability operations of SIX since January 2023.

The need for information on sustainability topics among internal and external stakeholders of SIX is constantly increasing.

SUSTAINABILITY STRATEGY

SIX plays a central role as a financial market infrastructure and as a solutions provider. Our position at the interface between financial markets and business enables us to help shape the transition to a sustainable economy.



SIX AS A FINANCIAL MARKET INFRASTRUCTURE

Simplify and support disclosure for issuers: SIX plays an integral part in harmonizing sustainability disclosure standards across key jurisdictions.

Increase transparency for investors: SIX creates transparency around ESG factors related to financial products and issuers.

SIX AS AN ESG PRODUCT PROVIDER

Help navigate the jungle: SIX provides the tools to navigate the rapidly changing sustainability landscape by tackling regulatory challenges and enhancing core offerings.

Move up the financial value chain: SIX creates new products and services supporting sustainability goals, moving up the financial value chain.

Build platforms for sustainability: SIX builds platforms that enable others to work towards their sustainability targets.

SIX AS A GOOD CORPORATE CITIZEN

Be an attractive employer: SIX invests in an increasingly diverse workforce and an inclusive working environment, to retain and grow attractiveness as an employer.

Reduce the carbon footprint: SIX is preparing to reach net zero by 2050.

Remain a trusted partner: SIX ensures credibility and compliance, aligning with evolving ESG standards and regulations (e.g., SBTi membership).

Contribute to financial literacy: SIX promotes financial literacy and knowledge, supporting the contribution to a stable economy.

CORPORATE GOVERNANCE

Management Structure and Shareholders

SIX Group Ltd (SIX) is an unlisted public limited company based in Zurich.

Shareholders and Equity Structure
SIX is owned by 120 domestic and international financial institutions, which are also the main users of its services. The shares are widely distributed, i.e. no single owner or bank category has an absolute majority. All shareholders are bound by a shareholders' agreement. The composition of the Board of Directors and the appointment and election of new members is governed by the shareholders' agreement. The composition primarily aims at the proportional representation of the various shareholder groups and thus reflects the shareholder structure. In addition, independent experts from the financial sector and representatives of issuers may be elected to the Board of Directors. Independent experts are entitled to a limited number of seats.

The share capital of SIX amounts to CHF 19,521,905 and is divided into 19,521,905 registered shares with a par value of CHF 1.00 each. Of this amount, 607,864 (3.1%) are owned by SIX (treasury shares). The transfer of registered shares is restricted by the articles of association.

The transfer of shares must be approved by the Board of Directors. Subject to Art. 685b Para. 4 of the Swiss Code of Obligations (CO), approval may be refused for significant reasons, as mentioned in the articles of association. A resolution by the general meeting, backed by at least two-thirds of the represented votes and an absolute majority of the par value of represented shares, is required along with a statutory quorum pursuant to Art. 704 Para. 1 CO in order to:

1. ease or lift the transfer restriction on registered shares
2. convert registered shares into bearer shares
3. dissolve the corporation through liquidation
4. amend this provision. ■

Equity structure as of 31 December 2022

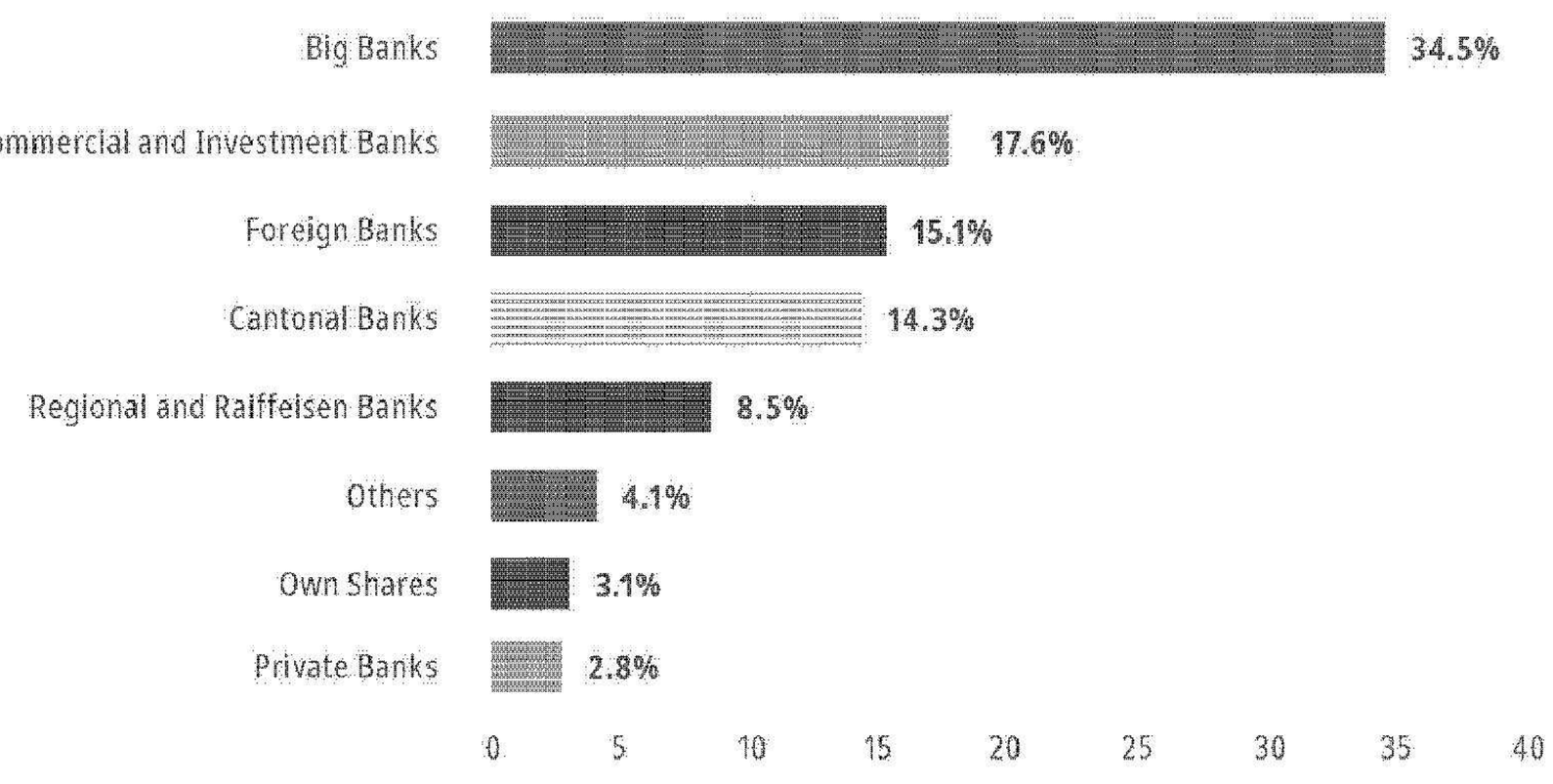
Ordinary share capital
CHF 19,521,905

Registered shares (par value CHF 1.00)
19,521,905

Security number
3768228

More information on the corporate governance of SIX is available at **six-group.com**

SIX Ownership Structure



Internal Organization and Competency Rules

As the company's highest governing body, the Board of Directors is responsible for supervising the Executive Board. The tasks and competencies of the Board of Directors and its committees and of the Executive Board as corporate bodies of SIX are defined in the articles of association, the rules of organization, and the competency rules.

The Board of Directors is organized into three committees to which it can delegate tasks and competencies: the Audit Committee, the Nomination & Compensation Committee, and the Risk Committee. Insofar as the committees do not have decision-making authority, they assist the Board of Directors in an advisory, monitoring, and initiating capacity, whereby their resolutions then have the character of recommendations.

The committees of the Board of Directors accept reports pertaining to their sphere of responsibility from the Executive Board and supervise the relevant operating business, in particular with regard to compliance with the articles of association, regulations, and directives. Meetings of the Board of Directors and committees generally last between two hours and a day. The Chair of the Board of Directors is invited to attend all committee meetings as a guest.

The CEO and CFO are present at all meetings of the Board of Directors. The chairs of the committees decide whether additional members of the Executive Board or other management staff are to participate, depending on the agenda. If deemed necessary, representatives of the external auditors participate in the Board of Directors' discussion of their reports.

The Chairman of the Board of Directors, or the chairs of the committees, set the agenda for meetings. Debates and resolutions are recorded in the minutes. The minutes of the committees are sent to all members of the Board of Directors. The committee chairs also deliver a verbal report on important events and resolutions at every Board of Directors meeting. In the year under review, the Board of Directors convened on seven occasions, one of which was a one-day strategy seminar.

Audit Committee (AC)

The AC consists of three to four non-executive members of the Board of Directors. The activities of the AC are stipulated by the law, the applicable FINMA Circulars, the articles of association, the rules of organization (including the competency rules), and the regulations of the AC.

The AC assumes tasks relating in particular to accounting and financial reporting, the internal controlling system, the external auditors, and the Internal Audit department. AC meetings are attended by the CEO, the CFO, and representatives of the internal and external auditors. Seven meetings were held in the year under review.

Nomination & Compensation Committee (NCC)

The NCC consists of three to four non-executive members of the Board of Directors. The activities of the NCC are stipulated by the law, the articles of association, the rules of organization (including the competency rules), and the regulations of the NCC.

The NCC prepares the groundwork for all decisions on important personnel >

and related organizational issues at the Executive Board and senior management level for submission to the Board of Directors. This includes all issues pertaining to remuneration. NCC meetings are attended by the CEO and the Chief Human Resources Officer. A total of seven meetings were held in the year under review.

Risk Committee (RC)
The RC consists of three to four non-executive members of the Board of Directors. The activities of the RC are stipulated by the law, the articles of association, the rules of organization (including the competency rules), and the regulations of the RC.

The RC assumes the duties of the Board of Directors in respect of risk management in accordance with the risk policy of SIX. RC meetings are attended by the CEO, the CFO, and the CRO. A total of six meetings were held in the year under review.

Internal Audit
Internal Audit reports directly to the Audit Committee in functional terms and the Chairman of the Board of Directors in administrative terms. It supports the Board of Directors in carrying out its legal supervisory and controlling tasks and executes the audit tasks assigned to it. It has an unrestricted right of audit within SIX and all legal entities. It has the right to inspect all business documents at any time. Internal Audit coordinates its activities with the external auditors and those responsible for compliance and risk controlling.

Information and Supervisory Tools Regarding Executive Board
SIX has a fully developed management information system (MIS) that supports the Board of Directors in performing its supervisory duties and monitoring the powers assigned to the Executive Board. A comprehensive interim statement containing budget and year-on-year comparisons is submitted to the Board of Directors each quarter.

The Chairman of the Board of Directors receives the minutes of the Executive Board meetings for inspection.

Risk Management and Compliance
The Board of Directors is informed about the risk situation on a regular basis. The Group has an internal control system (ICS) consisting of regulations, internal directives, and corresponding measures that serve to ensure that business operations are conducted properly.

A corresponding compliance program also ensures that statutory and regulatory requirements are met. The Risk Committee is informed about compliance activities on a yearly basis.

Remuneration
At the request of the Nomination & Compensation Committee, the Board of Directors defines remuneration guidelines. The Chairman and members of the Board of Directors receive a fixed salary. The members of the Executive Board receive a fixed basic salary as well as variable remuneration in the form of a cash payment. The latter is dependent on company earnings, and qualitative targets met according to the key performance indicators. In order to gear corporate governance to longer-term objectives and make it more sustainable, part of the variable remuneration of Executive Board members takes the form of a long-term incentive plan, which pays out after three years (cliff vesting), provided that the predefined quantitative and qualitative objectives have been met. This ensures that the interests of the owners and the Executive Board are aligned over an extended period.

In the year under review, nine members of the Executive Board and ten members of the Board of Directors were paid a total of CHF 12.0 million. >

This includes those members of the Board of Directors or the Executive Board who either left or joined during the course of the financial year. Along with the basic and variable remuneration, the amount also covers payments or benefits in kind that are standard in the industry. Social benefits are not included in the amount. SIX does not grant loans of any kind to its employees or corporate bodies.

Auditors

Ernst&Young Ltd was appointed as auditor of SIX Group Ltd on 1 January 2008. The auditor in charge is Bruno Patusi, accredited audit expert. Prof. Dr. Andreas Blumer, accredited audit expert, assumes the role of lead auditor recognized by FINMA. The Board of Directors is responsible for supervising and controlling the external auditors and Group Auditors. It also handles the internal and external auditors' reports, and is supported in this task by the Audit Committee (AC). The AC regularly receives and processes reports from representatives of the external auditors or Group Auditors.

Remuneration of the Auditors

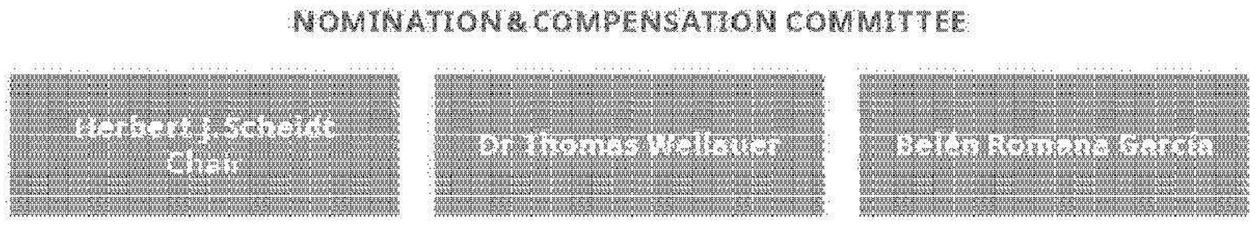
CHF	2022
Auditing services Ernst & Young	2,857,791
Audit-related services	661,371
Advisory services	342,989
Total	**3,862,151**

Information Policy

Up-to-date information is available at six-group.com. Calls to attend meetings and communications to the shareholders are sent by letter to the addresses recorded in the share register. Subject to legal requirements, announcements to creditors are published in the Swiss Official Gazette of Commerce. SIX publishes its business results semiannually. ■

More information and latest news at **six-group.com**

Board of Directors as of 31 December 2022



Dr Thomas Wellauer
Chairman of the Board of Directors
Swiss citizen, member of the Board of Directors since 15 March 2020, elected until 2023.

Herbert J. Scheidt
Vice Chair of the Board of Directors
German and Swiss citizen, member of the Board since 1 January 2008, elected until 2023.

Dr Jürg Bühlmann
Swiss citizen, member of the Board since 20 May 2016, elected until 2023.

Dr Jürg Gutzwiller
Swiss citizen, member of the Board since 11 December 2019, elected until 2023.

Lorenz von Habsburg Lothringen
Austrian and Belgian citizen, member of the Board since 16 May 2014, elected until 2023.

André Helfenstein
Swiss and British citizen, member of the Board since 11 May 2020, elected until 2023.

David Jiménez-Blanco Carrillo de Albornoz
Spanish citizen, member of the Board since 1 November 2020, elected until 2023.

Andy Kollegger
Swiss citizen, member of the Board since 26 April 2021, elected until 2023.

Søren Mose
Danish and Swiss citizen, member of the Board since 16 May 2014, elected until 2023.

Belén Romana García
Spanish citizen, member of the Board since 1 November 2020, elected until 2023. ■

six-group.com/board-of-directors

Executive Board and Organizational Structure as of 31 December 2022



From left to right: Javier Hernani Burzaco, Dieter Goerdten, Dr Jochen Dürr, Marion Leslie, Jos Dijsselhof, Dr Hannah Zaunmüller (Extended Executive Board), Dr Roger Fankhauser (Extended Executive Board), Daniel Schmucki, Christoph Landis, Dr Alain Bichsel (Extended Executive Board). Thomas Zeeb is not in the picture.

Jos Dijsselhof
Chief Executive Officer
Dutch citizen, member of the Executive Board since 1 January 2018.

Daniel Schmucki
Chief Financial Officer
Swiss citizen, member of the Executive Board since 1 March 2017.

Dr Jochen Dürr
Chief Risk Officer
German citizen, member of the Executive Board since 1 March 2018.

Christoph Landis
Head IT
Swiss citizen, member of the Executive Board since 12 November 2015.

Thomas Zeeb
Head Exchanges
Swiss and Canadian citizen, member of the Executive Board since 1 October 2008.

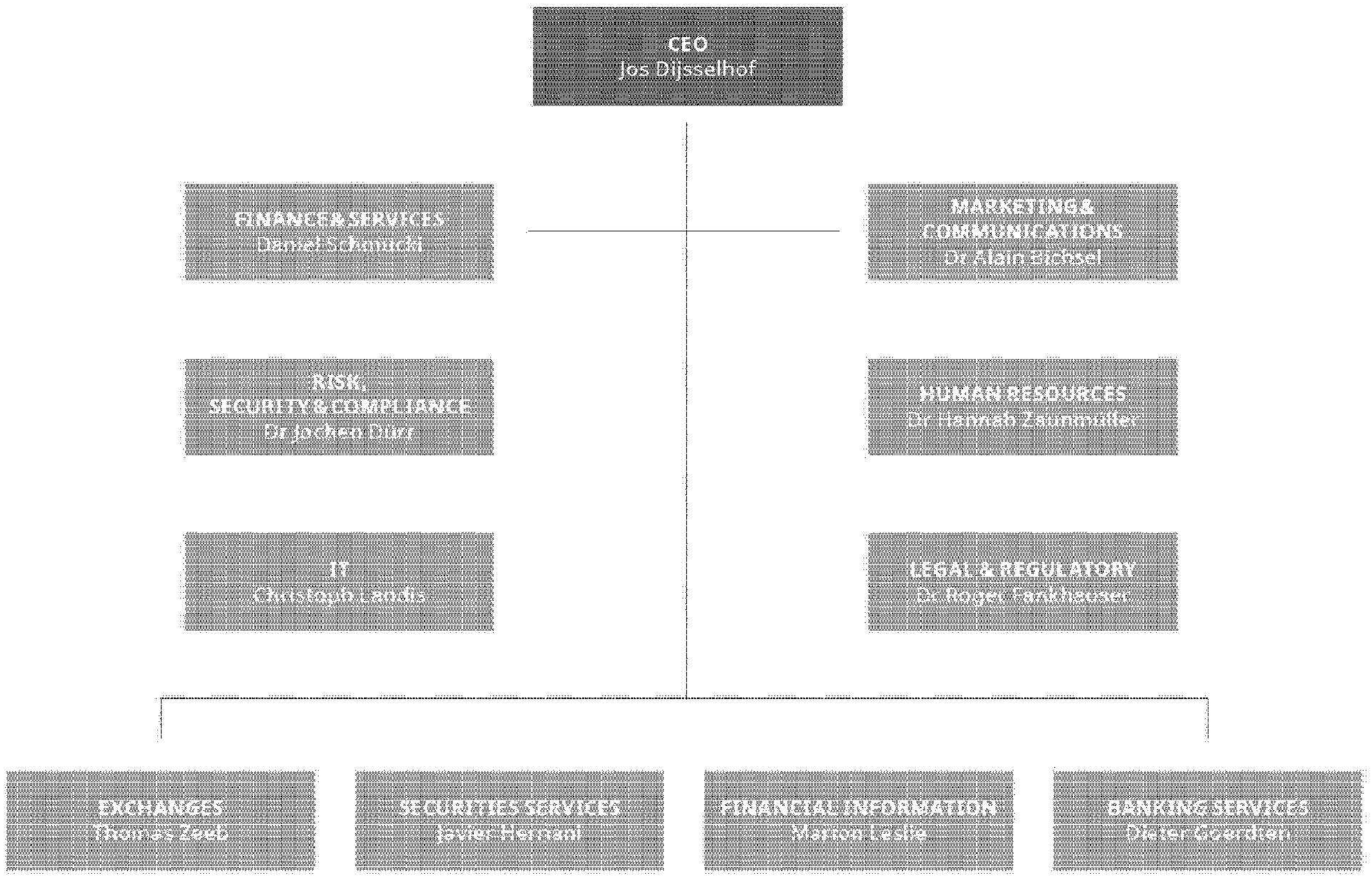
Javier Hernani Burzaco
Head Securities Services
Spanish citizen, member of the Executive Board since 24 June 2020.

Marion Leslie
Head Financial Information
British and Australian citizen, member of the Executive Board since 1 January 2020.

Dieter Goerdten
Head Banking Services
German citizen, member of the Executive Board since 1 December 2022.

→ Dieter Goerdten has been heading the Banking Services business unit since 1 December 2022. He succeeds Marco Menotti, who left SIX as of the end of July 2022.

six-group.com/executive-board



Members of the Extended Executive Board

Dr Alain Bichsel
Head Marketing&Communications
Swiss citizen, member of the Extended Executive Board since 1 April 2018.

Dr Roger Fankhauser
General Counsel
Swiss citizen, member of the Extended Executive Board since 1 May 2022.

Dr Hannah Zaunmüller
Chief Human Resources Officer
German and Swiss citizen, member of the Extended Executive Board since 1 February 2021. ■

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SIX Consolidated Financial Statements 2022

Full-Year Report of SIX as at 31 December 2022

For a description of the 2022 results, see pages 10 to 12.

Balance sheet as at 31 December 2022

As at 31 December 2022, total assets stood at CHF 17,171.7 million, which constitutes a decrease of CHF 811.7 million compared to 31 December 2021. This development mainly resulted from:

- decrease in cash at central banks of CHF 2,044.0 million (included in cash and cash equivalents)
- increase in receivables from clearing & settlement of CHF 2,400.9 million
- decrease in bonds at amortized cost and at FVtOCI of CHF 204.6 million (included in current and non-current financial assets)
- decrease in derivatives of CHF 591.2 million (included in current and non-current financial assets)
- decrease in intangible assets of CHF 82.4 million mainly due to amortization and negative foreign exchange effects
- decrease in investments in associates and joint ventures of CHF 116.7 million mainly due to the full acquisition of REGIS-TR and negative foreign exchange effects
- decrease in pension assets of CHF 120.4 million due to higher discount rates, negative performance of the plan assets and asset ceiling (included in other assets)

Liabilities amounted to CHF 12,139.2 million in total as at the balance sheet date, which constitutes a decrease of CHF 631.8 million compared to 31 December 2021. This development mainly resulted from:

- increase of bank overdrafts of CHF 471.8 million related to the business of SECB Swiss Euro Clearing Bank GmbH (SECB)
- decrease in payables from clearing & settlement of CHF 429.1 million
- decrease in derivatives of CHF 587.6 million (included in financial liabilities)

Equity decreased by CHF 179.9 million to CHF 5,031.1 million during the reporting period. This decrease was mainly driven by:

- dividends paid (CHF –89.9 million)
- total comprehensive income for 2022 (CHF –91.9 million)

Consolidated Income Statement

CHF million	Notes	2022	2021 restated[1]
Transaction revenues		597.7	600.6
Service revenues		822.7	825.9
Net interest income from interest margin business	6	47.2	44.5
Other operating income		26.5	27.3
Total operating income	5	**1,494.1**	**1,498.3**
Employee benefit expenses	7, 33	–610.1	–601.0
Other operating expenses	8	–486.2	–475.6
Total operating expenses		**–1,096.4**	**–1,076.6**
Earnings before interest, tax, depreciation and amortization (EBITDA)		**397.7**	**421.7**
Depreciation, amortization and impairment	19, 20	–177.5	–173.6
Operating profit		**220.3**	**248.0**
Financial income	9	80.2	49.7
Financial expenses	9	–78.1	–48.4
Share of profit or loss of associates and joint ventures	28	21.6	–102.1
Earnings before interest and tax (EBIT)		**243.9**	**147.2**
Interest income	10	0.9	0.7
Interest expenses	10	–8.6	–11.0
Earnings before tax (EBT)		**236.2**	**136.9**
Income tax expenses	12	–51.2	–63.4
Group net profit		**185.0**	**73.5**
of which attributable to shareholders of SIX Group Ltd		*185.4*	*73.9*
of which attributable to non-controlling interests		*–0.4*	*–0.4*
Earnings per share (CHF)			
Basic profit for the period attributable to shareholders of SIX Group Ltd	11	9.80	3.91
Diluted profit for the period attributable to shareholders of SIX Group Ltd		9.80	3.91

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

[1] See note 2 (under 2.4 Restatement) for further information on the restatement.

Consolidated Statement of Comprehensive Income

CHF million	Notes	2022	2021
Group net profit		**185.0**	**73.5**
Change in actuarial gains/(losses) on defined benefit plans recognized in the reporting period	33	–100.2	159.0
Income taxes on changes in actuarial gains/(losses) on defined benefit plans		21.0	–30.8
Share of other comprehensive income of associates and joint ventures		9.0	2.6
Total items that will not be reclassified to income statement		**–70.2**	**130.8**
Translation adjustment of foreign operations recognized in the reporting period		–144.9	–139.9
Changes in fair value of financial instruments measured at FVtOCI		–4.8	–1.1
Income taxes on changes in fair value of financial instruments measured at FVtOCI		1.1	0.1
Gains/(losses) on net investment hedges	25	33.2	32.5
Income taxes on gains/(losses) on net investment hedges	25	–8.5	–8.3
Translation adjustment of associates and joint ventures recognized in the reporting period		–76.3	–73.1
Accumulated translation adjustments of associates and joint ventures reclassified to income statement		0.9	0.1
Share of other comprehensive income of associates and joint ventures		–7.2	24.1
Accumulated share of other comprehensive income of associates and joint ventures reclassified to income statement		–0.1	–0.0
Total items that are or may subsequently be reclassified to income statement		**–206.6**	**–165.6**
Total other comprehensive income, net of tax		**–276.8**	**–34.9**
Total comprehensive income for the period		**–91.9**	**38.7**
of which attributable to shareholders of SIX Group Ltd		*–91.1*	*39.0*
of which attributable to non-controlling interests		*–0.7*	*–0.3*

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

Consolidated Balance Sheet

CHF million	Notes	31/12/2022	31/12/2021
Assets			
Cash and cash equivalents	14	4,320.5	6,473.5
Trade and other receivables	15	201.9	189.5
Receivables from clearing & settlement	16	4,938.0	2,537.1
Financial assets	17, 26	1,314.9	1,594.6
Current income tax receivables		60.1	66.1
Other current assets	18	74.2	56.4
Current assets		**10,909.6**	**10,917.2**
Property, plant and equipment	19	395.9	409.9
Intangible assets	20	2,756.2	2,838.6
Investments in associates and joint ventures	28	1,494.1	1,610.8
Financial assets	17, 26	1,533.3	2,038.6
Other non-current assets	18	66.8	154.5
Deferred tax assets	13	15.7	13.8
Non-current assets		**6,262.0**	**7,066.2**
Total assets		**17,171.7**	**17,983.4**
Liabilities			
Bank overdrafts	14	472.0	0.2
Trade and other payables		31.7	15.7
Payables from clearing & settlement	16	8,837.5	9,266.6
Financial liabilities	17, 26	723.9	1,307.9
Provisions	23	0.9	0.2
Contract liabilities	5	16.3	22.6
Current income tax payables		53.2	61.1
Other current liabilities	24	183.7	184.7
Current liabilities		**10,319.2**	**10,859.0**
Financial liabilities	17, 26	1,494.9	1,528.9
Provisions	23	12.4	14.4
Contract liabilities	5	16.4	26.4
Other non-current liabilities	24	34.1	43.7
Deferred tax liabilities	13	262.2	298.7
Non-current liabilities		**1,820.0**	**1,912.1**
Total liabilities		**12,139.2**	**12,771.0**
Equity			
Share capital		19.5	19.5
Capital reserves		234.1	234.1
Other reserves		–446.3	–251.0
Retained earnings		5,223.7	5,208.4
Shareholders' equity	22	**5,031.1**	**5,211.0**
Non-controlling interests		1.4	1.4
Total equity		**5,032.5**	**5,212.3**
Total liabilities and equity		**17,171.7**	**17,983.4**

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

Consolidated Statement of Changes in Equity

CHF million	Notes	Share capital	Capital reserves	Other reserves	Retained earnings	Share-holders' equity	Non-controlling interests	Total equity
Balance at 1 January 2022		**19.5**	**234.1**	**–251.0**	**5,208.4**	**5,211.0**	**1.4**	**5,212.3**
Group net profit					185.4	**185.4**	–0.4	**185.0**
Total other comprehensive income	22			–195.2	–81.3	**–276.5**	–0.3	**–276.8**
Total comprehensive income for the period				**–195.2**	**104.1**	**–91.1**	**–0.7**	**–91.9**
Dividends paid	21, 22				–89.8	**–89.8**	–0.1	**–89.9**
Capital contribution						**–**	0.8	**0.8**
Share of other changes in equity of associates	28				1.1	**1.1**		**1.1**
Change in scope of consolidation						**–**	–0.1	**–0.1**
Balance at 31 December 2022		**19.5**	**234.1**	**–446.3**	**5,223.8**	**5,031.1**	**1.4**	**5,032.5**

CHF million	Notes	Share capital	Capital reserves	Other reserves[1]	Retained earnings	Share-holders' equity	Non-controlling interests	Total equity
Balance at 1 January 2021		**19.5**	**234.1**	**–62.2**	**5,062.3**	**5,253.7**	**1.4**	**5,255.1**
Group net profit					73.9	**73.9**	–0.4	**73.5**
Total other comprehensive income	22			–188.8	153.8	**–35.0**	0.1	**–34.9**
Total comprehensive income for the period				**–188.8**	**227.8**	**39.0**	**–0.3**	**38.7**
Dividends paid	21, 22				–81.3	**–81.3**	–0.1	**–81.4**
Capital contribution						**–**	0.4	**0.4**
Share of other changes in equity of associates	28				6.9	**6.9**		**6.9**
Non-controlling interest arising on business combination	29					**–**	1.4	**1.4**
Acquisition of non-controlling interests					–7.3	**–7.3**	–1.4	**–8.7**
Balance at 31 December 2021		**19.5**	**234.1**	**–251.0**	**5,208.4**	**5,211.0**	**1.4**	**5,212.3**

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

[1] The presentation was changed in 2022. The details of the movement of treasury shares and translation differences within "Other reserves" are now separately disclosed in note 22. The presentation of prior year figures has been adjusted accordingly.

Consolidated Statement of Cash Flows

CHF million	Notes	2022	2021
Group net profit (incl. non-controlling interests)		185.0	73.5
Adjustments for:			
Depreciation, amortization and impairment	19, 20	177.5	173.6
Increase/(decrease) in provisions		–0.4	–5.8
Increase/(decrease) in pension fund assets and liabilities		12.6	15.0
Share of profit or loss of associates and joint ventures	28	–21.6	102.1
Net financial result		11.2	48.8
Other non-cash income and expenses		–0.6	0.1
Income tax expense	12	51.2	63.4
Changes in:			
Trade and other receivables		–8.8	–17.1
Trade and other payables		14.1	2.4
Receivables from clearing & settlement		–2,404.2	344.5
Payables from clearing & settlement		–133.6	–306.8
Financial assets		104.6	2.6
Financial liabilities		6.5	6.8
Other assets		–11.2	7.6
Other liabilities		4.5	–16.7
Contract liabilities		–15.0	–12.7
Interest paid		–8.0	–10.6
Interest received		1.0	0.9
Income tax (paid)/received		–84.0	–96.0
Net cash flow from/(used in) operating activities		**–2,119.4**	**375.8**
Investments in subsidiaries (net of cash acquired)	29	–51.0	–49.4
Investments in associates and joint ventures		–6.1	–23.8
Disposal of subsidiaries and associates (net of cash disposed)	28	4.7	–
Purchase of property, plant, equipment and intangible assets	19, 20	–77.2	–82.2
Sale proceeds from property, plant, equipment and intangible assets		0.8	11.0
Investments in financial assets		–25.2	–13.2
Divestments of financial assets		2.2	1.8
Dividends received and other financial income		1.0	1.3
Net cash flow from/(used in) investing activities		**–150.8**	**–154.4**
Proceeds from financial liabilities	17	–	644.6
Payment of financial liabilities	17	–20.2	–363.3
Payment of lease liabilities	17	–18.9	–15.3
Dividends paid to shareholders of the parent company	21	–89.8	–81.3
Dividends paid to non-controlling interests		–0.1	–0.1
Net cash flow from/(used in) financing activities		**–129.0**	**184.5**
Net impact of foreign exchange rate differences on cash		–225.5	–230.0
Net change in cash and cash equivalents		**–2,624.7**	**175.9**
Balances of cash and cash equivalents			
Cash and cash equivalents at 1 January	14	6,473.3	6,297.4
Cash and cash equivalents at 31 December	14	3,848.6	6,473.3

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

Basis of Preparation

1. General Information

The consolidated financial statements of SIX as at and for the year ended 31 December 2022 cover SIX Group Ltd (referred to as "Company" or "Parent Company") and its subsidiaries (together referred to as "Group" or "SIX"). A table of the Group subsidiaries and interests in associates is set out in note 28.

SIX Group Ltd is an unlisted public limited company domiciled in Switzerland with its registered office in Zurich, at Hardturmstrasse 201. The Company is owned by 120 national and international financial institutions.

SIX provides a comprehensive range of services in the areas of securities trading and post-trading, financial information processing and cashless payment transactions.

The Board of Directors of SIX approved the issuance of these consolidated financial statements on 1 March 2023.

2. Significant Accounting Policies

2.1 Basis of preparation

The consolidated financial statements of SIX have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

The reporting period covers twelve months. For all consolidated companies, the financial year corresponds to the calendar year. Unless otherwise indicated, all amounts are stated in millions of Swiss francs (CHF) and are rounded to the nearest hundred thousand.

The consolidated financial statements provide comparative information in respect of the previous period.

The consolidated financial statements of SIX have been prepared on a historical cost basis, except for certain financial instruments which have been measured at fair value, as disclosed in the accounting policies below.

2.2 Summary of significant accounting policies

2.2.1 Principles of consolidation and equity accounting

Business combinations

Business combinations are accounted for using the acquisition method at the date of acquisition, which is the date on which SIX obtains control. SIX has control over an investee when it is exposed to, or has rights to, variable returns from its involvement with the investee and has the ability to affect those returns through its power over the relevant activities of the investee.

At the time of acquisition, all identifiable assets and liabilities that satisfy the recognition criteria are recognized at their fair values. The difference between the consideration transferred and the fair value of the identifiable assets acquired and liabilities assumed is accounted for as goodwill after taking into account any non-controlling interests. Directly attributable transaction costs are reported as other operating expenses.

Subsidiaries

Consolidation of a subsidiary begins when SIX obtains control over the subsidiary and ceases when control is lost.

Non-controlling interests arise when SIX Group Ltd directly or indirectly holds less than 100% of a subsidiary, but still controls the subsidiary. Non-controlling interests in subsidiaries are reported separately within equity. Profit or loss and other comprehensive income (OCI) are attributed to the shareholders of the Parent Company and to the non-controlling interests. SIX has applied the partial goodwill method to the business combinations occurring in 2021 and accordingly has measured non-controlling interests at their proportionate share in the recognized amounts of the acquiree's identifiable net asset.

The accounting for call and put options depends on the terms of the options. For put options held by non-controlling shareholders, SIX has decided to apply IFRS 10.

The key terms of such options and the corresponding accounting treatment are described in note 29.

All intra-Group balances, transactions, any unrealized gains and losses resulting from intra-Group transactions and dividends are eliminated in full.

Upon loss of control, SIX ceases to recognize the assets and liabilities of a subsidiary, any non-controlling interests and other components of equity related to the subsidiary. Any gain or loss arising from the loss of control is presented in financial income or financial expenses. The interest retained is measured at fair value at the date on which SIX loses control. Subsequently, it is accounted for as an investment in associate using the equity method or as a financial asset, depending on the level of influence retained.

Investments in associates and joint ventures

Investments in associates and joint ventures are accounted for using the equity method. Associates are those entities in which SIX has significant influence over the financial and operating policies, but does not exercise control or joint control. Significant influence is generally assumed to exist when SIX holds between 20% and 50% of the voting rights. In the event that the Group holds less than 20% of the voting rights, there is a strong indication of significant influence if SIX is represented on the board of the investee. A joint venture is an arrangement in which the Group has joint control, whereby SIX has rights to the net assets of the arrangement rather than to its assets and obligations for its liabilities.

Under the equity method, investments in associates and joint ventures are initially recognized at cost at the date of acquisition. Cost comprises the fair value of the consideration transferred and acquisition-related costs. In subsequent accounting periods, the carrying amount of the investment is adjusted for the share of profit or loss and items recognized in equity, less dividends received. The share of profit or loss is adjusted for the effects of subsequent measurement of assets and liabilities identified in a purchase price allocation. An impairment test is performed if there is objective evidence of impairment. Objective evidence of impairment includes, among other things, a significant or prolonged decline in the fair value. An impairment is recognized when the carrying amount exceeds the fair value. Goodwill is included in the carrying amount of the investment and any impairment loss is allocated to the carrying amount of the equity-accounted investee as a whole.

The ownership percentage held by SIX may be reduced if SIX does not participate in a capital increase (deemed disposal). Gains or losses resulting from deemed disposals, including amounts reclassified from other comprehensive income, are recognized in the income statement within financial income or financial expenses.

2.2.2 Foreign currency translation

Functional and presentation currency

These consolidated financial statements are presented in Swiss francs, which is also the functional currency of SIX Group Ltd. Each subsidiary prepares its own financial statements in its functional currency, i.e. in the currency of the primary economic environment in which it operates. Finance subsidiaries that have no other operating activity than borrowing money on behalf of the parent have the functional currency of the parent.

Foreign currency transactions and balances

Transactions in foreign currencies are initially recorded by the Group's entities in their respective functional currencies using the exchange rates prevailing at the dates of the transactions.

Exchange rate gains and losses arising between the date of a transaction and its settlement and from the translation of monetary assets and liabilities denominated in foreign currencies at closing exchange rates are recognized in the income statement within financial income or expenses.

Non-monetary items recognized at historical cost are measured at historical exchange rates.

The main exchange rates at the closing dates were the following:

Currency	31/12/2022	31/12/2021
EUR	0.9837	1.0347
USD	0.9237	0.9144

The main annual average exchange rates were the following:

Currency	2022	2021
EUR	1.0055	1.0815
USD	0.9550	0.9139

Foreign operations
The income statements of subsidiaries with a functional currency other than the Swiss franc are translated at average monthly exchange rates. Assets and liabilities, including goodwill and fair value adjustments arising from acquisition, are translated at the closing exchange rate. Foreign exchange translation differences are recognized as currency translation adjustments in other comprehensive income and presented in equity under other reserves. Upon loss of control of a subsidiary, the accumulated exchange rate differences previously recognized in equity are reclassified to the income statement as part of the gain or loss on disposal.

2.2.3 Financial assets
SIX classifies its financial assets into the following categories:
- Financial assets at amortized cost
- Financial assets at fair value through other comprehensive income (FVtOCI)
- Financial assets at fair value through profit or loss (FVtPL)

The classification depends on the contractual cash flow characteristics of the financial assets and the business model of SIX for managing these assets. Financial assets are recognized at the trade date with the exception of non-fulfilled transactions from the central counterparty (CCP) business which are recognized at the settlement date.

Financial assets are classified as current if payment is due or expected to be settled within one year. If not, they are presented as non-current.

Financial assets and liabilities are offset and the net amount is reported in the balance sheet only when the Group has a currently legally enforceable right to offset during the regular course of business, in the event of default and when there is an intention either to settle on a net basis or to realize the asset and settle the liability simultaneously.

Financial assets are derecognized when the contractual rights to receive cash flows have expired or when all the risks and rewards of ownership of the financial assets are substantially transferred.

Financial assets at amortized cost
A financial asset is carried at amortized cost if both of the following criteria are met:
- The contractual terms of the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.
- The financial asset is held within a business model whose objective is to hold these assets in order to collect contractual cash flows.

Financial assets measured at amortized cost are initially recognized at fair value plus directly attributable transaction costs. Subsequent to initial recognition, they are measured at amortized cost using the effective interest method less expected impairment losses. Gains or losses are recognized in the income statement when the financial asset is derecognized, modified or impaired. This category consists of cash and cash equivalents, deposits, receivables, bonds and loans. Specific characteristics of each class of financial assets at amortized cost, if any, are provided below.

Cash and cash equivalents
Cash and cash equivalents include cash on hand, postal and bank accounts, giro and demand deposits at the Swiss National Bank or central banks and short-term deposits with a maximum maturity of three months from the date of initial recognition.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash and short-term deposits as defined above, net of bank overdrafts, if any.

Trade and other receivables
Trade and other receivables represent the Group's unconditional right of payment. This item also includes unbilled receivables, i.e. positions for which the Group has fulfilled its performance obligations for services, but has not yet invoiced the customers.

Receivables and payables from clearing & settlement

Receivables and payables from clearing & settlement in the Securities Services business arise from acting as a central counterparty (CCP) or a central securities depository (CSD), and in the Banking Services business – from the processing of electronic payments.

In the Securities Services business, SIX also provides securities financing services. Securities purchased under agreements to resell (reverse repurchase transactions) and securities sold under agreements to repurchase (repurchase agreements) are generally treated as collateralized financing transactions. In reverse repurchase transactions, the cash delivered is derecognized and a corresponding receivable from clearing & settlement is recorded. Securities received in reverse repurchase transactions are disclosed in the notes if SIX has the right to resell or repledge them. In repurchase agreements, the cash received is recognized in the balance sheet with a corresponding obligation to return it. The securities transferred comprise securities that SIX has received as collateral with the right to resell or repledge. These securities are not recognized in or derecognized from the balance sheet unless the risks and rewards of ownership are also transferred.

Securities borrowing and lending transactions in the settlement business are treated as collateralized financing transactions, similar to repurchase and reverse repurchase transactions, if they are covered with cash collateral and daily margin settlements. Securities borrowing and lending transactions that are not covered with cash collateral are not recognized in the balance sheet. Cash collateral received is recognized as a payable from clearing & settlement, and cash collateral delivered is derecognized with a corresponding receivable from clearing & settlement. Securities received in a lending or borrowing transaction are disclosed in the notes if SIX has the right to resell or repledge them. Financial assets recognized in the balance sheet which have been transferred under a securities lending agreement are disclosed in the notes as financial assets not derecognized.

For further information about receivables and payables from clearing & settlement, see note 16.

Impairment of financial assets at amortized cost

The Group recognizes loss allowances for expected credit losses (ECL) on the following financial assets that are measured at amortized cost:

- Cash and cash equivalents
- Trade and other receivables
- Bonds
- Receivables from clearing & settlement
- Other financial assets at amortized cost (e.g. loans)

The Group measures the loss allowances at an amount equal to the 12-month ECL (Stage 1), except for the following assets, for which the loss allowance is measured at an amount equal to the lifetime ECL (Stage 2):

- Trade and other receivables (simplified approach according to IFRS 9)
- Financial assets at amortized cost whose credit risk has increased significantly since initial recognition

When a default event occurs, the loss allowance is measured at an amount equal to the lifetime ECL and the financial asset is presented as credit-impaired (Stage 3).

The Group applies the "low credit risk" simplification in order to track the increase in credit risk. A low credit risk is assumed when the credit rating of a financial asset is equivalent to the globally understood definition of "investment grade" (i.e. a Standard & Poor's rating of BBB – or higher).

The creation and release of loss allowances are recognized in other operating expenses for cash and cash equivalents, trade and other receivables, and receivables from clearing & settlement. For bonds and other financial assets at amortized cost, the creation and release of loss allowance is presented in financial expenses.

The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since the initial recognition of the respective financial assets. Recoveries are recognized in profit and loss.

The Group writes off a financial asset when the collection activities are completed and there is no realistic prospect of recovery. This is generally the case when the Group receives evidence of insolvency (e.g. loss certificate). Financial assets that have been written off may still be subject to enforcement action even if recovery is highly unlikely.

Financial assets at FVtOCI (debt instruments)
Financial assets at fair value through other comprehensive income (FVtOCI) include debt securities for which the contractual cash flows consist solely of principal and interest, and the objective of the Group's business model is achieved both by collecting contractual cash flows and selling financial assets. Interest income, foreign exchange revaluation and impairment losses or reversals are recognized in the income statement and are determined in the same manner as for financial assets measured at amortized cost. The remaining fair value changes are recognized in OCI. Upon derecognition, the cumulative fair value change recognized in OCI is recycled to profit or loss.

Financial assets at FVtPL
If the criteria for financial assets at amortized cost and financial assets at FVtOCI are not met, financial assets are classified and measured at fair value through profit or loss (FVtPL). These financial assets are initially recognized and subsequently measured at fair value. Transaction costs that are directly attributable to the acquisition of the financial asset are immediately expensed. Gains and losses arising from changes in fair value are reported in financial income or financial expenses. This category consists of equity instruments, units in investment funds, derivatives, financial instruments from the settlement business, and other debt instruments.

Derivatives
Derivatives are initally recognized and subsequently measured at fair value.

Derivatives comprise, in particular, derivatives arising from the clearing and settlement business of Securities Services. They include the fair value of unsettled trading transactions of equities and fixed income and the accumulated changes in fair value of traded derivatives. The settlement of equities and fixed income takes place two days after the trade date if the buyer and seller fulfill their obligations. The change in fair value of unsettled transactions is presented as equities and fixed income forwards. The settlement of derivatives takes place on the trade date. If the daily changes in fair value are not settled on a daily basis, the accumulated changes in fair value are presented as options and energy derivatives from clearing and settlement.

Additionally, SIX uses derivatives to mitigate its exposure to foreign exchange risks. Gains or losses relating to changes in fair value of foreign currency derivatives are recognized immediately in financial income or financial expenses.

All derivatives are included under financial assets if their fair value is positive, and under financial liabilities if their fair value is negative.

2.2.4 Property, plant and equipment
Assets included under property, plant and equipment are measured at historical cost less accumulated depreciation and accumulated impairment losses, if any. Historical cost includes expenditure directly attributable to the acquisition and installation. Repair and maintenance costs are recognized in the income statement as incurred.

Land has an unlimited useful life and is therefore not depreciated. Property, plant and equipment is depreciated on a straight-line basis over the estimated useful life of each component.

Asset class	Estimated useful life
Land	Impairment only
Buildings (excluding land)	8–60 years
Technical infrastructure	3–30 years
Leasehold improvements	Amortized in line with the term of the property lease
IT mainframes	4–5 years
IT midrange	3 years
Other IT hardware	3–5 years
Office equipment and furniture	3–7 years
Other fixed assets	3–5 years

The assets' useful lives are reviewed, and adjusted, if appropriate, at the end of each reporting period.

Depreciation starts when the asset is available for use.

Gains or losses on disposals are calculated as the difference between the net proceeds and the carrying amount and are recognized in the income statement.

2.2.5 Intangible assets

Intangible assets with indefinite useful lives

Intangible assets with indefinite useful lives include goodwill, brands and licenses.

SIX initially measures intangible assets with indefinite useful lives at cost. These assets are not subject to amortization and are tested for impairment on an annual basis and whenever there is an indication that an asset may be impaired.

Gains and losses on disposals of operations include the carrying amount of goodwill relating to the operation sold.

Intangible assets with finite useful lives

Acquired intangible assets with a finite useful life are measured at cost less accumulated amortization and impairment losses, if any. Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset it relates to. Other subsequent expenditure is recognized as an expense in the period in which it is incurred.

Expenditure for internally developed software is capitalized only if it meets the capitalization criteria. This requires, in particular, that SIX obtains control over the asset and that the future economic benefits are probable. Amortization of internally developed assets begins when they are available for use. This is generally when the business acceptance test has been successfully completed.

Implementation costs related to Software as a Service (SaaS) arrangements are capitalized as intangible assets if SIX obtains control over the software. If SIX does not assume control over the software, implementation costs are expensed as incurred, with the exception of costs for non-distinctive services of the cloud arrangement provider, which are expensed over the term of the arrangement.

Research costs are expensed as incurred.

Intangible assets with a finite useful life are amortized on a straight-line basis over their estimated useful lives:

Asset class	Estimated useful life
Licenses, brands and customer relationships	5–20 years
Software	3–7 years
Other intangible assets	3–7 years

Useful lives are reassessed annually and adjusted if appropriate.

2.2.6 Impairment of non-financial assets

Intangible assets with an indefinite useful life and intangible assets not yet ready for use are tested for impairment on an annual basis and whenever there is an indication that an asset may be impaired. All other intangible assets and property, plant and equipment are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

For the purposes of impairment testing, assets are tested individually or grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units, CGUs). Goodwill is allocated to the CGU at which it is monitored for internal management purposes and which is not larger than an operating segment.

If the carrying amount of the assets exceeds the recoverable amount, an impairment equal to the difference between the carrying amount and the recoverable amount is recognized as an impairment loss in the income statement. The recoverable amount is determined based on the value in use of an asset. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects the current market assessment of the time value of money and the risks specific to the asset or CGU.

Any impairment loss on goodwill recognized in prior periods may not be reversed in subsequent periods. For other assets, an impairment loss is reversed only to the extent that the carrying amount of an asset does not exceed the carrying amount that would have been determined net of depreciation or amortization if no impairment loss had been recognized.

2.2.7 Financial liabilities

SIX classifies its financial liabilities either as financial liabilities at amortized cost or financial liabilities at fair value through profit or loss (FVtPL).

Financial liabilities are classified as current if payment is due within one year or less. If not, they are presented as non-current liabilities.

A financial liability is derecognized when the obligation under the liability is discharged, cancelled or expires.

Financial liabilities at amortized cost

Financial liabilities at amortized cost are initially recognized at fair value less directly attributable transaction cost. Subsequent to initial recognition, such financial liabilities are measured at amortized cost using the effective interest method. This category consists of trade and other payables, borrowings and lease liabilities. For further details on leases, see section 2.2.9.

Financial liabilities at FVtPL

Financial liabilities at fair value through profit or loss (FVtPL) include derivatives and NCI liabilities. These liabilities are initially recognized and subsequently measured at fair value. NCI liabilities result from acquisitions of subsidiaries where minority shareholders hold put options to sell their shares to SIX. NCI liabilities are measured at the discounted value of the exercise price. For further details on derivatives, see section 2.2.3.

2.2.8 Hedge accounting

SIX may designate non-derivative financial liabilities as hedging instruments to hedge the foreign exchange risk on a net investment in a foreign operation. Gains or losses on the hedging instrument relating to the effective portion of the hedge are recognized in OCI, while any gains or losses relating to the ineffective portion are recognized in the income statement. On disposal of a foreign operation, the cumulative value of any such gains or losses recorded in equity is transferred to the income statement.

At the inception of a designated hedging relationship, the Group documents the risk management objective and strategy for undertaking the hedge. The Group also documents the economic relationship between the hedged item and the hedging instrument, including whether the changes in cash flows of the hedged item and hedging instrument are expected to offset each other.

2.2.9 Leases

At the inception of a contract, SIX assesses whether a contract is or contains a lease. A contract is or contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

SIX as lessee

SIX is a lessee of premises, IT equipment and vehicles. Leases are accounted for by recognizing a right-of-use asset and a lease liability at the lease commencement date. SIX has elected not to recognize right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Group recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

SIX has elected not to separate non-lease components from lease components for all classes of underlying assets.

Lease liabilities are initially measured at the present value of the following future lease payments:

- fixed payments
- variable lease payments that depend on an index or rate using the index or rate at the commencement date
- lease payments in an optional renewal period or any penalties payable for terminating a lease, if SIX is reasonably certain to exercise an extension or not to exercise a termination option

Variable lease payments that do not depend on an index or a rate are expensed in the period to which they relate.

Lease liabilities are discounted using the incremental borrowing rate available at the contract commencement date, as the interest rates implicit in the leases cannot be readily determined.

Subsequent to initial recognition, lease liabilities are measured at amortized cost using the effective interest method. Lease liabilities are remeasured when there is a change in an index or rate, or if there is a change in

the lease term because the Group changes its assessment of whether it will exercise an option to extend or terminate a lease. When a lease liability is remeasured for one of these reasons, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in the income statement if the carrying amount has been reduced to zero.

Right-of-use assets are initially measured at the initial amount of the lease liability, less any lease incentives received, plus any lease payments made at or before the commencement of the lease and initial direct costs incurred.

Right-of-use assets are subsequently depreciated using the straight-line method from the commencement date to the end of their useful lives or the end of the lease term, whichever is earlier. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset may be reduced by impairment losses or adjusted for certain remeasurements of the lease liability.

SIX recognizes right-of-use assets within property, plant and equipment, and lease liabilities within financial liabilities.

SIX as lessor

SIX is a lessor of business premises. When SIX acts as a lessor, it determines at the inception of a lease whether the lease is a finance or an operating lease. To classify leases, SIX makes an overall assessment of whether a lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, the lease is a finance lease; if not, it is an operating lease. As part of this assessment, SIX considers certain indicators such as whether the lease is for the major part of the economic life of the asset. Currently, all lease agreements are classified and recorded as operating leases.

Operating lease equipment is initially carried at its acquisition cost. Leased assets are depreciated on a straight-line basis according to the depreciation policies of SIX for property, plant and equipment. Rental income from operating leases is recognized on a straight-line basis over the term of the lease agreement as part of other operating income.

2.2.10 Provisions

Provisions are recognized for present legal or constructive obligations arising from past events if there is a probable outflow of resources that can be reliably estimated. Provisions are not recognized for future operating losses.

The amount recognized as a provision is the amount which represents the best estimate required to settle the present obligation. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as an interest expense.

Provisions are regularly reviewed and adjusted as further information develops or circumstances change.

Restructuring provisions

Restructuring provisions are recognized only when the Group has a legal or constructive obligation, which is when a detailed formal plan identifies the business concerned, the location and number of employees affected, a detailed estimate of the associated costs and an appropriate timeline, and when the employees affected have been notified of the plan's main features.

Asset retirement obligation

If a lease agreement requires SIX to remove any assets it has installed in the leased property (such as internal walls or partitions), the removal obligation arises immediately upon installation. In such a situation, the Group recognizes a provision for the present value of the future cost of removal at the date the assets are installed.

The costs of removal are capitalized as part of the acquisition costs of the leasehold improvements and depreciated over their useful lives or the lease term, whichever is shorter.

Contingent liabilities

Contingent liabilities are not recognized, but are disclosed, unless the possibility of an outflow of economic resources is remote.

2.2.11 Equity

Ordinary shares

Ordinary shares in SIX Group Ltd are classified as share capital.

Treasury shares

Own shares held by SIX Group Ltd itself and by other entities of the Group are recognized at cost within other reserves and deducted from equity. Gains or losses on the disposal or cancellation of treasury shares are recorded in other reserves.

2.2.12 Operating revenues

Revenue represents the consideration to which SIX expects to be entitled in exchange for transferring services, net of amounts collected on behalf of third parties. When SIX acts as a principal, revenue is recorded gross. When SIX acts only as an agent, revenue is limited to the commission or fee that it retains. The main indicators that SIX is a principal are the responsibility to provide the promised services and the discretion in establishing prices.

Volume discounts are generally based on the number of transactions within a month or calendar year. Therefore, no estimates are required at the end of the financial year. During the financial year, the estimated average selling price is recognized as revenue.

Transaction revenues

Transaction revenues are generated from services which relate to a single transaction (e.g. trading in securities, clearing & settlement transactions, payment transactions, ATM transactions, etc.) or services which are triggered and remunerated on an incident or order basis. The performance obligation of a service is satisfied when the transaction or order has been executed. Transaction revenues are recognized at a point in time.

Exchanges and Securities Services recognize transaction fees for trading and clearing services on the trade date and transaction fees for settlement services on the settlement date.

Service revenues

Revenue from providing services is recognized in the period in which the services are rendered (e.g. listing of securities, custody services, providing reference and market data, etc). Revenue is generally recognized over time, as most services are provided over a fixed contract period.

Exchanges recognize listing fees over the estimated listing period. The estimated listing period of the securities is reassessed on an annual basis to reflect the most recent market developments.

Net interest income from interest margin business

The interest margin business is part of the core business activities of Securities Services and Banking Services. Accordingly, net interest income from interest margin business is presented within operating income. Net interest income from interest margin business is recognized by applying the effective interest method. Negative interest on financial assets is presented within interest expenses from interest margin business, and the related interest earned from the recharge of negative interest is presented within interest income from interest margin business.

Other operating income

Other operating income includes income earned from sale of assets and non-standard services such as lease income. Most of the non-standard services are recognized over time. For further details on the accounting for leases, see section 2.2.9.

Contract costs

Costs to obtain a contract

Incremental costs incurred in obtaining a customer contract are recognized as an asset if the Group expects to recover them. They include sales commissions that are amortized over the average contract period, which is based on past experience with services rendered to similar customers in similar circumstances.

Contract balances

Contract liabilities

If the payments received exceed the services rendered, a contract liability is recognized.

2.2.13 Employee benefits

SIX maintains a number of different pension plans based on the respective legislation in each country. The retirement benefit plans include both defined benefit and defined contribution plans.

Defined contribution plans
Contributions to defined contribution plans are recognized as an employee benefit expense in the period during which the related services are rendered by employees.

Defined benefit plans
The net liability or asset recognized in the balance sheet in respect of defined benefit plans is the present value of the defined benefit obligation less the fair value of plan assets. If the fair value of the plan's assets is higher than the present value of the defined benefit obligation, the recognition of the resulting net asset is limited to the present value of economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan ('asset ceiling'). Actuarial assumptions used for calculation include the discount rate, future salary and pension increases, staff turnover and life expectancy. The calculations are performed annually by qualified actuaries using the projected unit credit method. Pension plan assets are valued annually at market values. Defined benefit costs consist of three components:
- service costs, curtailments and settlements
- net interest income or expenses
- remeasurements

Service costs include current and past service costs and are presented within employee benefit expenses. The Group recognizes gains and losses on plan curtailments or settlements in the income statement when they occur.

Net interest income or expenses are calculated by multiplying the net defined benefit liability or asset at the beginning of the reporting period with the discount rate used to measure the defined benefit obligation. Net interest income or expenses are recognized within employee benefit expenses.

Remeasurements comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of asset ceilings, if any. SIX recognizes remeasurements in other comprehensive income. They are not recycled to the income statement.

Short-term employee benefits
Short-term employee benefit obligations are measured on an undiscounted basis and expensed in the period in which the related services are rendered.

Termination benefits
Termination benefits are payable when employment is terminated before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. SIX recognizes a liability for termination benefits at the earlier of when SIX can no longer withdraw the offer of those benefits or when the Group recognizes restructuring costs. In the event that an offer is made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than twelve months after the end of the reporting period are discounted to their present value.

Other long-term employee benefits
The Group's obligation in respect of long-term employee benefits is the amount of future benefits that employees have earned in return for their service in the current and prior periods. The actuarial assumptions used are reassessed annually. Remeasurements are recognized in profit or loss in the period in which they arise. Other long-term employee benefits include in particular long-service awards (or "jubilees"). The liability is determined by applying the projected unit credit method.

2.2.14 Interest and dividends
Interest income and expenses
For all financial instruments measured at amortized cost, interest income and expenses are recorded using the effective interest method. Negative interest on financial assets is presented within interest expenses. Negative interest on financial liabilities is presented within interest income.

Dividend income
Dividends are recognized when the right to receive payment is established and are included in financial income.

2.2.15 Income taxes

The tax expense for the period comprises current and deferred tax. Taxes are recognized in the income statement except to the extent that the underlying transaction is recorded either in other comprehensive income or directly in equity.

Current income taxes

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the tax authorities based on the taxable profit. The tax rates and tax laws used to calculate the amount are those that are enacted or substantively enacted at the reporting date in the countries in which SIX operates and generates taxable income.

Deferred taxes

Deferred tax is recognized by applying the liability method in respect of temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for taxable temporary differences arising from the initial recognition of goodwill.

Deferred tax assets are recognized for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that sufficient future taxable profit will be available against which they can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are reassessed at each reporting date and recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Calculation of deferred taxes is based on the country-specific tax rates expected to apply in the accounting period in which these tax assets will be realized or tax liabilities settled. Deferred tax assets and liabilities are offset if they relate to the same taxable entity and the same tax authority and if there is an entitlement to offset current taxes.

2.3 Changes in the Group's accounting policies

New standards, interpretations and amendments adopted by SIX

The adoption of the following amendments had no significant impact on the consolidated financial statements of the Group as at 31 December 2022.

- Annual Improvements to IFRS standards 2018 – 2020
- Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16)
- Onerous Contracts – Cost of Fulfilling a Contract (Amendments to IAS 37)
- Reference to the Conceptual Framework (Amendments to IFRS 3)
- Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12)

2.4 Restatement

Change in presentation of operating income

Management has reviewed the presentation of revenues and noted that certain revenues have not been presented in line with the accounting policies and must be reclassified. As a result of the reclassification, transaction revenues for the 2021 financial year decreased by CHF 128.0 million, service revenues increased by CHF 117.2 million and other operating income increased by CHF 10.8 million. The changes had no impact on total operating income.

2.5 IFRS standards and interpretations that have been issued but are not yet effective

The following new and/or revised standards and interpretations have been issued, but are not yet effective. They have not been applied early in these consolidated financial statements.

Standard/interpretation	Effective date	Date planned for adoption by SIX
Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)	1 January 2023	1 January 2023[1]
Definition of Accounting Estimates (Amendments to IAS 8)	1 January 2023	1 January 2023[1]
Lease Liability in a Sale and Leaseback (Amendment to IFRS 16)	1 January 2024	1 January 2024[1]
Classification of Liabilities as Current or Non-current (Amendments to IAS 1)	1 January 2024	1 January 2024[1]
Non-current Liabilities with Covenants (Amendment to IAS 1)	1 January 2024	1 January 2024[1]
Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28)	To be determined by the IASB	To be determined by SIX[2]

[1] The adoption of the amendment is not expected to have any significant impact on the consolidated financial statements of SIX.

[2] The impact on the consolidated financial statements of SIX has not yet been fully assessed.

3. Use of Judgments and Estimates

The application of some accounting policies requires the use of assumptions, estimates and judgments that may affect the reported assets and liabilities, income and expenses and also the disclosure of contingent assets and liabilities in the reporting period. Additionally, there is a significant risk that these estimation uncertainties could result in material adjustments to the carrying amount of assets and liabilities within the next financial year. The assumptions and estimates are continually reviewed and based on historical experience and other factors, including anticipated developments arising from probable future events. Actual future occurrences may differ from these assumptions and estimates.

Areas that may incorporate a greater number of uncertain assumptions, estimates and judgments are listed below.

Fair value of assets and liabilities recognized in a business combination

In the case of business combinations, assets acquired and liabilities assumed are measured at fair value at the date of acquisition. In determining the fair value and the useful lives of intangible assets acquired, as well as the fair value of liabilities assumed, certain assumptions are made. The measurement is based on projected cash flows and information available at the date of acquisition see note 29.

Fair value of level 3 instruments

The fair value of financial instruments that are not traded in an active market is determined by using several valuation techniques. SIX uses judgment in determining the valuation methods and makes assumptions in estimating the inputs to the calculations, as the parameters for the calculation of the fair values are not readily available in the markets. The calculations are based on information available as at the reporting date. The estimated fair values for each class of financial instruments and the sensitivity analysis are disclosed in note 26.

Capitalization of development costs

SIX develops various software applications for internal and external use. Development costs for self-developed intangible assets are capitalized if the applicable criteria of IAS 38 are fulfilled. Initial capitalization of costs is based on the management's judgment that the feasibility is confirmed. Projects are broken down into three main phases. Costs incurred in the inception and transition phase are treated as non-capitalizable, whereas costs incurred in the construction phase are treated as capitalizable. Development costs that do not satisfy the requirements for capitalization are expensed as incurred.

In determining the amounts to be capitalized, management makes assumptions regarding the expected future cash flows generated from the project and the discount rates to be applied. The status of the key projects is monitored on a monthly basis by the Executive Board of SIX Group (ExB).

Utilization of tax losses and recognition of deferred tax assets

Deferred tax assets are recognized for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilized. Significant management judgment is required to determine the amount of deferred tax assets that can be recognized, based on the estimated future taxable profits within the planning period. At each closing, the entity assesses the recoverability of deferred tax assets, including those recognized in previous periods. Further details on recognized deferred tax assets and unrecognized tax losses are disclosed in note 13.

Assessment of uncertain tax positions

If facts or circumstances change or if new information becomes available, SIX reassesses the judgement or estimate used to determine the accounting for its uncertain tax treatments. When analyzing uncertain tax treatments, SIX must consider whether it is probable that the tax authority would accept the treatment of SIX. The potential effect of the uncertainty is disclosed if it is material. For further details on uncertain tax positions and the potential effect of uncertainty, see note 12.

Measurement of defined benefit obligations

Accounting for defined benefit obligations requires the application of certain actuarial assumptions (e.g.

discount rate, salary trend, interest rate on retirement savings capital and life expectancy). Changes in actuarial assumptions can materially affect pension obligations and the expenses arising from employee benefit plans. The actuarial assumptions are reviewed with the independent actuaries at each reporting date. A sensitivity analysis of the key factors is presented in note 33.

Impairment of non-financial assets

For the purpose of impairment testing, goodwill and intangible assets with indefinite useful life are allocated to cash-generating units ("CGU"). The carrying value of a CGU is compared to its recoverable amount, which is determined on a value-in-use basis.

The value in use is derived from the discounted future free cash flows of a CGU. Cash flow projections are based on the budget and mid-term financial plan approved by the Board of Directors (BoD). The budget and mid-term financial plan cover three years and are updated annually. Cash flows beyond the financial planning period are extrapolated using a perpetual growth rate. Estimating future earnings involves judgment, as the developments in the respective markets and in the overall macroeconomic environment need to be estimated based on the currently available information. The discount rates are determined by applying the capital asset pricing model. A change in the key assumptions used to determine the recoverable amounts of each CGU may have a significant effect on the result of the impairment test. The key assumptions are tested for sensitivity by applying reasonably possible changes to those assumptions. For a description of the key assumptions, see note 20.

For the impairment test of listed associated companies, the cash flow projections are based on publicly available data such as investor guidance and growth rates published by a company or the analyst consensus for earnings and free cash flows. The discount rates are determined by applying the capital asset pricing model. A change in the key assumptions used to determine the recoverable amounts may have a significant effect on the result of the impairment test. In 2022, no impairment was recognized.

Performance for the Year

4. Segment Information

Determination of operating segments

Operating segments are reported in a manner consistent with the internal reporting to the Executive Board of SIX and the chief operating decision maker (CODM). The CODM, who is responsible for allocating resources and assessing the performance of the operating segments, has been identified as the CEO.

For the purpose of the segment reporting, SIX is broken down into five reportable segments (four business units and IT) and Corporate & Others. The latter includes SIX Exchange Regulation and corporate activities that support the Group as a whole, i.e. Risk, Legal & Compliance, Finance & Services, Human Resources and Marketing & Communications. Thus, Corporate & Others does not qualify as a reportable operating segment under IFRS 8.

The reportable segments and Corporate & Others offer the following products and services:

Service	Service description
Exchanges	
Trading	Exchanges generates transaction revenues by providing a cash market for trading in shares, private and public debt, warrants, funds, financial and electricity derivatives and exchange-traded products (ETPs), as well as a securitized derivatives market for structured products and warrants. Transaction revenues are invoiced on a monthly basis. The trading business also generates service revenues for access, admission of securities to trading and ongoing listing.
Data	Exchanges distributes raw market data and index products, which generate service revenues. Depending on the market, service fees are invoiced on a monthly, quarterly or annual basis.
Securities Services	
Custody business	Operating as the central securities depository (CSD) for Switzerland and Spain as well as an international custodian across various markets worldwide, Securities Services delivers comprehensive custody services for Swiss, Spanish and other international securities. Securities Services generate service revenues with issuer services, asset servicing/shareholder services, banking services/cash management, queries and reporting, and tax services. Transaction revenues are generated with settlement services, tax services, repos and fund processing. The custody business also generates interest income from interest margin business. Revenues from the custody business are generally invoiced on a monthly basis.
CCP clearing	Securities Services provides multi-asset clearing services and acts as a highly diversified central counterparty (CCP) with access to multiple trading venues and matching platforms across Europe. Transaction revenues are generated from the clearing of trades and the settlement of transactions. Further revenues are recognized from the transfers and management of pledges on securities and access charges for infrastructures and other facilities. Transaction revenues from clearing and CCP settlements are invoiced monthly and/or quarterly. Interest income from interest margin business is generated from repo transactions.
Securities Finance revenues	Securities Finance Services includes repo trading (CO:RE) and collateral management triparty services for various products (repo, TCM, inital margin calls, structured products, securities lending & borrowing) as well as Securities Financing Transactions Regulation (SFTR) reporting. The Securities Finance business generates revenues in trading and post-trading activities, which are invoiced on a monthly basis, except for service related to SFTR, which are invoiced on an annual basis.

Service	Service description
Banking Services	
Billing and payments	Banking Services offers payment transaction processing services between financial institutions through the legal entity SIX Interbank Clearing Ltd (SIC). SIC processes retail and wholesale payments in Swiss francs on behalf of the Swiss National Bank. It also provides a gateway for euro payments for the Swiss financial community (euroSIC). Banking Services is an infrastructure provider for digital billing in Switzerland with solutions such as eBill and direct debits. The revenues are mainly generated from transaction fees. Service revenues are generated from base fees and consultancy services. Additionally, Banking Services generates interest income from interest margin business. Transaction and service fees are generally invoiced on a monthly basis.
ATM processing and services	Banking Services provides ATM transaction processing and infrastructure services in Switzerland. Banking Services mainly generates transaction revenues through processed transactions and service fees based on the number of ATMs. The location fee received in the ATM business is presented net in transaction income, as SIX does not control the service. Service fees are generally invoiced on an annual basis.
Debit processing and services	Banking Services provides issuing processing services for debit card issuers. Transactions processed generate transaction revenues and issuing service fees. Besides that, Banking Services also generates service revenues by providing operational support to card issuers (e.g. hotline services or fraud management). Service fees are generally invoiced on a monthly basis.
Connectivity and data	Banking Services offers digital solutions for transactions with land registers through its legal entity SIX Terravis Ltd and operates bLink, an open banking platform that provides standardized interfaces for the exchanges of different types of financial data. The main part of revenues is generated from service revenues based on the volume of registered customer assets at SIX Terravis Ltd. Service fees are generally invoiced on a monthly basis.
Financial Information	
Reference data & pricing	Financial Information offers procurement, processing and distribution of reference data and pricing information. The business generates service revenues. Subscription fees are generally invoiced on an annual basis.
Market data & display	Financial Information provides procurement, processing and distribution of (real-time) market data and offers display products. The business generates service revenues. Subscription fees are generally invoiced on an annual basis. Royalties for financial data paid to stock exchanges are presented net in service income, as SIX does not control the service.
Tax & regulatory services	Financial Information provides complete reference data required for local and cross-border regulatory and tax compliance. The business generates service revenues. Subscription fees are generally invoiced on an annual basis.
Indices	Financial Information provides index services by calculating indices and offering licenses for SIX indices. The business generates service revenues. Subscription fees for the index services are generally invoiced quarterly for variable fees and annually for fixed fees.
IT	
Corporate IT	IT provides corporate services (e.g. Digital Workplace) and operates the IT infrastructure and applications (e.g. trading platforms) for the business units. Service revenues are mainly generated by providing services to associated companies.
Corporate & Others	
Corporate & other services	Corporate activities include Risk, Security & Compliance, Legal & Regulatory, Finance & Services, Human Resources and Marketing & Communications. Corporate & Others also includes SIX Exchange Regulation.

The performance of business units is measured based on business unit profit as set out in the internal management reports, which are reviewed regularly by the CODM. IT and Corporate & Others are measured based on the operating expenses.

									2022
CHF million	Exchanges	Securities Services	Banking Services	Financial Information	Total business units	IT	Corporate & Others	Elimination	Total SIX
Revenues from third parties	360.0	457.1	223.5	385.6	**1,426.2**	42.3	25.7	–	**1,494.1**
Revenues from intra-Group	7.4	8.8	2.1	7.1	**25.5**	285.5	105.5	–416.4	–
Total operating income	**367.4**	**465.9**	**225.7**	**392.6**	**1,451.7**	**327.7**	**131.2**	**–416.4**	**1,494.1**
Total operating expenses	**–249.7**	**–308.6**	**–196.3**	**–336.6**	**–1,091.2**	**–298.0**	**–123.6**	**416.4**	**–1,096.4**
Earnings before interest, tax, depreciation and amortization (EBITDA)	**117.7**	**157.3**	**29.3**	**56.0**	**360.4**	**29.7**	**7.6**	–	**397.7**
Depreciation, amortization and impairment	–16.5	–10.1	–13.4	–12.5	**–52.6**	–21.4	–103.5	–	**–177.5**
Business unit profit	**101.2**	**147.2**	**15.9**	**43.5**	**307.8**	**8.3**	**–95.9**	–	**220.3**
Financial income									80.2
Financial expenses									–78.1
Share of profit or loss of associates and joint ventures									21.6
Earnings before interest and tax (EBIT)									**243.9**
Interest income									0.9
Interest expenses									–8.6
Earnings before tax (EBT)									**236.2**
Income tax expenses									–51.2
Profit for the period									**185.0**

	2021 (restated)								
CHF million	Exchanges[1]	Securities Services[1]	Banking Services[1]	Financial Information[1]	Total business units	IT	Corporate & Others	Elimination	Total SIX
Revenues from third parties	380.7	459.7	206.7	380.7	**1,427.8**	42.8	27.7	–	**1,498.3**
Revenues from intra-Group	9.6	9.9	6.3	7.6	**33.4**	273.9	90.3	–397.5	–
Total operating income	**390.2**	**469.7**	**213.0**	**388.3**	**1,461.2**	**316.7**	**118.0**	**–397.5**	**1,498.3**
Total operating expenses	**–234.6**	**–333.3**	**–185.9**	**–324.1**	**–1,077.9**	**–294.9**	**–101.4**	**397.5**	**–1,076.6**
Earnings before interest, tax, depreciation and amortization (EBITDA)	**155.6**	**136.3**	**27.1**	**64.2**	**383.3**	**21.8**	**16.6**	–	**421.7**
Depreciation, amortization and impairment	–10.3	–5.9	–12.1	–11.9	**–40.2**	–23.7	–109.8	–	**–173.6**
Business unit profit	**145.4**	**130.5**	**14.9**	**52.3**	**343.1**	**–1.9**	**–93.2**	–	**248.0**
Financial income									49.7
Financial expenses									–48.4
Share of profit or loss of associates and joint ventures									–102.1
Earnings before interest and tax (EBIT)									**147.2**
Interest income									0.7
Interest expenses									–11.0
Earnings before tax (EBT)									**136.9**
Income tax expenses									–63.4
Profit for the period									**73.5**

[1] Prior year figures have been restated due to internal reorganizations effective 1 January 2022. The impact on business unit profit was as follows: Exchanges: CHF +2.4 million, Securities Services: CHF –3.4 million, Banking Services: CHF +2.9 million, Financial Information: CHF –1.9 million.

Disclosures by geographical area

SIX operates mainly in Switzerland, Spain and in other European countries. The geographical analysis of the operating income from external customers and non-current assets is based on the location of the entity in which the transactions and assets were recorded. Non-current assets mainly consist of property, plant and equipment, intangible assets, investments in associates and other non-current assets, and exclude financial instruments, deferred tax and post-employment benefit assets in accordance with the provisions of IFRS 8.

	Total operating income		Non-current assets	
CHF million	2022	2021	31/12/2022	31/12/2021
Switzerland	978.8	962.0	2,042.0	2,090.7
Spain	280.2	312.5	2,457.3	2,710.0
France	47.1	48.9	4.2	6.4
Luxembourg	33.6	17.6	128.4	0.9
Germany	33.6	40.3	1.6	1.9
United Kingdom	27.8	20.9	53.5	54.1
Italy	15.0	16.9	1.0	1.1
Rest of Europe	36.9	40.7	3.1	3.7
North America	30.4	26.7	5.0	6.5
Asia/Pacific	9.2	10.1	3.2	4.2
North Africa	1.5	1.6	0.2	0.2
Total	**1,494.1**	**1,498.3**	**4,699.5**	**4,879.9**

Disclosures of major customers

SIX has a large number of customers. In 2022 and 2021, there was no major customer whose revenues represented more than 10% of the Group's revenue.

5. Operating Income

In the following table, revenue is disaggregated by revenue type and by major service lines:

CHF million	Transaction revenues	Service revenues	Net interest income from interest margin business	Other operating income	2022 Total
Exchanges					
Trading	196.4	73.7	–	0.2	270.3
Data	–	81.8	–	–	81.8
Other services	3.3	4.4	–	0.3	7.9
Total Exchanges	**199.6**	**159.9**	**–**	**0.5**	**360.0**
Securities Services					
Custody business	120.5	165.7	24.6	0.1	310.9
CCP clearing	43.2	5.8	14.5	0.0	63.5
Securities finance	23.0	8.4	–	0.1	31.5
Other services	39.3	11.7	–	0.2	51.2
Total Securities Services	**225.9**	**191.6**	**39.1**	**0.5**	**457.1**
Banking Services					
Billing and payments	53.2	11.9	8.1	0.1	73.4
ATM processing and services	32.5	6.2	–	0.3	39.0
Debit processing and services	85.0	8.0	–	–	92.9
Connectivity and data	1.5	10.1	–	0.1	11.7
Other services	–	6.4	–	–	6.4
Total Banking Services	**172.2**	**42.7**	**8.1**	**0.6**	**223.5**
Financial Information					
Reference data & pricing	–	204.5	–	0.2	204.7
Market data & display	–	91.7	–	–	91.7
Tax & regulatory services	–	43.6	–	–	43.6
Indices	–	26.0	–	–	26.0
Other services	–	19.4	–	0.1	19.5
Total Financial Information	**–**	**385.3**	**–**	**0.3**	**385.6**
IT					
Corporate IT	–	41.5	–	0.8	42.3
Total IT	**–**	**41.5**	**–**	**0.8**	**42.3**
Corporate & Others					
Corporate & other services	–	1.8	–	23.8	25.7
Total Corporate & Others	**–**	**1.8**	**–**	**23.8**	**25.7**
Total operating income	**597.7**	**822.7**	**47.2**	**26.5**	**1,494.1**

	2021 (restated)				
CHF million	Transaction revenues[1]	Service revenues[1]	Net interest income from interest margin business	Other operating income[1]	Total
Exchanges					
Trading	217.2	71.6	–	0.2	289.0
Data	–	82.6	–	–	82.6
Other services[2]	4.0	5.0	–	0.1	9.1
Total Exchanges	**221.2**	**159.1**	**–**	**0.3**	**380.7**
Securities Services					
Custody business	141.8	177.8	14.2	–	333.9
CCP clearing	43.1	8.7	16.8	0.2	68.8
Securities finance	15.2	7.0	–	0.1	22.4
Other services[2]	22.3	12.3	–	0.2	34.7
Total Securities Services	**222.4**	**205.7**	**31.1**	**0.5**	**459.7**
Banking Services					
Billing and payments	56.4	8.5	13.4	0.4	78.7
ATM processing and services	29.2	6.2	–	0.2	35.7
Debit processing and services	68.9	5.3	–	–	74.2
Connectivity and data	2.5	8.9	–	0.5	11.8
Other services[2]	–	6.2	–	–	6.2
Total Banking Services	**157.0**	**35.2**	**13.4**	**1.1**	**206.7**
Financial Information					
Reference data & pricing	–	231.7	–	0.1	231.8
Market data & display	–	72.2	–	–	72.2
Tax & regulatory services	–	39.8	–	–	39.8
Indices	–	22.0	–	–	22.0
Other services[2]	–	14.8	–	0.1	14.9
Total Financial Information	**–**	**380.6**	**–**	**0.1**	**380.7**
IT					
Corporate IT	–	42.6	–	0.2	42.8
Total IT	**–**	**42.6**	**–**	**0.2**	**42.8**
Corporate & Others					
Corporate & other services	–	2.6	–	25.1	27.7
Total Corporate & Others	**–**	**2.6**	**–**	**25.1**	**27.7**
Total operating income	**600.6**	**825.9**	**44.5**	**27.3**	**1,498.3**

[1] See note 2 (under 2.4 Restatement) for further information on the restatement.

[2] Prior year figures have been restated due to internal reorganizations effective 1 January 2022.

Transaction price allocated to the remaining performance obligations

The following table provides information about performance obligations that have already been contractually agreed upon, but are unsatisfied (or partially unsatisfied) at year-end. Customer contracts with an initial term of 12 months or less and services with transaction-based fees are not included.

CHF million	31/12/2022	31/12/2021
Within one year	85.6	90.5
Within two years	63.2	63.9
Within three years	54.7	51.7
Thereafter	132.3	188.6
Total	**335.8**	**394.7**

Contract liabilities

The following table shows a reconciliation from the opening to the closing balances of contract liabilities:

CHF million	2022	2021
Carrying amount at 1 January	**49.0**	**60.3**
Revenue recognized that was included in contract liabilities at 1 January	–29.3	–28.3
Increases due to cash received, excluding amounts recognized as revenue during the period	11.0	14.8
Additions due to changes in the scope of consolidation [1]	2.0	2.2
Carrying amount at 31 December	**32.7**	**49.0**
of which current	*16.3*	*22.6*
of which non-current	*16.4*	*26.4*

[1] The figure includes the net change of contract liabilities during the year related to acquired companies, see note 29.

6. Net Interest Income from Interest Margin Business

CHF million	2022	2021
Interest income from interest margin business	92.7	83.1
Interest expenses from interest margin business	–45.5	–38.6
Net interest income from interest margin business	**47.2**	**44.5**

In 2022, interest expenses from interest margin business included interest arising from negative interest rates on financial assets in the amount of CHF 29.3 million (2021: CHF 34.8 million), of which CHF 1.5 million (2021: CHF 1.5 million) related to financial instruments at FVtOCI.

Net interest income from interest margin business includes interest received of CHF 103.0 million (2021: CHF 95.1 million), whereas interest expenses from interest margin business include interest paid of CHF 44.0 million (2021: CHF 37.1 million).

7. Employee Benefit Expenses

CHF million	2022	2021
Salaries and wages	–466.8	–458.3
Social security expenses	–114.1	–114.2
Others	–29.2	–28.6
Total employee benefit expenses	**–610.1**	**–601.0**

Expenses recognized for defined contribution plans are included in social security expenses and amount to CHF 3.7 million (2021: CHF 3.4 million). For further information on defined benefit plans, see note 33.

8. Other Operating Expenses

CHF million	2022	2021
Contractor costs	–151.3	–163.6
Sales-related costs	–135.0	–148.8
Expenses for IT infrastructure	–99.2	–92.4
Expenses for data procurement & operation	–46.9	–46.1
VAT & tax expenses	–19.3	–15.6
Expenses for building infrastructure	–16.9	–16.2
Marketing and advertising expenses	–13.4	–12.0
Legal and audit fees	–9.1	–10.3
Travel expenses	–6.9	–2.8
Others	–20.6	–18.1
Own work capitalized	32.3	50.4
Total other operating expenses	**–486.2**	**–475.6**

Contractor costs primarily include consulting, outsourcing, external staff and software development.

Own work capitalized includes costs incurred for the development and implementation of software and Software as a Service arrangements.

CHF million	2022	2021
Total expenses for software development	53.0	87.9
of which capitalized	*32.3*	*50.4*

In 2022, 61.0% of the project costs incurred for development and implementation were capitalized (2021: 57.4%). The capitalization ratio mainly depends on the nature of the costs incurred, the stage of projects and the costs of maintenance projects.

9. Financial Income and Expenses

CHF million	2022	2021
Income from financial instruments at fair value	4.9	3.8
Foreign exchange rate gains	53.8	38.3
Other financial income	21.5	7.6
Total financial income	**80.2**	**49.7**
Expenses from financial instruments at fair value	–3.4	–3.2
Expenses from financial instruments at amortized cost	–5.5	–0.0
Foreign exchange rate losses	–51.1	–37.6
Other financial expenses	–18.1	–7.6
Total financial expenses	**–78.1**	**–48.4**

Foreign exchange rate gains and losses comprise gains and losses from financial instruments at amortized cost and financial instruments at fair value. The latter also includes the fair value changes of foreign currency derivatives. In 2022, the net foreign exchange losses on financial instruments at amortized cost amounted to CHF 16.8 million (2021: net loss of CHF 2.8 million), which was largely compensated by gains of financial instruments at fair value.

In 2022, other financial income mainly included the remeasurement gain related to REGIS-TR of CHF 10.3 million (see note 29), a remeasurement gain of CHF 5.8 million on the NCI liabilities of Orenda (see note 17) and a gain of CHF 3.7 million from the deconsolidation of F10 Group (see note 28). In 2021, other financial income included the gain from the sale of the e-Invoicing business to Postfinance Ltd.

In 2022, expenses from financial instruments at amortized cost included losses from disposals of bonds related to a restructuring of the SECB bond portfolio.

In 2022, other financial expenses mainly comprised the loss on the sale of Custodigit of CHF 11.9 million (see note 28) and deemed disposals of CHF 5.2 million (2021: CHF 5.3 million) arising from new shares issued under employee share purchase plans of Worldline SA.

10. Interest Income and Expenses

CHF million	2022	2021
Interest income bonds	0.6	0.6
Others	0.2	0.1
Total interest income	**0.9**	**0.7**
Interest expenses bonds	–0.5	–0.1
Cash and cash equivalents	–4.2	–5.5
Borrowings	–1.1	–2.5
Interest expenses on lease liabilities	–2.8	–2.9
Total interest expenses	**–8.6**	**–11.0**

In 2022, total interest expenses included interest charges arising from negative interest rates on financial assets in the amount of CHF 4.2 million (2021: CHF 5.5 million).

11. Earnings per Share

Basic earnings per share are calculated by dividing the profit for the year attributable to shareholders of SIX by the weighted average number of shares outstanding during the year.

	Notes	2022	2021
Net profit attributable to shareholders of SIX Group Ltd (in CHF million)		185.4	73.9
Weighted average number of shares outstanding	22	18,914,041	18,914,041
Basic earnings per share (in CHF)		**9.80**	**3.91**

There was no dilution of earnings per share in 2022 or 2021.

Income Taxes

12. Income Taxes

Income tax expenses

The major components of income tax expenses for the years ending 31 December 2022 and 31 December 2021 were as follows:

CHF million	2022	2021
Current tax		
Current tax on profits for the year	–74.4	–88.2
Adjustments in respect of prior years	–2.4	2.0
Total current tax expenses	**–76.8**	**–86.2**
Deferred tax		
Origination and reversal of temporary differences	22.2	23.1
Deferred tax on tax losses	3.4	–0.5
Other changes in deferred tax	–0.1	0.1
Total deferred tax benefits/(expenses)	**25.6**	**22.8**
Total income tax expenses	**–51.2**	**–63.4**

In 2022, an extensive commentary on the Pillar II rules (Minimum Taxation) was published by the OECD. Pillar II requires multinational enterprises with an annual global turnover exceeding EUR 750 million to pay at least 15% tax per jurisdiction. It is expected that most countries, among them Switzerland, will incorporate the Pillar II rules into national tax law per 1 January 2024. As SIX exceeds the threshold and thus is in scope of Pillar II, in future years the income taxes of SIX may be affected by the application of the new taxation rules. SIX will not be affected by Pillar I (Taxing rights for market jurisdictions of multinational enterprises) as the global turnover of SIX will be below the required threshold and also because the financial services industries are expected to be out of scope of Pillar I.

The remaining value of the tax asset related to the brand "SIX", which was built as a measure from the Swiss tax reform in 2019, was amortized in 2022. As another measure from the Swiss tax reform, the super-deduction of R&D expenses is used for selected Swiss entities. The recognized income tax expenses are subject to possible adjustments in the final tax assessments.

Tax reconciliation

The following breakdown shows the reconciliation of the income tax expenses reflected in the financial statements and the amount calculated at the weighted average tax rate:

CHF million		2022		2021
Income from operating activities, gross of tax expenses		236.2		136.9
Group's weighted average applicable tax rate/ Group's expected tax expenses	**19.4%**	**–45.7**	**21.6%**	**–29.6**
Impact of differences in tax rates and tax bases	–0.3%	0.8	–0.2%	0.3
Utilization of previously unrecognized tax losses	–0.7%	1.7	–1.0%	1.4
Deferred tax recognized for tax losses of prior years	–1.7%	4.1	–0.2%	0.3
Deferred tax not recognized for tax losses of the year	13.4%	–31.7	10.0%	–13.7
Adjustments of deferred tax for tax losses of prior years	0.4%	–0.9	0.1%	–0.2
Impact of permanent differences	–9.7%	23.0	17.8%	–24.3
Adjustments of previous years	1.0%	–2.4	–2.0%	2.7
Intercompany effects	–0.0%	0.1	0.2%	–0.2
Group's effective tax rate/tax expenses	**21.7%**	**–51.2**	**46.3%**	**–63.4**

The expected tax expenses at the weighted average applicable tax rate are the result of applying the domestic statutory tax rates to the earnings before tax of each entity in the country in which it operates and of reversing intercompany effects. The change in the weighted average tax rate was mainly due to a further reduction of income tax rates in Switzerland in 2022 and by the share of loss of Worldline in 2021.

Permanent differences include tax-exempt income, non-deductible expenses and the impact of specific tax regulations and participation exemptions. In 2022, permanent differences included the non-taxable share of profit of Worldline and other associates and the tax-deductible impairments on investments in the local accounts. In 2021, permanent differences included in particular the non-taxable share of loss of Worldline.

Income tax receivables and payables

The estimated amounts of current income tax receivables and payables, including any amounts related to uncertain tax positions, are based on currently known facts and circumstances.

The Tax Authorities of the Canton of Zurich have announced a re-assessment of possible tax effects from the disposal of the former cards business on SIX Group Ltd and SIX Financial Information Ltd in the tax period 2018. The possible tax claim would amount to a maximum of CHF 26.0 million. Management believes that it has strong arguments to defend its current position and that the re-assessment will not lead to a payment. Accordingly, no provision for any liability has been made in these financial statements.

13. Deferred Tax Assets and Liabilities

Deferred taxes relating to items in the balance sheet

Deferred tax assets and liabilities relate to the following items:

	31/12/2022		31/12/2021	
CHF million	**Assets**	**Liabilities**	**Assets**	**Liabilities**
Trade and other receivables	0.1	0.8	0.1	0.7
Financial assets	0.0	3.3	0.0	5.1
Other assets	0.2	1.0	0.3	1.0
Property, plant and equipment	0.0	8.7	0.0	9.9
Intangible assets	0.3	251.0	0.9	263.3
Investments in subsidiaries, associates and joint ventures	–	1.2	–	0.2
Assets from pension fund benefits	0.0	2.3	0.0	26.0
Provisions	1.0	0.0	1.0	0.1
Other liabilities	5.2	0.0	5.6	0.0
Financial liabilities	6.0	0.1	7.2	0.2
Pension fund liabilities	4.2	–	4.6	–
Tax loss carryforwards	5.1	–	1.8	–
Total deferred tax assets/liabilities	**22.1**	**268.6**	**21.5**	**306.4**
Offsetting	–6.4	–6.4	–7.7	–7.7
Deferred tax assets/liabilities on the balance sheet	**15.7**	**262.2**	**13.8**	**298.7**

Net deferred tax assets and liabilities changed as follows:

CHF million	**Notes**	**2022**	**2021**
Carrying amount at 1 January		**–284.9**	**–288.3**
Business combinations	29	–21.1	–0.8
Changes affecting the income statement		25.6	22.8
Changes affecting OCI		21.0	–30.7
Translation adjustments		12.9	12.1
Carrying amount at 31 December		**–246.5**	**–284.9**
of which deferred tax assets		*15.7*	*13.8*
of which deferred tax liabilities		*–262.2*	*–298.7*

Expiry dates of recognized and unrecognized unused tax loss carryforwards

The gross values of recognized and unrecognized unused tax loss carryforwards, with their expiry dates, are as follows:

	31/12/2022			31/12/2021		
CHF million	Not recognized	Recognized	Total	Not recognized	Recognized	Total
One year	15.0	–	15.0	11.4	1.7	13.1
Two years	14.7	–	14.7	13.3	1.7	15.0
Three years	4.7	–	4.7	14.6	0.2	14.8
Four years	43.5	–	43.5	4.9	–	4.9
Five years	55.1	7.9	63.0	50.6	–	50.6
Six years	55.9	8.8	64.7	64.6	–	64.6
More than six years	167.9	7.5	175.4	82.8	4.5	87.3
Total	**356.9**	**24.2**	**381.1**	**242.2**	**8.1**	**250.3**
Potential tax saving	57.1		57.1	49.3		49.3

No deferred tax assets have been recognized for tax loss carryforwards of CHF 356.9 million (31 December 2021: CHF 242.2 million), as it is uncertain whether the losses will be utilized in the future. As at 31 December 2022, the potential tax saving from unrecognized tax loss carryforwards was CHF 57.1 million (31 December 2021: CHF 49.3 million). For tax loss carryforwards which will have no tax effect when used, no potential tax savings are considered.

As at 31 December 2022, tax loss carryforwards of CHF 24.2 million (31 December 2021: CHF 8.1 million) were recognized, resulting in deferred tax assets of CHF 5.1 million (31 December 2021: CHF 1.8 million).

Assets, Equity and Liabilities

14. Cash and Cash Equivalents

CHF million	31/12/2022	31/12/2021
Cash at central banks	3,600.3	5,644.3
Cash at other banks and on hand	649.9	773.5
Short-term bank deposits	70.3	55.7
Cash and cash equivalents	**4,320.5**	**6,473.5**

Cash and cash equivalents include the following items for the purposes of the statement of cash flows:

CHF million	31/12/2022	31/12/2021
Cash and cash equivalents	4,320.5	6,473.5
Bank overdrafts	–472.0	–0.2
Cash and cash equivalents in the statement of cash flows	**3,848.6**	**6,473.3**

Bank overdrafts increased by CHF 471.8 million due to temporary withdrawals of customer deposits at SECB as at the balance sheet date. SECB used its securities portfolio to obtain liquidity from Deutsche Bundesbank as part of a Lombard transaction.

15. Trade and Other Receivables

CHF million	31/12/2022	31/12/2021
Trade receivables	148.6	141.3
Unbilled receivables	26.9	28.6
Other receivables	26.4	19.6
Total trade and other receivables	**201.9**	**189.5**

The exposure of SIX in relation to credit risk and details of expected credit losses on trade and other receivables are disclosed in note 25. The maximum exposure to credit risk at the reporting date corresponds to the carrying amount.

Trade and other receivables due from related parties are disclosed in note 34.

16. Receivables and Payables from Clearing & Settlement

CHF million	31/12/2022	31/12/2021
Receivables from clearing & settlement	750.9	434.2
Receivables from reverse repurchase transactions	3,803.8	1,915.8
Total receivables from clearing & settlement – Securities Services	**4,554.7**	**2,350.0**
Receivables from ATM and debit processing	382.6	186.5
Receivables from euro clearing business	0.7	0.5
Total receivables from clearing & settlement – Banking Services	**383.3**	**187.1**
Total receivables from clearing & settlement	**4,938.0**	**2,537.1**
Payables from clearing & settlement	1,909.6	1,426.1
Cash collateral received	5,586.9	6,427.1
Payables from repurchase agreements	18.7	–
Payables from settled suspense	55.9	29.6
Total payables from clearing & settlement – Securities Services	**7,571.1**	**7,882.8**
Payables from ATM and debit processing	371.0	160.9
Payables from euro clearing business	895.4	1,222.9
Total payables from clearing & settlement – Banking Services	**1,266.4**	**1,383.8**
Total payables from clearing & settlement	**8,837.5**	**9,266.6**

Receivables and payables from clearing & settlement – Securities Services

Receivables and payables from clearing & settlement in the post-trading area derive from SIX acting as a central counterparty (CCP) or a central securities depository (CSD) for securities trading. The CCP steps into the contracts as an intermediary, representing the buyer to each seller and the seller to each buyer.

Receivables from clearing & settlement include deposits at correspondence banks for cross-border settlements, unsettled margin calls and unsettled daily variation margins from derivatives.

Reverse repurchase transactions are conducted under the usual terms and conditions applying to such agreements. The fair value of securities received as collateral from third parties under reverse repurchase transactions with unconditional right to sell or repledge totaled CHF 3,813.8 million (31 December 2021: CHF 1,915.4 million). As at 31 December 2022, SIX had repledged securities received as collateral under reverse repurchase transactions in the amount of CHF 475.0 million (31 December 2021: CHF 99.7 million).

Participants hold deposits with SIX, which are presented as payables from clearing & settlement. To ensure that participants meet all their obligations, a portion of the deposits is blocked as collateral. As at 31 December 2022, cash collateral received totaled CHF 5,586.9 million (31 December 2021: CHF 6,427.1 million). For further information on collateral received, see note 25. Additionally, payables from clearing & settlement include unsettled daily variation margins from derivatives.

Payables from settled suspense relate to cross-border transactions where a seller is short of securities. In such an event, SIX SIS Ltd borrows the securities required and recognizes a corresponding liability.

As at 31 December 2022, the fair value of securities transferred as collateral for repurchase agreements totaled CHF 18.7 million (31 December 2021: none).

Receivables and payables from clearing & settlement – Banking Services

Receivables from clearing & settlement include receivables due from issuers of debit cards and those from the euro clearing business. Payables from clearing & settlement include payables due to ATM providers, card schemes and acquirers. In the euro clearing business, where SIX acts as a correspondent bank through its subsidiary SECB, payables from clearing & settlement mainly relate to deposits received by participants of the euro clearing system. The funds received from the participants are held at Deutsche Bundesbank or invested in bonds, see note 17.

17. Financial Assets and Liabilities (Current and Non-current)

CHF million	31/12/2022	31/12/2021
Current and non-current financial assets		
Bonds at amortized cost	1,783.6	1,976.4
Bonds at FVtOCI	200.8	212.5
Other debt instruments	111.5	106.6
Equity instruments at FVtPL	43.4	34.9
Units in investment funds at FVtPL	2.3	2.0
Financial instruments from settlement business	11.8	14.7
Derivative financial assets	694.8	1,286.0
Total	**2,848.2**	**3,633.2**
of which current	*1,314.9*	*1,594.6*
of which non-current	*1,533.3*	*2,038.6*
Current and non-current financial liabilities		
Lease liabilities	151.1	165.8
Borrowings	1,273.5	1,273.9
Derivative financial liabilities	697.4	1,285.0
Other financial liabilities	96.9	112.2
Total	**2,218.8**	**2,836.8**
of which current	*723.9*	*1,307.9*
of which non-current	*1,494.9*	*1,528.9*
Carrying amount of financial assets not derecognized		
Securities lending agreements	–	61.7

Bonds at amortized cost

In 2022, bonds at amortized cost decreased by CHF 192.8 million. This decrease mainly resulted from adverse foreign currency effects of CHF 100.6 million (2021: CHF 86.3 million), which largely resulted from translating the assets of foreign operations and were accordingly recognized on Group level in other comprehensive income, net disposals of CHF 81.6 million (2021: net investments of CHF 6.5 million), and amortization of premiums paid of CHF 5.2 million (2021: CHF 7.1 million).

Bonds at FVtOCI

Bonds at FVtOCI include a portfolio of government bonds which is held to fulfill the interoperability collateral requirements of SIX x-clear Ltd against other central counterparties. The objective of the business model is achieved both by collecting contractual cash flows and by selling bonds. In 2022, bonds at FVtOCI decreased by CHF 11.7 million due to fair value changes.

Other debt instruments

Other debt instruments include loans, fixed deposits and funds received for sanctioned persons. In 2022, other debt instruments increased mainly due to amounts granted to fintech companies.

Equity instruments at FVtPL

Equity instruments at FVtPL comprise listed and unlisted shares held by SIX. The increase in 2022 and 2021 mainly resulted from investments in unlisted fintech companies.

Financial instruments from settlement business

These financial instruments represent listed financial instruments that SIX acquires in its role as a CCP. Usually, this occurs when the securities of a trade are only partially delivered on the intended settlement date. In such cases, the delivered securities are acquired by SIX. Upon delivery of the remaining securities, the trade is completely settled and the securities are derecognized.

Derivatives (positive and negative replacement values)

Besides derivatives from clearing and settlement, derivatives include foreign currency forwards and swaps for the purpose of hedging foreign exchange effects, with no application of hedge accounting.

	31/12/2022		31/12/2021	
CHF million	Positive replacement values	Negative replacement values	Positive replacement values	Negative replacement values
Trading derivatives				
Foreign currency forwards and swaps	0.9	0.3	0.5	0.5
Derivatives from clearing & settlement	693.9	697.1	1,285.4	1,284.5
Equities and fixed income forwards	*242.4*	*245.6*	*111.2*	*110.3*
Options	*98.4*	*98.4*	*526.1*	*526.1*
Energy derivatives	*353.0*	*353.0*	*648.1*	*648.1*
Total trading derivatives	**694.8**	**697.4**	**1,286.0**	**1,285.0**
Total derivative financial instruments	**694.8**	**697.4**	**1,286.0**	**1,285.0**

The positive replacement values represent the amount that SIX would receive if the derivative contracts were settled in full on the reporting date. The negative replacement values, on the other hand, represent the amount that SIX would need to pay if the derivative instruments were settled in full on the reporting date.

Lease liabilities

In 2022, the lease liabilities decreased mainly due to the amortization of CHF 18.9 million (2021: CHF 15.3 million). The net increase in lease liabilities arising from index adjustments and changes in the lease terms totaled CHF 5.6 million (2021: CHF 8.9 million).

Borrowings

Borrowings include bonds issued by SIX and loans. Further details of movements in borrowings are provided below under "Changes in liabilities from financing activities". The key terms of the bonds were as follows:

CHF million						Carrying amount	
Instruments	Issuer	Year of issuance	Nominal value in million	Maturity	Effective interest rate	31/12/2022	31/12/2021
0.0% bond[1] ISIN ES0305523005	SIX Finance (Luxembourg) SA	2020	EUR 650.0	02/12/2025	0.04%	638.6	671.4
0.125% dual part bond Part A: ISIN CH1142754337 Part B: ISIN CH1142754345	SIX Group Ltd	2021	CHF 150.0	27/11/2026	0.21%	149.5	149.3
0.2% bond ISIN CH1132966347	SIX Group Ltd	2021	CHF 450.0	28/09/2029	0.21%	449.8	449.8
Total						**1,237.9**	**1,270.6**

[1] This bond has been designated as a hedging instruments for a net investment hedge to hedge the foreign currency exposure. For further details on hedge accounting, see note 25.

Other financial liabilities

Other financial liabilities include, in particular, liabilities due to non-controlling interests and liabilities to pass on the funds received for sanctioned persons (see "Other debt instruments" above). The NCI liabilities result from the acquisitions of 12H Limited, Ultumus and Orenda in the previous years. As at 31 December 2022, the NCI liabilities totaled CHF 2.7 million (31 December 2021: CHF 11.7 million). The decrease mainly resulted from a payment to the minority shareholders of 12H Limited and a remeasurement of the NCI liability of Orenda, which has been recognized in other financial income (see note 9).

Changes in liabilities arising from financing activities

The following table provides a reconciliation of the liabilities arising from financing activities.

				2022
CHF million	Lease liabilities	Borrowings	Other	Total
Carrying amount at 1 January	**165.8**	**1,273.9**	**0.5**	**1,440.2**
Cash paid	–18.9	–20.2	–	–39.1
Changes in scope of consolidation	0.5	–1.2	–	–0.8
Changes through P&L	–	7.2	–0.5	6.7
Other non-cash	5.6	46.9	–	52.5
Translation adjustments	–1.9	–33.1	–0.0	–35.0
Carrying amount at 31 December	**151.1**	**1,273.5**	–	**1,424.5**
of which current	*12.9*	*13.6*	–	*26.5*
of which non-current	*138.1*	*1,259.9*	–	*1,398.0*

				2021
CHF million	Lease liabilities	Borrowings	Other	Total
Carrying amount at 1 January	**173.7**	**1,017.8**	**–**	**1,191.5**
Cash received	–	644.6	–	644.6
Cash paid	–15.3	–363.3	–	–378.6
Additions due to changes in scope of consolidation	–	0.8	0.5	1.3
Changes through P&L	–	7.0	–	7.0
Other non-cash	8.9	–0.9	–	8.0
Translation adjustments	–1.5	–32.1	–0.0	–33.6
Carrying amount at 31 December	**165.8**	**1,273.9**	**0.5**	**1,440.2**
of which current	*16.8*	*2.0*	*–*	*18.8*
of which non-current	*148.9*	*1,271.9*	*0.5*	*1,421.4*

18. Other Assets (Current and Non-current)

CHF million	Notes	31/12/2022	31/12/2021
Accrued revenues and prepaid expenses		47.1	32.8
Accrued interest		11.9	11.3
Receivables from other taxes		12.1	12.2
Other short-term assets		3.0	0.0
Total other current assets		**74.2**	**56.4**
Services to be received		25.3	–
Assets from pension fund benefits	33	13.6	134.0
Costs to obtain a contract		7.6	6.7
Other long-term assets		20.3	13.9
Total other non-current assets		**66.8**	**154.5**

Receivables from other taxes primarily relate to receivables from value added taxes and withholding taxes.

Other long-term assets primarily include prepaid expenses.

Services to be received include maintenance services for a period of up to five years which are financed through loans.

19. Property, Plant and Equipment

		2022				
CHF million	Notes	Land, buildings and leasehold improvements	Technical installations	IT hardware	Other tangible assets	Total
Historical cost at 1 January		**671.7**	**208.4**	**141.8**	**27.2**	**1,049.0**
Additions		4.5	6.3	32.4	2.8	45.9
Disposals		–13.3	–1.2	–38.2	–0.8	–53.6
Business combinations	29	0.4	–	0.1	–0.1	0.3
Reclassifications		–	–2.5	2.5	–0.0	–
Translation adjustments		–5.6	–0.4	–2.1	–0.2	–8.3
Historical cost at 31 December		**657.7**	**210.5**	**136.4**	**28.8**	**1,033.4**
Accumulated depreciation at 1 January		**–356.9**	**–157.1**	**–106.2**	**–18.9**	**–639.1**
Annual depreciation on assets owned		–6.2	–7.3	–17.8	–2.9	–34.2
Annual depreciation on right-of-use assets		–15.4	–	–1.2	–0.2	–16.9
Disposals		11.3	1.2	35.0	0.8	48.3
Disposals due to changes in scope of consolidation		–	–	0.0	0.1	0.1
Reclassifications		–	0.5	–0.5	0.0	–
Translation adjustments		2.6	0.1	1.5	0.1	4.3
Accumulated depreciation at 31 December		**–364.6**	**–162.6**	**–89.3**	**–21.0**	**–637.5**
Net carrying amount at 31 December		**293.1**	**47.9**	**47.1**	**7.8**	**395.9**
of which assets owned, used by SIX		*127.9*	*36.1*	*41.3*	*7.1*	*212.5*
of which assets owned, subject to an operating lease		*30.8*	*11.7*	*0.0*	*0.3*	*42.8*
of which right-of-use assets		*134.5*	*–*	*5.7*	*0.4*	*140.6*

CHF million	Notes	Land, buildings and leasehold improvements	Technical installations	IT hardware	Other tangible assets	2021 Total
Historical cost at 1 January		**679.3**	**215.5**	**134.4**	**33.2**	**1,062.4**
Additions		8.9	4.7	20.8	2.3	36.7
Disposals		–12.3	–11.3	–12.0	–8.3	–43.9
Business combinations	29	–	–	0.0	0.1	0.2
Translation adjustments		–4.1	–0.5	–1.6	–0.1	–6.3
Historical cost at 31 December		**671.7**	**208.4**	**141.8**	**27.2**	**1,049.0**
Adjusted accumulated depreciation at 1 January		**–342.6**	**–159.8**	**–98.0**	**–23.2**	**–623.6**
Annual depreciation on assets owned		–7.1	–8.0	–18.4	–3.6	–37.2
Annual depreciation on right-of-use assets		–17.0	–	–0.8	–0.2	–18.0
Impairments, net		–0.4	–0.6	–	–	–1.1
Disposals		8.8	11.2	10.0	8.1	38.0
Translation adjustments		1.4	0.1	1.1	0.1	2.7
Accumulated depreciation at 31 December		**–356.9**	**–157.1**	**–106.2**	**–18.9**	**–639.1**
Net carrying amount at 31 December		**314.8**	**51.3**	**35.6**	**8.3**	**409.9**
of which assets owned, used by SIX		*135.5*	*38.2*	*30.5*	*7.9*	*212.1*
of which assets owned, subject to an operating lease		*31.9*	*13.0*	*0.1*	*–*	*45.0*
of which right-of-use assets		*147.4*	*–*	*5.0*	*0.4*	*152.8*

Additions

During 2022, SIX acquired items of property, plant and equipment at a cost of CHF 45.9 million (2021: CHF 36.7 million). Investments in property, plant and equipment primarily relate to buildings under lease, and midrange and mainframe servers. The total of property, plant and equipment under construction as at 31 December 2022 was CHF 1.3 million (31 December 2021: CHF 0.6 million). The additions in right-of-use assets totaled CHF 6.7 million in 2022 (2021: CHF 13.4 million). For further details of the leases, see note 32. Additions of IT hardware include non-cash additions of CHF 6.3 million (2021: none).

20. Intangible Assets and Goodwill

Reconciliation of carrying amount

								2022
		Indefinite useful life			Finite useful life			
CHF million	Notes	Goodwill	Trademarks, licenses & others	Customer relation-ships	Acquired software	Internally generated software	Other intangible assets	Total
Historical cost at 1 January		**1,654.0**	**293.0**	**583.4**	**106.6**	**940.9**	**17.4**	**3,595.3**
Additions		–	0.1	–	13.2	35.2	–	48.5
Disposals		–	–	–	–9.6	–24.8	–	–34.4
Business combinations	29	41.3	2.7	76.0	–	12.4	–	132.3
Disposals due to changes in scope of consolidation		–	–	–	–0.6	–	–0.1	–0.7
Reclassifications		–	–	–	–0.1	0.1	–	–
Translation adjustments		–79.9	–14.6	–32.3	–0.5	–15.0	–0.1	–142.4
Historical cost at 31 December		**1,615.4**	**281.2**	**627.0**	**109.0**	**948.8**	**17.2**	**3,598.7**
Accumulated amortization at 1 January		**–7.2**	**–**	**–61.6**	**–88.6**	**–587.4**	**–11.8**	**–756.7**
Annual amortization		–	–	–41.4	–8.9	–70.1	–1.0	–121.4
Impairments, net		–1.4	–0.1	–	–0.3	–3.3	–	–5.0
Disposals		–	–	–	6.1	24.6	–	30.7
Disposals due to changes in scope of consolidation		–	–	–	0.6	–	0.1	0.7
Reclassifications		–	–	–	1.2	–1.2	–	–
Translation adjustments		–	–	3.9	0.5	4.7	0.1	9.3
Accumulated amortization at 31 December		**–8.6**	**–0.1**	**–99.1**	**–89.4**	**–632.7**	**–12.7**	**–842.5**
Net carrying amount at 31 December		**1,606.8**	**281.2**	**527.9**	**19.7**	**316.1**	**4.5**	**2,756.2**

								2021
		Indefinite useful life		Finite useful life				
CHF million	Notes	Goodwill	Trademarks, licenses & others	Customer relation-ships	Acquired software	Internally generated software	Other intangible assets	Total
Historical cost at 1 January		**1,723.6**	**307.0**	**611.3**	**101.9**	**906.1**	**17.1**	**3,667.0**
Additions		–	–	–	8.7	49.8	0.4	58.9
Disposals		–	–	–	–3.5	–5.4	–	–8.8
Business combinations	29	6.8	–	–	–	4.1	–	10.9
Translation adjustments		–76.4	–14.0	–27.9	–0.5	–13.7	–0.1	–132.7
Historical cost at 31 December		**1,654.0**	**293.0**	**583.4**	**106.6**	**940.9**	**17.4**	**3,595.3**
Accumulated amortization at 1 January		**–7.2**	**–**	**–22.9**	**–81.0**	**–529.8**	**–11.2**	**–652.1**
Annual amortization		–	–	–41.6	–9.5	–65.3	–0.5	–116.9
Impairments, net		–	–	–	–0.1	–0.1	–0.2	–0.4
Disposals		–	–	–	1.5	4.3	–	5.8
Translation adjustments		–	–	2.8	0.5	3.5	0.0	6.9
Accumulated amortization at 31 December		**–7.2**	**–**	**–61.6**	**–88.6**	**–587.4**	**–11.8**	**–756.7**
Net carrying amount at 31 December		**1,646.8**	**293.0**	**521.8**	**18.0**	**353.5**	**5.5**	**2,838.6**

Software and other intangible assets

Additions

Expenses for development projects are capitalized when they meet the recognition criteria. Intangible assets under construction as at 31 December 2022 amounted to CHF 28.8 million (31 December 2021: CHF 43.4 million). Additions of acquired software include non-cash additions of CHF 3.3 million (2021: none).

Goodwill and other intangible assets with indefinite useful life

Besides goodwill, SIX owns trademarks and licenses which have an indefinite useful life. The trademarks and licenses assets were recognized upon the acquisition of BME and REGIS-TR. The licenses are needed to maintain the trading and post-trading business of BME as well as the trade repository business of REGIS-TR.

Reallocation of goodwill and other intangible assets with indefinite useful life

As of 1 January 2022, the Open Finance business in Spain was transferred from the Financial Information business unit to that of Securities Services. The re-organization triggered a reallocation of goodwill and other intangible assets with indefinite useful life from the Financial Information CGU (Spain) to the Securities Services CGU (Spain). The transferred carrying amount of goodwill and other intangible assets amounted to CHF 19.2 million and CHF 1.8 million, respectively. An impairment test was conducted before and after reallocation. No impairment had to be recognized.

The following table provides a breakdown of goodwill and other intangible assets with indefinite useful life per cash generating unit.

CHF million	31/12/2022	31/12/2021
Exchanges (Spain)	960.2	1,010.0
Securities Services (Spain)[1]	531.9	540.3
Financial Information (Spain)[1]	2.2	21.5
12H Ltd	16.6	17.5
Financial Information (Ultumus Limited)	50.0	49.5
REGIS-TR	39.3	–
Others	6.6	8.0
Goodwill, net	**1,606.8**	**1,646.8**
Exchanges (Spain)	182.8	192.3
Securities Services (Spain)[1]	95.5	98.6
Financial Information (Spain)[1]	0.2	2.1
REGIS-TR	2.5	–
Others	0.1	–
Intangible assets with indefinite useful life	**281.2**	**293.0**

[1] Goodwill and intangible assets with indefinite useful life have been reallocated due to organizational changes (see above).

Impairment test for CGUs containing goodwill or other intangible assets with indefinite useful life

The goodwill items and other intangible assets with indefinite useful life are subject to an annual impairment test conducted in the fourth quarter of each year. If events or a change of circumstances indicate a possible impairment, the test is carried out more frequently to determine whether the carrying amount of the relevant organizational unit exceeds its recoverable amount.

For the purpose of impairment testing, goodwill and other intangible assets with indefinite useful life have been allocated to the following CGUs. The table includes only material CGUs:

Cash-generating unit	Carrying amount	Projection period	Perpetual growth rate	Discount rate	Method
Exchanges (Spain)	1,487.5	3 years	1.5%	7.2%	Value in use
Securities Services (Spain)	745.7	3 years	1.5%	7.1%	Value in use
Financial Information (Spain)	5.4	3 years	1.5%	9.7%	Value in use
12H Ltd	25.3	3 years	0.4%	7.4%	Value in use
Financial Information (Ultumus Limited)	188.5	3 years	0.4%	8.2%	Value in use
REGIS-TR	124.2	3 years	1.0%	6.6%	Value in use
Total	**2,577.1**				

CHF million					31/12/2021
Cash-generating unit	Carrying amount	Projection period	Perpetual growth rate	Discount rate	Method
Exchanges (Spain)	1,562.7	3 years	1.5%	6.7%	Value in use
Securities Services (Spain)	829.0	3 years	1.5%	6.4%	Value in use
Financial Information (Spain)	39.7	3 years	1.5%	9.1%	Value in use
12H Ltd	31.8	3 years	0.0%	7.6%	Value in use
Financial Information (Ultumus Limited)	107.9	3 years	1.5%	8.0%	Value in use
Total	**2,571.2**				

The recoverable amounts for the CGUs have been determined based on a value in use calculation using the discounted cash flow method (DCF). These calculations use post-tax cash flow projections based on financial projections approved by the BoD. Based on the 2022 impairment test, none of the material CGUs are impaired.

Key assumptions

The calculation of value in use is most sensitive to the following assumptions:

Cash flows within the projection period

The free cash flows of the first year of the plan are based on the budgets of the CGUs. For the second and third years of the plan, the free cash flows are calculated using growth rates from the mid-term financial plan of the respective business unit to which the CGU belongs.

Perpetual growth rate

Cash flows beyond the financial plan period are extrapolated using a perpetual growth rate which does not exceed the long-term average growth rate for the businesses in which the CGUs operate.

Discount rate

The discount rate calculation is based on the specific circumstances of SIX and its operating segments. It is derived from the capital asset pricing model and considers the risk-free interest rate based on long-term government bond yields and market risk premiums. Since 2022, an average for the risk-free rate has been applied in order to address short-term fluctuations in the interest rate markets. The discount rate used also takes into consideration the specific risks relating to the cash-generating unit. Beta and equity/debt ratio are derived from peer groups.

Key assumptions used to determine the recoverable amounts of each CGU are tested for sensitivity by applying a reasonably possible change to those assumptions. Undiscounted free cash flows available to shareholders were changed by 10%, the discount rate by 1%, and the perpetual growth rate by 1%. Management believes that no reasonably possible change in any of the above key assumptions would cause the carrying amount of any cash-generating unit to exceed its recoverable amount except for the CGU Exchanges (Spain).

At 31 December 2022, the recoverable amount of Exchanges (Spain) exceeded its carrying amount by CHF 303.0 million. If the discount rate for Exchanges (Spain) is increased by 0.7% or the perpetual growth rate is decreased by 0.8%, the CGU's recoverable amount will be equal to its carrying amount.

21. Capital Management

SIX capital management ensures adequate equity to maintain shareholder and market confidence, as well as sufficient capital to drive the future development of the business, while complying with regulatory capital requirements for the relevant group entities.

In June 2022, Standard & Poor's Global Ratings (S&P) affirmed the issuer credit ratings of SIX Group Ltd (A/A-1) and its operating companies, SIX x-clear Ltd and SIX SIS Ltd (A+/A-1). The outlooks are stable.

SIX considers both equity and debt as relevant components of funding. SIX uses the equity ratio and net debt to adjusted EBITDA ratio to monitor capital and leverage, and the return on equity to monitor the financial performance. These ratios are reported to the Executive Board and the Board of Directors on a regular basis through the internal financial reporting.

The ratios are shown in the following table:

CHF million	2022	2021
Return on equity		
Group net profit for the year	185.0	73.5
Total equity (average previous 12 months)	5,092.0	5,343.4
Return on equity	**3.6%**	**1.4%**
Equity ratio		
Total liabilities (average previous 12 months)	14,532.8	13,948.4
– Payables from clearing & settlement (average previous 12 months)	10,823.6	10,425.6
– Negative replacement values from clearing & settlement (average previous 12 months)	1,440.8	1,401.4
Total adjusted liabilities (average previous 12 months)	**2,268.4**	**2,121.4**
Total equity (average previous 12 months)	**5,092.0**	**5,343.4**
Equity ratio	**69.2%**	**71.6%**
Net debt to adjusted EBITDA		
Lease liabilities	151.1	165.8
Borrowings	1,273.5	1,273.9
Other debt	9.4	16.6
Total debt	**1,433.9**	**1,456.3**
Free unencumbered cash	–736.0	–789.4
Net debt	**697.9**	**666.9**
EBITDA	397.7	421.7
Adjustments	1.6	2.2
Adjusted EBITDA	**399.3**	**423.9**
Net debt to adjusted EBITDA	**1.75**	**1.57**

For the calculation of the net debt to adjusted EBITDA ratio, SIX follows the methodology applied by S&P Global Ratings. Other debt includes the defined benefit pension obligations net of tax. Free unencumbered cash comprises unpledged cash net of bank overdrafts, cash equivalents and securities, minus net payables from clearing and settlement, operating cash reserves and cash restricted due to regulatory requirements, respectively. The EBITDA adjustments include in particular dividend income from equity investments. SIX remains committed to deleveraging over the medium term.

The dividend policy of SIX takes into account the local requirements of each subsidiary to make dividend payments. On 2 May 2022, the Annual General Meeting approved the distribution of a dividend of CHF 4.75 (2021: CHF 4.30) per registered share. The total amount distributed to holders of outstanding shares was CHF 89.8 million (2021: CHF 81.3 million). The dividend was recorded against retained earnings as in the previous year.

For the year ending 31 December 2022, the Board of Directors has proposed an ordinary dividend of CHF 5.10, corresponding to a total of CHF 96.5 million for 2022. No dividend will be paid on treasury shares held directly by SIX Group Ltd. There are no tax consequences. The dividend proposal will be submitted for approval by the Annual General Meeting to be held in the second quarter of 2023.

Regulatory capital requirements

The Group is not subject to regulatory capital requirements. However, regulatory capital adequacy requirements apply to the following entities of the Group: SIX SIS Ltd, SIX x-clear Ltd, SIX Digital Exchange Ltd, BME Clearing SAU, Iberclear, SECB, REGIS-TR SA and REGIS-TR UK Ltd. The regulatory capital requirements are monitored by the management of the respective group entities.

	Minimum requirement	31/12/2022	31/12/2021
Capital fulfilment ratio			
SIX SIS Ltd	110.0%	164.2%	154.8%
SIX x-clear Ltd	110.0%	169.2%	187.3%
SIX Digital Exchange Ltd	110.0%	154.1%	166.2%
BME Clearing SAU	110.0%	314.9%	337.0%
Iberclear	110.0%	593.0%	558.1%
Basel III capital ratio			
SECB Swiss Euro Clearing Bank GmbH	13.3%	56.6%	36.8%

The CSDs SIX SIS Ltd, SIX Digital Exchange Ltd and the CCP SIX x-clear Ltd are obliged to fulfill requirements arising from the Financial Market Infrastructure Act and Ordinance (FMIA/FMIO). Eligible capital must be available to support business activities, in accordance with both the internal assessment of the Company and the requirements of the regulators, in particular those of the lead regulators, FINMA and the SNB. These capital requirements contain all elements of the Basel III framework pertaining to credit, non-counterparty, market and operational risks, as well as additional FMI-specific capital requirements for recovery capital, wind-down, intraday credit risks and potential defaults of participants. To calculate the capital requirements for credit risks, market risks and operational risks, FMIs may choose from a number of different approaches under Basel III. SIX SIS Ltd, SIX x-clear Ltd and SIX Digital Exchange Ltd use the international Basel III standard approach (SA-BIZ) for credit risks, the standard approach for market risks and the basic indicator approach for operational risks.

BME is supervised by the National Securities Market Commission (CNMV) and Banco de España. The capital requirements of BME are based on Spanish law and European Parliament Regulations related to trading,

CSD and CCP business. The EU regulations for CSDs and CCPs require that the capital covers the risks stemming from the activities of the CSD/CCP and shall be at all times sufficient to ensure adequate protection against credit, counterparty, market, operational, legal, custody, investment and business risks so that the CSD/CCP can continue to provide its services and, if required, ensure an orderly winding-down or restructuring.

SECB has a banking license and is regulated by the Federal Financial Supervisory Authority (BaFin). The bank is obliged to fulfil the capital requirements according to the European Union Capital Requirements Regulation (CRR). To calculate the capital requirements, SECB uses the standard approach according to CRR for credit risk and the basic indicator approach for operational risk.

REGIS-TR SA is supervised by the European Markets and Securities Authority (ESMA) and REGIS-TR UK Ltd is supervised by the Financial Conduct Authority (FCA). In accordance with article 21 (b) of the EU delegated regulation 150/2013, REGIS-TR SA has to maintain an amount of liquid net assets funded by equity sufficient to cover potential general business losses in order to continue providing services as a going concern, and an assessment of the sufficiency of its financial resources to cover operational costs in a wind-down or reorganization of critical operations and services over at least a six month period with respect to its continuance as a trade repository company within the EU. The regulatory requirement has been fully adopted by the FCA and therefore also applies to REGIS-TR UK Ltd. At 31 December 2022, the regulatory own fund requirements for REGIS-TR amounted to CHF 9.8 million. The coverage ratio of own funds was 186.9%.

22. Capital and Reserves

Share capital

Number of shares	31/12/2022	31/12/2021
Shares issued	19,521,905	19,521,905
Treasury shares	–607,864	–607,864
Shares outstanding	**18,914,041**	**18,914,041**

As at 31 December 2022, the total number of shares issued remained unchanged from the prior year at 19,521,905 and corresponds to the number of authorized shares. All shares issued have a par value of CHF 1.00 and are fully paid up.

The shares rank equally with regard to the company's residual assets.

The holders of the shares are entitled to one vote per share at the shareholders' meeting of SIX Group Ltd. The proposed dividend per share for financial year 2022 is disclosed in note 21.

Other reserves

CHF million	2022 Treasury shares	2022 Translation reserves	2022 Total other reserves	2021 Treasury shares	2021 Translation reserves	2021 Total other reserves
Balance at 1 January	**–23.3**	**–227.7**	**–251.0**	**–23.3**	**–38.9**	**–62.2**
Translation adjustment of foreign operations	–	–144.9	–144.9	–	–139.9	–139.9
Translation adjustment of associates and joint ventures	–	–76.3	–76.3	–	–73.1	–73.1
Translation adjustment reclassified to income statement	–	0.9	0.9	–	0.1	0.1
Gains/(losses) on net investment hedges	–	33.2	33.2	–	32.5	32.5
Income taxes on gains/(losses) on net investment hedges	–	–8.5	–8.5	–	–8.3	–8.3
Less: translation adjustment of non-controlling interests	–	0.3	0.3	–	–0.1	–0.1
Balance at 31 December	**–23.3**	**–422.9**	**–446.3**	**–23.3**	**–227.7**	**–251.0**

Treasury shares

The reserve for own shares comprises the cost of the shares held by SIX. At 31 December 2022, SIX held 607,864 shares directly or indirectly via its subsidiaries. There was no change in the number of treasury shares compared with 31 December 2021.

Translation reserve

Reserves arising from foreign currency translation adjustments comprise the differences arising from the foreign currency translation of the financial statements of subsidiaries and associated companies from their respective functional currencies into Swiss francs.

Retained earnings

The total amount of dividends distributed to holders of outstanding shares was CHF 89.8 million (2021: CHF 81.3 million), which has been recorded against retained earnings as in the prior year.

23. Provisions (Current and Non-current)

Provisions are classified as follows:

CHF million	Notes	Provisions for legal claims	Provisions for restruc-turing	Provisions for asset retirement obligations	Other provisions	2022 Total	2021 Total
Carrying amount at 1 January		**3.6**	**0.2**	**4.4**	**6.4**	**14.6**	**20.6**
Increase in provisions		–	–	0.0	0.7	0.7	0.4
Business combinations		0.4	–	–	–	0.4	–
Financial cost related to the unwinding of discount rates		–	–	0.0	–	0.0	–
Dissolution		–	–	–1.3	–	–1.3	–0.5
Usage		–0.4	–0.2	–	–0.2	–0.8	–5.7
Translation adjustments		–0.0	–0.0	–0.0	–0.1	–0.2	–0.2
Carrying amount at 31 December		**3.6**	**–**	**3.0**	**6.8**	**13.4**	**14.6**
of which current		–	–	*0.2*	*0.7*	*0.9*	*0.2*
of which non-current		*3.6*	–	*2.8*	*6.1*	*12.4*	*14.4*

Provisions for legal claims

SIX is involved in legal and judicial proceedings and claims arising from the ordinary business activities. Provisions and contingencies in connection with these matters are periodically assessed based on the latest information available, usually with the assistance of lawyers and other specialists.

Provisions for asset retirement obligations

The provisions for asset retirement obligations mainly relate to cost estimates for the decommissioning of premises in Switzerland, France and the UK.

Other provisions

Other provisions mainly concern risks relating to the financial information and business activities in Spain.

24. Other Liabilities (Current and Non-current)

CHF million	Notes	31/12/2022	31/12/2021
Accruals for staff-related costs		92.1	91.0
Accrued expenses		51.0	47.1
Liabilities from other taxes		30.6	31.4
Other short-term liabilities		10.0	15.1
Total other current liabilities		**183.7**	**184.7**
Pension fund liabilities	33	12.5	21.1
Other employee benefit liabilities		21.6	22.6
Total other non-current liabilities		**34.1**	**43.7**

Accruals for staff-related expenses are for vacation leave, overtime, jubilees and bonuses. The long-term portion of liabilities for jubilees and bonuses is included in other employee benefit liabilities. The methods used to measure pension fund liabilities are explained in note 33.

Financial Instruments

25. Financial Risk Management

Risk governance

The Board of Directors (BoD) of SIX Group Ltd bears the ultimate responsibility for the supervision of the overall risk situation, approves the overall risk policy and decides on risk appetite limits.

The Risk Committee of the BoD acts as a representative of the BoD and approves risk governance, organization and methodologies, as well as reviews their implementation, adequacy and effectiveness.

The BoD has also delegated responsibility for accounting, financial reporting and internal control systems to the Audit Committee. External and internal auditors report to the Audit Committee of the BoD. Internal auditors are responsible for monitoring risk management and control, in particular, the risks related to business processes.

The Executive Board of SIX Group Ltd (ExB) has the ultimate operational decision-making authority concerning risk matters. As a member of the ExB, the Chief Risk Officer is responsible for the independent oversight of the overall risk situation. He has managerial responsibility for the "second line of defense" functions, i.e. Risk Management, Security and Compliance.

A "three lines of defense" governance model forms the basis of the risk governance framework. Each line has its specific role and responsibilities. Close collaboration between all lines ensures the identification, assessment and mitigation of risks.

Senior executives form the "first line of defense" and are accountable for managing the specific risks faced by business management. They maintain effective processes and manage their risks with care, including comprehensive controls and documented procedures.

Within the "second line of defense", risk control measures are defined by the Head Risk Management and dedicated Risk Management Teams. The Head Risk Management reports to the Chief Risk Officer and is not part of the line management structure of business units.

Independent assurance providers, such as Internal and External Audit, form the "third line of defense", which supervises the overall risk situation, internal controls and risk management. They monitor risk management and controlling to evaluate their effectiveness, including an assessment of how the first and second lines of defense meet their risk objectives.

Legal and Compliance functions within SIX are responsible for implementing the instructions and requirements issued by the legislator, the supervisor and other relevant institutions. They ensure that the business management of SIX complies with the requirements and meets the current rules, regulations and obligations of a financial intermediary.

Financial Market Infrastructures (FMIs) are supervised by the FINMA, the SNB, the National Securities Market Commission of Spain (CNMV) and Banco de España. FMIs which act as central counterparties (CCP) or central securities depositories (CSD) within the Securities Services business unit need to comply with increased capital requirements. At SIX SIS Ltd, SIX x-clear Ltd, BME Clearing SAU and Iberclear, counterparty limits, margin requirements and risk model parameterization are managed by the risk management organization. These FMIs have dedicated Chief Risk Officers (CRO) who are also members of the respective Management Committees and are responsible for independent oversight of the FMIs' risk situation.

SECB is supervised by the German Federal Financial Supervisory Authority (BaFin) and pursues a financial risk policy in line with local requirements. The main counterparty as well as market and interest rate risks arise from the part of the EUR cash balances invested in a portfolio of high-quality, repo-eligible bonds .

SIX Digital Exchange Ltd is supervised by FINMA and operates a central securities depository for digital assets.

REGIS-TR SA is supervised by the ESMA and REGIS-TR UK Ltd is supervised by the FCA. The entities act as trade repositories in the EU and in UK for various regulations.

The capital requirements of these entities are described in note 21.

Credit risk

General

Counterparty credit risk is defined as the risk of a loss caused by a counterparty not fulfilling its contractual obligations or commitments. Given the nature of its core business activities, SIX monitors the counterparty default risk for all its major risk-related activities, in particular for the following financial positions:

- cash at banks and short-term deposits
- trade and other receivables
- receivables from clearing & settlement
- derivatives
- bonds
- other debt instruments

Within the post-trading area of the Securities Services business unit, credit exposures mainly relate to short-term interim financing undertaken for the purpose of settling securities transactions. With the exception of the Swiss National Bank and SIX affiliates, all short-term financing for settlement purposes is fully covered by collateral in the form of cash and repo-eligible securities. For further details, see also the section on collateral management below.

At the traditional trading venues such as SIX Swiss Exchange and Bolsas y Mercados Españoles, trading and settlement are separate transactions. For example, settlement in equities and fixed income markets usually takes place two days after the trading. Between trading and settlement, SIX has to manage counterparty risks. The exposure related to open clearing & settlement transactions is reflected in the derivatives from the clearing & settlement business. As SIX acts as a CCP, positive replacement values generally equal negative replacement values. At SDX, settlement is an integral part of the trading process. The trading venue verifies that participants have sufficient assets or funds available for the planned transaction before confirming it. As a result, no counterparty risk needs to be managed after the trade is completed and there are no financial risks stemming from clearing & settlement.

In the Securities Services business unit, credit risk management is executed via limits granted to the customers by the relevant bodies within SIX, in accordance with the competency rules. Each participant with a credit limit is subject to an initial credit risk assessment and rating assignment, as well as a periodic review. No credit limits are granted without a prior risk assessment and rating assignment. Credit limits are continuously monitored to ensure that the risk profile is always in line with the risk appetite and credit risk policy. Based on the amount of risk-equivalent limits and the creditworthiness, each counterparty is assigned to a risk group which defines the depth and frequency of the review. Counterparties in higher risk groups (high "risk-equivalent limits", low credit rating) are reviewed more frequently and monitored more closely than those in lower risk groups.

In businesses other than post-trading, counterparty credit risk arises in particular from investments of operating liquidity of SIX, which primarily takes the form of cash deposits with banks or fixed income investments. As in the post-trading business area, such credit exposures are constrained by investment limits, which vary in size depending on the creditworthiness of the counterparty. Risk Management is responsible for monitoring exposures against investment limits and tracks counterparty risk indicators on a daily basis.

As at 31 December 2022, the bond portfolio of SECB amounted to CHF 1,680.6 million (31 December 2021: CHF 1,886.5 million) and was composed of bonds rated as investment grade with an average remaining term of 2.4 years (31 December 2021: 3.1 years). New portfolio investments are subject to different levels of approval based on the counterparty rating and security type.

In the context of strategic investments, SIX has an investment policy in place that imposes minimum credit ratings for direct and indirect investments in debt instruments. Treasury regularly monitors strict compliance with this policy.

With regard to trade and other receivables, SIX has a large number of debtors, which are internationally dispersed. The credit risks in this respect are considered insignificant. As credit ratings are unavailable for some non-financial customers, their creditworthiness is assessed by either the operating business unit or the local finance departments, taking into account the customer's financial strength, past experience and other factors. Acting as the first line and overseen by the second line of defense, each business unit has primary responsibility for managing and monitoring its credit risks.

Aggregated credit risk exposures are closely monitored against the risk appetite thresholds of SIX and regularly reported to the ExB and the BoD.

The gross carrying amounts of financial assets measured at amortized costs, bonds measured at FVtOCI and the related credit ratings of the counterparties are summarized in the following table. The net carrying amounts (net of loss allowances) represent the maximum exposure to credit risk.

						31/12/2022
CHF million	Investment grade	Non-investment grade	Not rated	Gross carrying amount	Loss allowance	Net carrying amount
Exposure for which loss allowance equals 12-month ECL (Stage 1)						
Cash at bank and short-term deposits [1]	4,319.2	0.3	0.0	4,319.5	–0.0	4,319.5
Receivables from clearing & settlement	3,617.2	13.9	1,306.9 [2]	4,938.1	–0.0	4,938.0
Bonds	1,985.9	–	–	1,985.9	–1.5	1,984.4
Others	95.2	–	4.8	99.9	–	99.9
Total	**10,017.5**	**14.2**	**1,311.7**	**11,343.5**	**–1.6**	**11,341.9**

						31/12/2021
CHF million	Investment grade	Non-investment grade	Not rated	Gross carrying amount	Loss allowance	Net carrying amount
Exposure for which loss allowance equals 12-month ECL (Stage 1)						
Cash at bank and short-term deposits [1]	6,472.3	0.2	0.0	6,472.6	–0.0	6,472.6
Receivables from clearing & settlement	2,307.6	2.7	226.9	2,537.1	–0.0	2,537.1
Bonds	2,190.7	–	–	2,190.7	–1.8	2,188.9
Others	99.5	–	1.9	101.4	–	101.4
Total	**11,070.1**	**2.9**	**228.8**	**11,301.8**	**–1.8**	**11,300.0**

[1] The balances exclude cash on hand.

[2] The increase in unrated receivables from clearing & settlement is mainly due from reverse repurchase agreements with banks for which no rating is available.

The following table shows the gross carrying amounts of trade and other receivables and the related past due status. The net carrying amounts (net of loss allowances) represent the maximum exposure to credit risk.

						31/12/2022
		Lifetime ECL (Stage 2)	Lifetime ECL credit impaired (Stage 3)			
CHF million	Not past due	Within 6 months	From 6 to 12 months	More than 12 months	Receivables with objective evidence of impairment	Total
Trade and other receivables, gross	170.3	27.9	4.5	2.7	0.8	206.2
Loss allowance	–0.0	–0.0	–1.1	–2.3	–0.8	–4.2
Net carrying amount	**170.3**	**27.9**	**3.4**	**0.4**	**–**	**201.9**

						31/12/2021
		Lifetime ECL (Stage 2)	Lifetime ECL credit impaired (Stage 3)			
CHF million	Not past due	Within 6 months	From 6 to 12 months	More than 12 months	Receivables with objective evidence of impairment	Total
Trade and other receivables, gross	165.6	21.5	3.0	2.8	1.3	194.2
Loss allowance	–0.0	–0.0	–0.9	–2.5	–1.3	–4.7
Net carrying amount	**165.5**	**21.5**	**2.1**	**0.4**	**–**	**189.5**

Collateral management

As part of short-term interim financing for the purpose of settling securities transactions, SIX SIS Ltd provides intraday credit lines and securities lending and borrowing services to its counterparties to increase settlement efficiency and reduce settlement failures. Intraday credit and lending services rendered to counterparties are established on a fully collateralized basis, and collateral is provided by SIX SIS Ltd participants in the form of cash or highly liquid repo-eligible securities.

In order to protect SIX x-clear Ltd and BME Clearing SAU, which act as central counterparties, against the risk of default by a clearing member before it has settled its outstanding transactions, clearing members are required under the applicable version of the clearing terms to provide collateral in the form of cash or highly liquid repo-eligible securities under a full-title transfer regime. The margin requirement includes an initial margin for possible future price fluctuations, a variation margin for actual changes in value and certain add-ons that are called in periods of higher market volatility according to the rulebook. In addition, all counterparties are required to contribute to a default fund to cover the potential risk that is not covered by the margin model (confidence level of at least 99%) in the event of a member's default. The margin model is regularly calibrated and back-tested.

The following table shows the collateral received:

CHF million	Notes	31/12/2022	31/12/2021
Cash collateral	16	5,586.9	6,427.1
of which related to securities lending		*13.3*	*50.2*
Fair value of securities received with a right to repledge or sell		5,139.0	3,242.9
of which related to securities lending		*7.6*	*8.3*
of which related to reverse repurchase transactions		*3,813.8*	*1,915.4*
Total fair value of collateral received		**10,725.9**	**9,670.0**

Cash collateral is recognized on the balance sheet, whereas collateral received in the form of securities are off-balance sheet items. Due to the collateral received and the potential to pass on losses to market participants in the CSD business, the Group has not designated expected credit losses on receivables from clearing and settlement of the Securities Services business unit.

Expected credit losses measurement

Significant increase in credit risk

In order to assess a significant increase in credit risk, the Group applies a low credit risk threshold equivalent to the "investment grade" and past due status information. When the credit risk increases significantly, the loss allowance is measured at an amount equal to the lifetime ECL (i.e. stage 2).

Definition of default

SIX considers a financial asset to be in default when a counterparty is unable or likely to be unable to fully meet its financial obligation when due.

In assessing whether a counterparty is in default, the following information is considered:
- qualitative, e.g. the counterparty has been declared in default; and/or
- quantitative, i.e. overdue status

The assessment of whether a financial asset is in default may vary by instrument type. The following reasons give rise to a default event for the respective financial assets:
- Trade and other receivables: A default situation occurs when receivables are more than 180 days past due. The Group performs an analysis showing that 90 days past due is not an appropriate default definition for trade and other receivables and rebuts the 90 days past due presumption. This rebuttal is reviewed on an annual basis.
- Debt instruments: A default situation occurs when (re-)payments of interests and/or notional amounts are not received in full on time.

In management's opinion, the above events best represent the default situations of the respective financial assets. A default event results in a transfer to the credit-impaired financial asset category (i.e. stage 3).

Measuring expected credit losses

The measurement of expected credit losses for financial assets at amortized costs – except for trade and other receivables – is a function of the probability of default (PD), the exposure at default (EAD) and loss given default (LGD):
- The PD represents the likelihood of a counterparty defaulting on its financial obligation either over 12 months or over the remaining lifetime of the obligation. The PDs are generally derived from internally developed statistical models and are updated at least annually. The Group has established global PDs per rating classes which are applied to the exposures based on the counterparty rating (i.e. exposures are grouped by counterparty rating). PDs are based on credit default swaps (CDS) spreads observed in the market. These CDS spreads include the market expectation of default (i.e. forward-looking information). The 12 month PDs are adjusted when the contractual period is less than 12 months (i.e. on-demand deposits have a contractual period of 1 day). If no rating is available for the counterparty, the PD level is assumed to be in the sub-investment grade range.

- EAD is based on the amounts outstanding at the time of default. SIX assumes that the EAD is equal to the gross carrying amount.
- LGD represents the expectation of SIX regarding the extend of loss on a defaulted exposure. LGD considers the availability of collaterals received and the potential to pass on losses to market participants in the CSD business.

The expected credit losses for trade and other receivables are based on historical loss rate data adjusted for current conditions and future expectation. The loss rate is applied to the gross carrying amount of these assets. Generally, trade and other receivables overdue by more than 180 days are considered to be C-rated, and the corresponding PD is applied to them in order to calculate the impairment amount. Exposures which are more than 360 days past due are generally considered to be D-rated. D-rated assets are fully credit impaired. The policy described above may be adapted by entities for specific conditions on local markets.

The expected credit losses as at 31 December 2022 and 31 December 2021 are presented in the General section above.

Liquidity risk

General

Liquidity risk is the risk that SIX will encounter difficulties in meeting current and future obligations arising from its financial liabilities. Specific to the post-trading business area of SIX, liquidity risk exists mainly as a result of day-to-day operational flows, such as repayments of cash collateral to clearing members and provision of liquidity to facilitate settlement.

Liquidity management is governed by the treasury policy of SIX. Its main purpose is to provide subsidiaries with financial resources at any time so that they are able to meet their payment obligations. The continuous monitoring of liquidity at Group level and the allocation of resources allow Treasury to maintain a sound level of liquidity at all times. The liquidity status is reported on a monthly or quarterly basis to various committees. SIX maintains credit lines with a limited number of financial institutions to cover exceptional liquidity requirements. The total amount of credit lines as at 31 December 2022 was CHF 691.9 million (31 December 2021: CHF 463.1 million). Additionally, SIX SIS Ltd has foreign currency settlement limits in connection with the cross-border business in the amount of CHF 2,987.7 million (31 December 2021: CHF 3,026.0 million). As at 31 December 2022, none of these credit facilities had been utilized (31 December 2021: CHF 0.2 million). Liquidity is managed for various currencies. The main currencies are the Swiss franc, euro and US dollar.

The Group's operational liquidity as at 31 December 2022 was CHF 3,848.6 million (31 December 2021: CHF 6,473.5 million). The operational liquidity is deposited with appropriate investment limits at commercial banks, the Swiss National Bank (SNB) and European central banks. Operational liquidity of the Swiss and various foreign subsidiaries, with the exception of SIX SIS Ltd, SIX x-clear Ltd, the BME entities and SECB, is held and managed centrally at SIX as part of a cash pool. Treasury is responsible for the management of the cash pool. The liquidity in excess of operational liquidity required by the subsidiaries is provided by Treasury to cover any short to medium-term structural liquidity requirements.

Liquidity management is one of the main operating activities of Securities Services. Liquidity risk in the post-trading business area is managed by ensuring that the expected inflows match the expected outflows in the respective currency. On a day-to-day basis, the Collateral and Liquidity Management team is tasked with ensuring that the Group can meet its financing needs at all times, in particular to ensure that the business continues to operate smoothly in the event of default by a clearing member.

SECB reported a bank overdraft of CHF 472.0 million as at 31 December 2022 (31 December 2021: liquidity of CHF 6.9 million). The liquidity risk (also during the day) is observed to the extent that current accounts of customers should generally be held with credit balances. In the event of an unexpected liquidity bottleneck, the securities portfolio held by SECB can be used at any time to obtain liquidity from Deutsche Bundesbank as part of Lombard transactions.

Once a year, the liquidity strategy of the Group is reviewed by the Chief Financial Officer and approved by the Board of Directors. Treasury monitors the implementation and execution of the liquidity strategy.

Maturity analysis for financial liabilities

The following table shows the contractual maturities of the financial liabilities held by SIX at the reporting date and in the previous year.

CHF million	Within 3 months	Between 3 and 12 months	Between 1 and 5 years	More than 5 years	Total contractual cash flows	Carrying amount
						31/12/2022
Liabilities						
Bank overdrafts	472.0	–	–	–	472.0	472.0
Trade and other payables	31.0	0.7	–	–	31.7	31.7
Payables from clearing & settlement	8,837.5	–	–	–	8,837.5	8,837.5
Borrowings	–	13.6	812.1	456.1	1,281.8	1,273.5
Lease liabilities	5.1	11.3	56.4	101.0	173.8	151.1
Other financial liabilities	–	–	2.7	94.3[1]	96.9	96.9
Non-derivative financial liabilities	**9,345.6**	**25.6**	**871.2**	**651.3**	**10,893.7**	**10,862.6**
Derivative financial instruments, net[2]	2.6	–	–	–	2.6	2.6
Derivative financial liabilities	**2.6**	**–**	**–**	**–**	**2.6**	**2.6**
Total financial liabilities	**9,348.2**	**25.6**	**871.2**	**651.3**	**10,896.3**	**10,865.2**

CHF million	Within 3 months	Between 3 and 12 months	Between 1 and 5 years	More than 5 years	Total contractual cash flows	Carrying amount
						31/12/2021
Liabilities						
Bank overdrafts	0.2	–	–	–	0.2	0.2
Trade and other payables	15.0	0.6	–	–	15.7	15.7
Payables from clearing & settlement	9,266.6	–	–	–	9,266.6	9,266.6
Borrowings	–	2.0	823.6	458.2	1,283.8	1,273.9
Lease liabilities	5.3	14.2	62.8	105.5	187.7	165.8
Other financial liabilities	3.1	1.0	9.1	98.9[1]	112.2	112.2
Non-derivative financial liabilities	**9,290.2**	**17.8**	**895.5**	**662.6**	**10,866.2**	**10,834.3**
Total financial liabilities	**9,290.2**	**17.8**	**895.5**	**662.6**	**10,866.2**	**10,834.3**

[1] Includes funds received for sanctioned persons, which cannot be accessed until the sanctions are lifted.

[2] Derivative financial instruments from clearing & settlement business are considered on a net basis. The net amount is only included if it is a liability.

The fair value of the derivative financial instruments best represents the cash flows that would have to be paid if these positions had to be settled or closed.

Market risk

General

Market risk is the risk of losses on financial assets arising from movements in market prices. With regard to SIX, market prices carry three types of risk: foreign currency risk, interest rate risk and equity risk.

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of financial instruments will fluctuate because of changes in foreign exchange rates. The risk arises mainly from revenues, expenses, financial investments and borrowings denominated in foreign currencies. The foreign currency risk affects mainly the group entities in Switzerland. Treasury and SIX SIS Ltd manage the exposure to foreign currency risk by using forwards and swaps.

A significant portion of the Group's earnings are generated from foreign operations, such as the entities of BME. This exposes SIX to a foreign currency risk, as the income statement of foreign operations is translated into CHF on a monthly basis. The BoD of SIX has defined the maximum foreign currency risk appetite SIX is willing to take. The foreign currency exposures are monitored monthly to ensure they do not exceed the defined thresholds.

Further, SIX is exposed to a foreign currency translation risk due to the translation of net assets of foreign operations. Net investments in foreign operations are partially hedged by using non-derivative financial liabilities. The carrying amount of items designated as hedging instruments for net investment hedges were as follows:

CHF million	31/12/2022	31/12/2021
Bonds	638.6	671.4
Borrowings	**638.6**	**671.4**
NCI liabilities	2.7	8.4
Others	–	1.0
Other financial liabilities	**2.7**	**9.4**
Total carrying amount	**641.3**	**680.8**

The net investment hedge using the EUR senior bond as a hedging instrument will be maintained until the bond expires in 2025. For further details on the bond, see note 17.

SIX established a hedge ratio of 100% for all net investment hedges. The investments in the foreign operations and the designated hedging instruments are in the same currency for all hedging relationships. There are no imbalances in the net investment hedges that would create ineffectiveness. To maintain the hedge effectiveness, SIX ensures that the designated liabilities do not exceed the value of the net investment during the term of the hedging relationship. Gains and losses on hedging instruments recognized in OCI were as follows:

CHF million	31/12/2022	31/12/2021
Gains/(losses) on net investment hedges recognized in the current/previous year, net of tax	24.7	24.2
Accumulated gains/(losses) held in the translation reserve, net of tax	41.9	17.3
of which continuing net investment hedges	*49.6*	*25.5*
of which terminated net investment hedges	*–7.7*	*–8.3*

The table below illustrates a hypothetical sensitivity of earnings before tax to changes in foreign exchange rates at year-end due to revaluation of financial instruments and assuming that all other variables remain unchanged. The changes in exchange rates used for 2022 and 2021 are based on historical volatility. Positive figures represent an increase in earnings before tax.

	2022			2021		
Amounts in CHF million	Change in exchange rate[1] +/–	Effect on earnings before tax +	–	Change in exchange rate[1] +/–	Effect on earnings before tax +	–
CHF/EUR	6.3%	–0.1	0.1	3.8%	0.0	–0.0
CHF/USD	9.1%	–0.7	0.7	6.0%	–0.2	0.2
Total		**–0.8**	**0.8**		**–0.1**	**0.1**

[1] A positive change in the exchange rate represents a strengthening of the foreign currency.

Interest rate risk

SIX is exposed to the interest rate risk due to the volatility of market interest rates. The interest rate risk is the risk of market price movements of interest-bearing assets and liabilities due to changes in interest rates.

In the interest margin business, interest rate changes could have a major impact on earnings, especially when there is a mismatch in the maturity of assets and liabilities. The cash received from business partners presented as payables from clearing and settlement is invested in overnight interest-bearing accounts, short-term financial instruments or secured reverse repos with a term to maturity of less than one year, and in current and non-current bonds. It is mainly the non-current portion of the bond portfolio of SECB that carries interest rate risk given the asset and liability maturity mismatch with the deposit side and the fixed interest rate nature of the bond portfolio itself. From the interest earned or negative interest paid, SIX may pay or charge interest less or plus a margin to its business partners for the deposits on their ordinary cash vostro accounts. For simplicity, this interest margin has not been considered in the interest risk sensitivity below.

For the purpose of the sensitivity analysis, non-current investments and liabilities at amortized cost with fixed interest rates have been excluded, since fair value fluctuations, which would reflect a change in market interest rates, are not recognized in the income statement for these instruments. For current investments and liabilities, it is assumed that the contracts must be renewed in the near future. Therefore, the exposures have been considered in the sensitivity analysis. The effect on other comprehensive income related to bonds measured at FVtOCI has been included, as the fair value of these instruments is affected by the fluctuation in interest rates. The table below illustrates a hypothetical sensitivity of earnings before tax and other comprehensive income before tax to a reasonably possible change of a +/–50 basis point parallel shift in yield curves. Positive figures represent an increase in earnings and other comprehensive income before tax.

		2022			
	Change in interest rate	Effect on earnings before tax		Effect on other comprehensive income before tax	
Amounts in CHF million	+/–	+	–	+	–
Cash and cash equivalents	50 bps	21.6	–21.6	–	–
Receivables from clearing & settlement	50 bps	22.8	–22.8	–	–
Financial assets	50 bps	2.5	–2.5	–1.3	1.3
Bank overdrafts	50 bps	–2.4	2.4	–	–
Payables from clearing & settlement	50 bps	–42.3	42.3	–	–
Total		**2.2**	**–2.2**	**–1.3**	**1.3**

		2021			
	Change in interest rate	Effect on earnings before tax		Effect on other comprehensive income before tax	
Amounts in CHF million	+/–	+	–	+	–
Cash and cash equivalents	50 bps	32.4	–32.4	–	–
Receivables from clearing & settlement	50 bps	11.8	–11.8	–	–
Financial assets	50 bps	1.4	–1.4	–2.2	2.3
Bank overdrafts	50 bps	–0.0	0.0	–	–
Payables from clearing & settlement	50 bps	–45.5	45.5	–	–
Total		**0.0**	**–0.0**	**–2.2**	**2.3**

Equity risk

Equity risk is the financial risk associated with the holding of unlisted equity investments. SIX invests in minority shareholdings for strategic and financial reasons. For this purpose, SIX established a corporate investment management framework in addition to the Group's competency rules.

Depending on the size and type of a minority investment, investment decisions are taken by the SIX Fintech Venture Fund Investment Committee (i.e. mainly for unlisted start-up companies), the ExB, the Chairman or the Board of Directors of SIX. The ultimate responsibility for the execution of the corporate investment management framework lies with the CFO of SIX. It includes the involvement of particular specialist functions in order to maintain the right level of investment oversight, collection of relevant financials, adherence to disclosure requirements and maintenance of relevant documents by SIX. For each investment, responsibility is assigned to one ExB member.

The investments that fall within the scope of the corporate investment management framework are regularly reviewed by the ExB and the BoD/AC. Finance and Services, in coordination with a relevant business unit, is responsible for tracking the financial and operational performance. In the case of material performance deviations, the situation is escalated in the first place to the relevant ExB member who shall decide whether to bring it to the attention of the ExB and/or BoD. Ultimately, the BoD may decide to introduce additional governance measures including, but not limited to additional management and/or BoD oversight of the particular investment.

No sensitivity analysis is presented as the fair value of these equity investments tends to be dominated by factors specific to the investee company.

26. Fair Value of Financial Instruments

Classification of financial instruments

The table below shows the classification for each class of financial instruments and, if applicable, the fair value level.

						31/12/2022	
		At fair value					
CHF million	Notes	Level 1	Level 2	Level 3	Total	At amortized cost	Total
Assets							
Cash and cash equivalents	14				–	4,320.5	4,320.5
Trade and other receivables	15				–	201.9	201.9
Receivables from clearing & settlement	16				–	4,938.0	4,938.0
Current and non-current financial assets	17	228.2	694.8	41.7	964.7	1,883.5	2,848.2
Bonds		*200.8*	–	–	*200.8*	*1,783.6*	*1,984.4*
Other debt instruments		–	–	*11.5*	*11.5*	*99.9*	*111.5*
Equity instruments		*13.3*	–	*30.2*	*43.4*	–	*43.4*
Units in investment funds		*2.3*	–	–	*2.3*	–	*2.3*
Financial instruments from settlement business		*11.8*	–	–	*11.8*	–	*11.8*
Derivative financial assets		–	*694.8*	–	*694.8*	–	*694.8*
Total carrying amounts[1]		**228.2**	**694.8**	**41.7**	**964.7**	**11,344.0**	**12,308.7**
Bonds		9.0	1,679.9	–	1,688.8		
Fair values of financial assets measured at amortized cost		**9.0**	**1,679.9**	–	**1,688.8**		
Liabilities							
Bank overdrafts	14				–	472.0	472.0
Trade and other payables					–	31.7	31.7
Payables from clearing & settlement	16				–	8,837.5	8,837.5
Current and non-current financial liabilities	17	–	697.4	2.7	700.0	1,518.8	2,218.8
Lease liabilities					–	*151.1*	*151.1*
Borrowings					–	*1,273.5*	*1,273.5*
Derivative financial liabilities		–	*697.4*	–	*697.4*	–	*697.4*
Other financial liabilities		–	–	*2.7*	*2.7*	*94.3*	*96.9*
Total carrying amounts[1]		**–**	**697.4**	**2.7**	**700.0**	**10,860.0**	**11,560.0**
Borrowings		–	1,140.7	–	1,140.7		
Fair values of financial liabilities measured at amortized cost		–	**1,140.7**	–	**1,140.7**		

[1] Accrued interests are presented within other assets and other liabilities (in accrued expenses).

		31/12/2021					
		At fair value					
CHF million	**Notes**	Level 1	Level 2	Level 3	**Total**	**At amortized cost**	**Total**
Assets							
Cash and cash equivalents	14				–	6,473.5	6,473.5
Trade and other receivables	15				–	189.5	189.5
Receivables from clearing & settlement	16				–	2,537.1	2,537.1
Current and non-current financial assets	17	242.4	1,286.0	27.0	1,555.4	2,077.8	3,633.2
Bonds		*212.5*	–	–	*212.5*	*1,976.4*	*2,188.9*
Other debt instruments		–	–	*5.2*	*5.2*	*101.4*	*106.6*
Equity instruments		*13.1*	–	*21.8*	*34.9*	–	*34.9*
Units in investment funds		*2.0*	–	–	*2.0*	–	*2.0*
Financial instruments from settlement business		*14.7*	–	–	*14.7*	–	*14.7*
Derivative financial assets		–	*1,286.0*	–	*1,286.0*	–	*1,286.0*
Total carrying amounts[1]		**242.4**	**1,286.0**	**27.0**	**1,555.4**	**11,277.9**	**12,833.3**
Bonds[2]		8.9	1,976.8	–	1,985.7		
Fair values for financial assets measured at amortized cost		**8.9**	**1,976.8**	–	**1,985.7**		
Liabilities							
Bank overdrafts	14				–	0.2	0.2
Trade and other payables					–	15.7	15.7
Payables from clearing & settlement	16				–	9,266.6	9,266.6
Current and non-current financial liabilities	17	–	1,285.0	9.6	1,294.6	1,542.2	2,836.8
Lease liabilities					–	*165.8*	*165.8*
Borrowings					–	*1,273.9*	*1,273.9*
Derivative financial liabilities		–	*1,285.0*	–	*1,285.0*	–	*1,285.0*
Other financial liabilities		–	–	*9.6*	*9.6*	*102.5*	*112.2*
Total carrying amounts		**–**	**1,285.0**	**9.6**	**1,294.6**	**10,824.7**	**12,119.3**
Borrowings[2]		–	1,272.6	–	1,272.6		
Fair values for financial liabilities measured at amortized cost		**–**	**1,272.6**	–	**1,272.6**		

[1] Accrued interests are presented within other assets and other liabilities (in accrued expenses).

[2] Prior year figures have been adjusted in line with the current year's updated definition of an active market. Bonds and borrowings in the amount of CHF 1,939.9 million and CHF 1,269.3 million, respectively, have therefore been reclassified from level 1 to level 2.

SIX assumes that the carrying amount approximates the fair value for all financial assets and liabilities measured at amortized cost, except for bonds and borrowings.

Fair value valuation methods for financial assets and liabilities

Recurring fair value measurements for financial assets and liabilities are described below. The fair value measurements are assigned to the different levels of the fair value hierarchy. These levels are defined as follows:

- Level 1: The fair value of listed financial instruments with a price established in an active market is determined based on current quoted market prices.
- Level 2: Valuation methods are used to determine the fair value of financial instruments if no direct market prices are available. The underlying assumptions are based on observable market data, either directly or indirectly, as at the reporting date.
- Level 3: If neither current market prices nor valuation methods based on observable market data can be drawn on for the purpose of determining fair value, then valuation methods are based on unobservable market data. Those inputs reflect the assumptions that market participants would use when pricing the asset or liability, including assumptions about risk.

The following methods and assumptions were used to estimate the fair values:

Level 1 instruments

- The fair value of listed equity instruments, units in investment funds and bonds is determined by reference to published price quotations at the reporting date. Bonds are considered to be listed on an active market if the trading frequency and volume generally exceed the defined minimum levels. The valuation of financial instruments from settlement business is performed with reference to quoted prices from the markets to which they relate. Such financial assets thus fall under level 1 of the fair value hierarchy.

Level 2 instruments

- The fair value of bonds listed on an inactive market is determined by reference to published price quotations at the reporting date.
- The fair value of unlisted bonds such as promissory notes is determined by discounting the expected future payments at a risk and maturity-adjusted discount rate. As the input factors are readily available in the market, these instruments are assigned to level 2 of the fair value hierarchy.
- The fair value of loans is determined by discounting the expected future payments at a maturity-adjusted discount rate. For borrowings with a variable interest rate, it is generally assumed that the fair value approximates the carrying amount. As the input factors are readily available in the market, these borrowings are assigned to level 2 of the fair value hierarchy.
- Foreign exchange swaps and forwards are not traded publicly. The inputs to the calculation include foreign exchange spot rates and interest rates. In general, these inputs are readily observable in the markets or provided by consensus data providers. Thus, foreign exchange swaps, forwards and other foreign exchange derivatives are categorized as level 2 instruments of derivatives.
- For derivatives from the clearing and settlement business as a CCP, the fair value is determined as the difference between the fair value of the underlying instrument at the trade date and its fair value at the reporting date. All derivatives from clearing and settlement are categorized as level 2 instruments, as the inputs used are readily available in the market. For derivatives from the clearing and settlement of European options, the fair value is determined based on the Black-Scholes model. For derivatives from the clearing and settlement of American options, the fair value is determined based on the Binomial Option Pricing model. The inputs to the calculation of both models include share price, implied volatility, strike price, risk-free interest rate and expected dividends.
- For bonds issued by SIX listed on an inactive market, the fair value is determined by reference to published price quotations at the reporting date. For other borrowings, such as loans, it is generally assumed that the fair value approximates the carrying amount. As the input factors are readily available in the market, borrowings are assigned to level 2 of the fair value hierarchy.

Level 3 instruments

- The fair value of unlisted shares – which may be classified as equity instruments at FVtPL or debt instruments at FVtPL, depending on the rights attached to the instrument – is derived from the proportionate net asset value of the entity. Such investments are categorized within level 3 of the

fair value hierarchy. If the net asset value were to increase, the price per share would increase proportionately.
- For other debt instruments at FVtPL such as convertible loans, the fair value is determined by discounting the expected future payments at a risk-adjusted discount rate. As the input factors are not readily available in the market, these instruments are assigned to level 3 of the fair value hierarchy. An increase or decrease of 10% in the estimated cash flows would lead to an increase or decrease of approximately 10% in the fair value. The estimated fair value would increase if the risk-adjusted discount rate were lower.
- For NCI liabilities with variable exercise prices, the fair value is measured by using probability weighted forecasts. The inputs into the calculation include in particular revenue or cash flow forecast scenarios and the probability of each scenario. The forecast scenarios are reviewed at least bi-annually and based on the business plans prepared by the management.

Transfers between levels

SIX recognizes transfers between the levels of the fair value hierarchy at the date of the event or change in circumstances that caused the transfer. In 2022 and 2021, there were no transfers between level 1 and level 2 or between level 2 and level 3.

Movements in level 3 financial assets and liabilities

	31/12/2022		31/12/2021	
CHF million	Financial assets	Financial liabilities	Financial assets	Financial liabilities
Carrying amount at the beginning of the year	**27.0**	**–9.6**	**17.6**	**–2.2**
Additions	19.2	–	8.3	–8.7
Disposals	–	1.0	–1.1	1.1
Disposals due to changes in the scope of consolidation	–2.8	–	–	–
Reclassifications from / to associates	0.7	–	–0.6	–
Business combinations	–	–	1.8	–
Gains (losses) recognized in the income statement [1]	–2.1	6.0	1.3	–0.1
Gains (losses) recognized in other comprehensive income	–	0.0	–	0.4
Translation adjustments	–0.3	–	–0.2	–
Carrying amount at closing	**41.7**	**–2.7**	**27.0**	**–9.6**
Income/expenses on holdings at closing				
Unrealized gains (losses) recognized in the income statement [1]	–2.1	6.0	1.3	–0.1
Unrealized gains (losses) recognized as other comprehensive income [2]	–	0.0	–	0.4

[1] Gains (losses) were recognized as financial income and financial expenses.
[2] Gains (losses) were recognized as gains/(losses) on net investment hedges.

SIX invests in fintech companies for strategic and financial purposes. These investments are classified as financial instruments at fair value (equity or debt instruments) or as associates. During 2022, SIX invested CHF 19.2 million (2021: CHF 7.0 million) in fintech companies. In 2022, the gains recognized in the income statement on financial liabilities mainly included the remeasurement gain of the NCI liability of Orenda (see note 9).

In 2021, the increase in level 3 financial liabilities related to the NCI liabilities incurred upon the acquisition of Orenda and Ultumus. For further details, see note 29.

27. Offsetting

The following tables show the effects of offsetting on the balance sheet and the related amounts not offset for financial assets and financial liabilities that are subject to enforceable netting arrangements:

31/12/2022

	Assets subject to enforceable netting arrangements							
	Effects of offsetting on balance sheet			Related amounts not offset				
CHF million	Gross assets before balance sheet netting	Balance sheet netting with gross liabilities	**Net assets reported on the balance sheet[1]**	Financial liabilities	Collateral received[2]	**Assets after consideration of netting potential**	**Assets not subject to enforceable netting arrangements[1]**	**Balance sheet total[1]**
Receivables from C&S	4,870.3	–315.6	4,554.7	–21.3	–4,533.4	0.0	383.3	4,938.0
Reverse repurchase transactions	*3,803.8*	–	*3,803.8*	–	*–3,803.8*	*0.0*	–	*3,803.8*
Other receivables from C&S	*1,066.5*	*–315.6*	*750.9*	*–21.3*	*–729.6*	–	*383.3*	*1,134.2*
Financial assets (current and non-current)	3,524.8	–2,486.2	1,038.5	–77.2	–723.3	238.0	1,809.7	2,848.2
Derivatives	*3,180.7*	*–2,486.2*	*694.5*	*–77.2*	*–617.3*	–	*0.3*	*694.8*
Other financial assets (current)	*149.2*	–	*149.2*	–	*–11.8*	*137.4*	*470.9*	*620.1*
Other financial assets (non-current)	*194.9*	–	*194.9*	–	*–94.3*	*100.6*	*1,338.5*	*1,533.3*
Total assets	**8,395.1**	**–2,801.8**	**5,593.3**	**–98.5**	**–5,256.8**	**238.0**	**2,192.9**	**7,786.2**

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	Assets subject to enforceable netting arrangements							
	Effects of offsetting on balance sheet			Related amounts not offset				
CHF million	Gross assets before balance sheet netting	Balance sheet netting with gross liabilities	**Net assets reported on the balance sheet[1]**	Financial liabilities	Collateral received[2]	**Assets after consideration of netting potential**	**Assets not subject to enforceable netting arrangements[1]**	**Balance sheet total[1]**
Receivables from C&S	2,350.0	–	2,350.0	–23.2	–2,325.7	1.2	187.1	2,537.1
Reverse repurchase transactions	1,915.8	–	*1,915.8*	–	*–1,914.6*	*1.2*	–	*1,915.8*
Other receivables from C&S	*434.2*	–	*434.2*	*–23.2*	*–411.0*	–	*187.1*	*621.3*
Financial assets (current and non-current)	3,251.1	–1,623.0	*1,628.1*	–619.5	–779.6	229.0	2,005.0	3,633.2
Derivatives	*2,908.4*	*–1,623.0*	*1,285.5*	*–619.5*	*–666.0*	–	*0.5*	*1,286.0*
Other financial assets (current)	*31.2*	–	*31.2*	–	*–14.7*	*16.5*	*277.4*	*308.6*
Other financial assets (non-current)	*311.5*	–	*311.5*	–	*–98.9*	*212.5*	*1,727.1*	*2,038.6*
Total assets	**5,601.2**	**–1,623.0**	**3,978.2**	**–642.7**	**–3,105.3**	**230.2**	**2,192.1**	**6,170.3**

[1] The balance sheet total is the sum of "Net assets reported on the balance sheet" that are subject to enforceable netting arrangements and "Assets not subject to enforceable netting arrangements".

[2] Financial collateral is reflected at its fair value, but has been limited to the net balance sheet exposure so as not to include any over-collateralization.

31/12/2022

		Liabilities subject to enforceable netting arrangements							
	Effects of offsetting on balance sheet			Related amounts not offset				
CHF million	Gross liabilities before balance sheet netting	Balance sheet netting with gross assets	**Net liabilities reported on the balance sheet[1]**	Financial assets	Collateral pledged[2]	**Liabilities after consideration of netting potential**	**Liabilities not subject to enforceable netting arrangements[1]**	**Balance sheet total[1]**
Payables from C&S	7,884.5	–315.6	7,569.0	–21.3	–127.2	7,420.4	1,268.6	8,837.5
Payables from C&S	*7,865.9*	*–315.6*	*7,550.3*	*–21.3*	*–108.6*	*7,420.4*	*1,268.6*	*8,818.9*
Payables from repurchase agreements	*18.7*	–	*18.7*	–	*–18.7*	–	–	*18.7*
Financial liabilities (current and non-current)	3,277.6	–2,486.2	791.3	–77.2	–714.2	–	1,427.5	2,218.8
Derivatives	*3,183.3*	*–2,486.2*	*697.1*	*–77.2*	*–619.9*	–	*0.3*	*697.4*
Other financial liabilities (current)	–	–	–	–	–	–	*26.5*	*26.5*
Other financial liabilities (non-current)	*94.3*	–	*94.3*	–	*–94.3*	–	*1,400.7*	*1,494.9*
Total liabilities	**11,162.1**	**–2,801.8**	**8,360.3**	**–98.5**	**–841.4**	**7,420.4**	**2,696.1**	**11,056.4**

31/12/2021

	Liabilities subject to enforceable netting arrangements							
	Effects of offsetting on balance sheet			Related amounts not offset				
CHF million	Gross liabilities before balance sheet netting	Balance sheet netting with gross assets	**Net liabilities reported on the balance sheet[1]**	Financial assets	Collateral pledged[2]	**Liabilities after consideration of netting potential**	**Liabilities not subject to enforceable netting arrangements[1]**	**Balance sheet total[1]**
Payables from C&S	7,882.8	–	7,882.8	–23.2	–	7,859.6	1,383.8	9,266.6
Financial liabilities (current and non-current)	3,006.4	–1,623.0	1,383.4	–619.5	–763.9	–	1,453.4	2,836.8
Derivatives	*2,907.5*	*–1,623.0*	*1,284.5*	*–619.5*	*–665.0*	–	*0.5*	*1,285.0*
Other financial liabilities (current)	–	–	–	–	–	–	*22.9*	*22.9*
Other financial liabilities (non-current)	*98.9*	–	*98.9*	–	*–98.9*	–	*1,430.0*	*1,528.9*
Total liabilities	**10,889.3**	**–1,623.0**	**9,266.3**	**–642.7**	**–763.9**	**7,859.6**	**2,837.2**	**12,103.4**

[1] The balance sheet total is the sum of "Net liabilities reported on the balance sheet" that are subject to enforceable netting arrangements and "Liabilities not subject to enforceable netting arrangements".

[2] Financial collateral is reflected at its fair value, but has been limited to the net balance sheet exposure so as not to include any over-collateralization.

Enforceable netting arrangements

In the post-trading business, enforceable netting arrangements are in place. SIX x-clear Ltd and BME Clearing SAU operate as central counterparties. A CCP is an entity that interposes itself between trading partners to become a buyer to every seller and a seller to every buyer, thereby ensuring settlement even if one of the original trading partners fails to meet their obligations. In order to protect the CCPs against the potential losses in the event of a participant's default, SIX requires the participants to provide collateral and to make contributions to a collective default fund. The transactions are subject to netting arrangements, which are part of the clearing rules of SIX x-clear Ltd

and BME Clearing SAU. SIX SIS Ltd and Iberclear act as CSDs. CSDs may provide short-term credits to their clients and hold cash placements with custodians. These assets are covered by the credit balances of the clients and by collaterals which are subject to netting arrangements (i.e. member agreements). Additionally, receivables and payables related to reverse repurchase transactions are subject to enforceable netting agreements, such as the Swiss Master Agreement for Repo Trades and/or Global Master Repurchase Agreement.

Balance sheet netting
Unsettled positions from clearing and settlement are offset to the extent that netting is legally enforceable, based on the respective clearing rules. For equities and fixed income, the maximum netting which can be applied is on a counterparty and instrument level. For derivatives, the unsettled positions are shown net on a margin account level.

Related amounts not offset
Reverse repurchase transactions
The agreements stipulate that all outstanding transactions with the same counterparty can be offset, and close-out netting applies across all outstanding transactions covered by the agreements if a default event or another predetermined event occurs. The arrangements, however, do not provide a legally enforceable right in the normal course of business. Financial collateral typically comprises cash and highly liquid securities which may be liquidated in the event of counterparty default.

Other receivables/payables from clearing & settlement
Receivables from clearing & settlement include deposits at correspondence banks for cross-border settlements, unsettled margin calls and unsettled daily variation margins from derivatives. Except for unsettled margin calls and unsettled daily variation margins, financial liabilities against these counterparties are generally not offset in the normal course of business. The remaining amount of the assets is covered by the credit balances of the clients and by collaterals which may be realized in a default event or if another predetermined event occurs.

Positive/negative replacement values of derivatives
The netting agreements for clearing transactions stipulate that close-out netting applies across all outstanding transactions with the same clearing member and the same currency if a default event or another predetermined event occurs. Such arrangements, however, do not provide a legally enforceable right in the normal course of business. The collateral may be realized in a default event or if another predetermined event occurs.

Group Composition

28. Interests in Other Entities

Subsidiaries

The list below shows SIX Group Ltd and its subsidiaries. The share capital of all subsidiaries consists solely of ordinary shares and the ownership interest held by SIX equals the share of voting rights. All subsidiaries are consolidated in the Group's financial statements.

					31/12/2022	31/12/2021
Name of entity	**Principal place of business**	**Principal activities**	**Share capital in 1,000**		**Equity interest in %**	
SIX Group Ltd	Zurich	Holding company	CHF	19,522	–	–
12H Ltd	Zurich	Provider of low-latency solutions	CHF	100	100.0	90.0
BME Clearing SAU	Madrid	Clearing	EUR	18,030	100.0	100.0
BME LATAM SAS	Bogota	Consulting services	COP	150,000	100.0	100.0
BME Post Trade Services SAU	Madrid	Services for Group companies and third parties	EUR	60	100.0	100.0
BME Regulatory Services SAU	Madrid	Regulatory compliance services	EUR	60	100.0	100.0
BME Servicios Corporativos SA	Madrid	Services for Group companies	EUR	25,000	100.0	100.0
Bolsas y Mercados Españoles, Sociedad Holding de Mercados y Sistemas Financieros SA	Madrid	Holding company	EUR	250,847	100.0	100.0
Bolsas y Mercados Españoles Group Services SAU	Madrid	Services for Group companies	EUR	60	100.0	100.0
Bolsas y Mercados Españoles InnTech SAU	Madrid	IT and consulting services	EUR	331	100.0	100.0
Bolsas y Mercados Españoles Market Data SA	Madrid	Financial information services	EUR	4,165	100.0	100.0
Bolsas y Mercados Españoles Renta Fija SAU	Madrid	Fixed income exchange	EUR	3,005	100.0	100.0
Bolsas y Mercados Españoles Sistemas de Negociación SA	Madrid	Stock exchange and stock exchange services	EUR	60	100.0	100.0
F10 (Switzerland) Ltd	Zurich	Innovation and startup consulting	CHF	100	–	100.0
F10 Global Innovation Network Spain SL	Madrid	Innovation and startup consulting	EUR	3	–	100.0
F10 Investment Ltd	Zurich	Investment in startups	CHF	100	–	75.0
Finaccess SIX Financial Information SA	Casablanca	Financial information services	MAD	8,548	55.0	55.0
Instituto Bolsas y Mercados Españoles SLU	Madrid	Financial training	EUR	10	100.0	100.0
LATAM Exchanges Data Inc.	Miami	Financial information services	USD	5,644	51.0	51.0
MEFF Sociedad Rectora del Mercado de Productos Derivados SAU	Madrid	Derivatives exchange	EUR	6,650	100.0	100.0
MEFF Tecnología y Servicios SAU	Barcelona	Electricity market CCP	EUR	60	100.0	100.0
Open Finance SL	Valencia	Consultancy services to financial entities	EUR	4	100.0	100.0
Orenda Software Solutions Inc.	Membertou	ESG and alternative data services	CAD	0	62.6	62.6
REGIS-TR SA	Luxembourg	Trade repository	EUR	3,600	100.0	–[1]
REGIS-TR UK Ltd	London	Trade repository	GBP	1,641	100.0	–[1]
SDX Trading Ltd	Zurich	Digital exchange services	CHF	1,000	100.0	100.0
SDX Web3 Ltd	Zurich	Digital exchange services	CHF	100	100.0	–
SECB Swiss Euro Clearing Bank GmbH	Frankfurt a. M.	Clearing services	EUR	30,000	100.0	100.0
SIX BBS Ltd	Zurich	Banking services	CHF	100	100.0	100.0
SIX Digital Exchange Ltd	Zurich	Digital exchange services	CHF	5,500	100.0	100.0
SIX Exchange Group Ltd	Zurich	Holding company	CHF	10,000	100.0	–

[1] As at 31 December 2021, REGIS-TR SA and REGIS-TR UK Ltd were accounted for using the equity method. See below.

Name of entity	Principal place of business	Principal activities	Share capital in 1,000		31/12/2022 Equity interest in %	31/12/2021 Equity interest in %
SIX Exchange Regulation Ltd	Zurich	Exchange regulation	CHF	100	100.0	100.0
SIX Exfeed Ltd	Zurich	Distribution of financial information	CHF	1,100	100.0	100.0
SIX Finance (Luxembourg) SA	Leudelange	Financing services	EUR	31	100.0	100.0
SIX Financial Information Belgium SA	Brussels	Financial information services	EUR	505	100.0	100.0
SIX Financial Information Denmark A/S	Copenhagen	Financial information services	DKK	1,600	100.0	100.0
SIX Financial Information Deutschland GmbH	Frankfurt a. M.	Financial information services	EUR	512	100.0	100.0
SIX Financial Information España SA	Madrid	Financial information services	EUR	424	100.0	100.0
SIX Financial Information France SAS	Paris	Financial information services	EUR	44,900	100.0	100.0
SIX Financial Information Hong Kong Limited	Hong Kong	Inactive	HKD	4,000	100.0	100.0
SIX Financial Information Italia Srl	Milan	Financial information services	EUR	100	100.0	100.0
SIX Financial Information Japan Ltd	Tokyo	Financial information services	JPY	40,000	100.0	100.0
SIX Financial Information Ltd	Zurich	Financial information services	CHF	5,400	100.0	100.0
SIX Financial Information Luxembourg SA	Leudelange	Financial information services	EUR	31	100.0	100.0
SIX Financial Information Monaco SAM	Monaco	Financial information services	EUR	150	100.0	100.0
SIX Financial Information Nederland BV	Amsterdam	Financial information services	EUR	250	100.0	100.0
SIX Financial Information Nordic AB	Stockholm	Financial information services	SEK	100	100.0	100.0
SIX Financial Information Singapore Pte Ltd	Singapore	Financial information services	SGD	25	100.0	100.0
SIX Financial Information UK Ltd	London	Financial information services	GBP	500	100.0	100.0
SIX Financial Information USA Inc.	Stamford	Financial information services	USD	0	100.0	100.0
SIX Global Services Ltd	Zurich	Services for Group companies and third parties	CHF	100	100.0	100.0
SIX Group Services Ltd	Zurich	IT and management services	CHF	11,550	100.0	100.0
SIX Index Ltd	Zurich	Indices services	CHF	100	100.0	100.0
SIX Interbank Clearing Ltd	Zurich	Interbank payment services	CHF	1,000	100.0	100.0
SIX NCS Ltd	Zurich	Banking services	CHF	100	100.0	100.0
SIX Paynet Ltd	Zurich	E-billing and direct debit services	CHF	–	–	100.0
SIX Repo Ltd	Zurich	Swiss money market trading platform	CHF	1,000	100.0	100.0
SIX Securities Services Ltd	Zurich	Holding company	CHF	26,000	100.0	100.0
SIX SIS Ltd	Olten	Settlement and custody	CHF	26,000	100.0	100.0
SIX SIS Singapore Private Limited	Singapore	Settlement and custody	SGD	1,000	100.0	100.0
SIX SIS USA Inc.	Stamford	Settlement and custody	USD	1	100.0	100.0
SIX Swiss Exchange Ltd	Zurich	Stock exchange and stock exchange services	CHF	10,000	100.0	100.0
SIX Terravis Ltd	Zurich	Real estate information portal	CHF	4,100	100.0	100.0
SIX Trade Repository Ltd	Zurich	Trade repository	CHF	500	100.0	100.0
SIX x-clear Ltd	Zurich	Clearing	CHF	30,000	100.0	100.0
Sociedad de Bolsas SA	Madrid	Stock exchange and stock exchange services	EUR	8,414	100.0	100.0
Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores SAU (Iberclear)	Madrid	Settlement and custody	EUR	114,380	100.0	100.0
Sociedad Rectora de la Bolsa de Valores de Barcelona SAU	Barcelona	Stock exchange and stock exchange services	EUR	8,564	100.0	100.0
Sociedad Rectora de la Bolsa de Valores de Bilbao SAU	Bilbao	Stock exchange and stock exchange services	EUR	2,957	100.0	100.0

Name of entity	Principal place of business	Principal activities	Share capital in 1,000		31/12/2022 Equity interest in %	31/12/2021 Equity interest in %
Sociedad Rectora de la Bolsa de Valores de Madrid SAU	Madrid	Stock exchange and stock exchange services	EUR	21,348	100.0	100.0
Sociedad Rectora de la Bolsa de Valores de Valencia SAU	Valencia	Stock exchange and stock exchange services	EUR	4,111	100.0	100.0
SWISSTRADINGBOX Ltd	Zurich	IT services	CHF	100	–	50.1
Ultumus (SGP) Pte Ltd	Singapore	Index and ETF services	SGD	0	94.5	94.5
Ultumus (US) Inc.	Wilmington	Index and ETF services	USD	0	94.5	94.5
Ultumus Limited	London	Index and ETF services	USD	0	94.5	94.5

Changes in the composition of the Group during 2022

SIX Paynet Ltd

In January 2022, SIX Paynet Ltd was merged with SIX BBS Ltd. The merger had no impact on the Group's consolidated figures as at 31 December 2022.

REGIS-TR

In March 2022, SIX established control of REGIS-TR SA and REGIS-TR UK Ltd (REGIS-TR) by acquiring the remaining stake of 50.0%. For further details, see note 29.

F10 Group

In April 2022, a partial management buyout and capital increase was carried out, which resulted in a change of control for F10 (Switzerland) and its subsidiaries. Since then, SIX has maintained a significant influence with a stake of 43.4% (31 December 2021: 100.0%) in F10 (Switzerland) Ltd, which is accounted for under the equity method. As a result of the transaction, SIX recognized a gain in financial income of CHF 3.7 million, CHF 2.5 million of which is attributable to the investment retained.

Cash and cash equivalents in the entities over which SIX lost control totaled CHF 2.0 million.

SWISSTRADINGBOX Ltd

In December 2022, SWISSTRADINGBOX Ltd was sold without any material effect on the income statement.

Newly incorporated entities

In 2022, the following entities were incorporated as fully owned subsidiaries:

- SDX Web3 Ltd: The purpose is to provide services in the area of distributed ledger and Web3 technology.
- SIX Exchange Group Ltd: The purpose is to hold the Group entities except for Banking Services.

Changes in the composition of the Group during 2021

Orenda Software Solutions Inc.

In March 2021, SIX acquired an ownership stake of 62.6% in Orenda Software Solutions Inc. For further details, see note 29.

Ultumus Group

In July 2021, SIX acquired 94.5% of Ultumus Limited, which is the parent company of Ultumus Group. The Group also includes the fully-owned subsidiaries Ultumus (US) Inc. and Ultumus (SGP) Pte Ltd. For further details, see note 29.

F10 Group

In June 2021, the association F10 FinTech Incubator and Accelerator was converted into a stock corporation with a paid-up capital of CHF 0.1 million and renamed F10 (Switzerland) Ltd.

With the incorporation of F10 (Switzerland) Ltd, SIX also obtained control over the subsidiaries F10 Investment Ltd and F10 Global Innovation Network Spain SL. F10 Investment Ltd was owned by SIX, F10 (Switzerland) Ltd and other investors with 40%, 35% and 25%, respectively. SIX obtained control over F10 Investment Ltd, as the direct and indirect ownership totaled 75%. Previously, the 40% direct interest of SIX was accounted for using the equity method. Obtaining control over both subsidiaries of F10 (Switzerland) Ltd did not result in any fair value adjustments or goodwill.

Newly incorporated entities
In 2021, the following entities were incorporated as fully owned subsidiaries:
- SIX SIS USA Inc.: The purpose is to support SIX SIS Ltd in providing settlement and custody services.
- SIX SIS Singapore Private Limited: The purpose is to support SIX SIS Ltd in providing settlement and custody services.
- SIX Index Ltd: The purpose is to provide indices services for the Financial Information business unit.
- Bolsas y Mercados Españoles Group Services SAU: The purpose is to provide services for Group companies.

Significant associates and joint ventures

					31/12/2022	31/12/2021
Name of entity	Principal place of business	Principal activities	Share capital in 1,000		Equity interest in %	
Custodigit Ltd	Zurich	Digital asset services	CHF	1,750	–	42.9
Keyrock SA[1]	Brussels	Liquidity provider for digital assets	EUR	1,190	9.5	9.6
REGIS-TR SA	Luxembourg	Trade repository	EUR	3,600	–[2]	50.0
REGIS-TR UK Ltd	London	Trade repository	GBP	1,641	–[2]	50.0
TWINT Ltd	Zurich	Mobile payment solutions	CHF	12,750	26.7	26.7
Worldline SA	Bezons	Electronic payment and transactional services	EUR	191,603	10.6[3]	10.6[3]

[1] As a result of an additional investment in September 2022, Keyrock SA has become a significant associated company.
[2] As at 31 December 2022, REGIS-TR SA and REGIS-TR UK Ltd were fully consolidated. See above.
[3] Voting rights as at 31 December 2022: 18.4% (31 December 2021: 18.8%)

Changes during 2022
REGIS-TR
In March 2022, SIX established control over REGIS-TR SA and REGIS-TR UK Ltd (REGIS-TR) by acquiring the remaining stake of 50.0%. For further details, see note 29.

Custodigit Ltd
In September 2022, SIX sold its shares in Custodigit Ltd. The transaction resulted in a loss of CHF 11.9 million which has been included in other financial expenses, see note 9.

Changes during 2021
Custodigit Ltd
In January 2021, SIX acquired 42.9% of the shares in Custodigit Ltd. The business of Custodigit involves the development, operation and commercialization of information technology platforms and services for handling and storage of digital assets. The participation in Custodigit is classified as investment in associates and accounted for using the equity method. The total purchase price was CHF 15.0 million.

SwissSign Group Ltd
In October 2021, SIX disposed of the shares in SwissSign Group Ltd. The transaction had no impact on the Group's consolidated figures.

The following table presents the carrying amount and share of other comprehensive income of individually material associates, and in aggregate for individually non-material associates and joint ventures:

	31/12/2022			31/12/2021		
CHF million	**Worldline**	**Others**	**Total**	**Worldline**	**Others**	**Total**
Carrying amount	**1,472.4**	**21.7**	**1,494.1**	**1,525.8**	**85.1**	**1,610.8**
Share of profit	24.2	–2.7	21.6	–95.8	–6.3	–102.1
Share of other comprehensive income incl. currency translation adjustments	–74.2	–0.3	–74.5	–46.6	0.2	–46.4
Share of total comprehensive income	**–50.0**	**–2.9**	**–52.9**	**–142.4**	**–6.1**	**–148.5**
Share of other changes in equity of associates	**1.1**	–	**1.1**	**6.9**	–	**6.9**

The following table summarizes financial information for material associates:

	Worldline SA	
CHF million	**31/12/2022**	**31/12/2021**
Current assets	7,674.5	8,034.5
Non-current assets	13,826.6	12,704.9
Current liabilities	–6,936.3	–5,711.7
Non-current liabilities	–4,199.0	–4,769.0
Non-controlling interests	–1,135.8	–901.2
Net assets attributable to shareholders	**9,230.0**	**9,357.4**
SIX share of associates' net assets	977.9	995.9
Goodwill and other adjustments	494.5	529.8
Total carrying amount	**1,472.4**	**1,525.8**
Revenues	**4,388.1**	**3,990.2**
Net profit/(loss) from continuing operations	216.0	217.5
Net profit/(loss) from discontinued operations	89.0	–1,019.3
Net profit/(loss)	**305.0**	**–801.7**
of which attributable to shareholders of Worldline SA	*300.8*	*–812.8*
Other comprehensive income	–0.1	252.0
Total comprehensive income	**304.9**	**–549.6**
of which attributable to shareholders of Worldline SA	*317.9*	*–562.0*
Fair value of investment	1,072.7	1,513.8

29. Acquisitions of Subsidiaries

Acquisitions in 2022

REGIS-TR

In March 2022, SIX established control of REGIS-TR SA and REGIS-TR UK Ltd (REGIS-TR) by acquiring the remaining stake of 50.0%. Since then, SIX has fully owned the capital and voting rights. At closing, SIX transferred a cash consideration of CHF 64.5 million.

Previously, SIX had held an interest of 50.0% and accounted for the investment by applying the equity method. The fair value of the interest previously held was CHF 64.5 million. The remeasurement gain recognized in financial income amounted to CHF 10.3 million.

REGIS-TR is a leading trade repository that offers reporting services covering all major European trade repository obligations. The trade repository has long been an integral part of the portfolio of SIX, constituting an important business line adjacent to the core SIX Securities Services. The full consolidation of the business represents an opportunity for SIX to further integrate and deliver services to customers across Europe.

From the date of acquisition, the business has contributed CHF 18.9 million of Group revenues and positively impacted Group earnings before tax by CHF 5.9 million for the period ended on 31 December 2022. Assuming that the acquisition had taken place on 1 January 2022, the management estimates that Group revenues and Group earnings before tax would have been CHF 6.8 million and CHF 1.3 million higher, respectively.

The transaction costs of the acquisition amounted to CHF 0.4 million, CHF 0.1 million of which was included in other operating expenses and personnel expenses in 2022.

Identifiable assets acquired and liabilities assumed

The following table summarizes the assets acquired and liabilities assumed on the acquisition date:

CHF million	Fair value recognized on acquisition
Cash and cash equivalents	17.4
Trade and other receivables	5.0
Other current assets	2.1
Current assets	**24.5**
Intangible assets	91.1
Other non-current assets	1.0
Non-current assets	**92.1**
Total assets	**116.6**
Trade and other payables	2.6
Contract liabilities	2.0
Other current liabilities	1.6
Current liabilities	**6.1**
Deferred tax liabilities	21.6
Other non-current liabilities	1.1
Non-current liabilities	**22.8**
Total liabilities	**28.9**
Net assets acquired	**87.7**
Goodwill	41.3
Fair value of pre-existing interest	–64.5
Total purchase price	**64.5**
of which cash considerations	*64.5*

Trade and other receivables

The fair value of acquired trade and other receivables was CHF 5.0 million. The gross contractual amount for trade and other receivables was CHF 5.1 million, CHF 0.2 million of which was expected to be uncollectible.

Customer relationships

The multi-period excess earnings method (MEEM) has been applied to assess the fair value of customer relationships. The aggregate fair value of customer relationships constituted a total of CHF 76.0 million.

Other intangible assets

The relief from royalty method has been applied to assess the fair value of brands and software. The aggregated fair value of brands amounted to CHF 2.7 million and the fair value of software totaled CHF 12.4 million.

Goodwill

The recognized goodwill of CHF 41.3 million represents the growth potential and the acquired workforce. REGIS-TR is considered to be a cash-generating unit (CGU) and the goodwill was allocated entirely to the

CGU. None of the goodwill recognized is expected to be deductible for income tax purposes.

Acquisitions in 2021

Orenda Software Solutions Inc.

In March 2021, SIX acquired 62.6% of Orenda Software Solutions Inc. (Orenda), a Canadian-based AI platform specializing in ESG and alternative data sets. This acquisition is part of the strategy of SIX to help its customers drive more insights with data, providing consumption-ready data and analytics for faster and better informed decisions. At closing, SIX transferred a cash consideration of CHF 3.7 million.

Both SIX and the minority shareholders have options to either buy or sell the remaining stake in Orenda. The options are exercisable three and five years after the closing. The exercise price of the options depends on the revenues at the time of exercise. The call options have been measured by using probability weighted forecasts. The fair value of the call options is currently immaterial. As of the closing, the estimated probability weighted exercise price of the put options totaled CHF 6.2 million. SIX firstly recognized the non-controlling interests of CHF 1.3 million by applying the partial goodwill method. Secondly, the non-controlling interests were derecognized by recognizing a financial liability of CHF 6.2 million and by reducing retained earnings by CHF 4.8 million. As at 31 December 2021, the liability totaled CHF 6.1 million. Changes in the liability are recognized as financial income or financial expenses. If the options expire unexercised, the financial liability will be derecognized and the non-controlling interests will be reinstated.

From the date of acquisition, the business has negatively impacted Group earnings before tax by CHF 1.7 million. Assuming that the acquisition had taken place on 1 January 2021, the management estimates that Group earnings before tax would have been CHF 0.1 million lower.

Net assets acquired

The net assets acquired amounted to CHF 3.6 million. The assets included in particular cash and identified intangible assets of CHF 3.7 million and CHF 1.2 million, respectively. The liabilities comprised in particular payables and financial liabilities of CHF 1.0 million.

Goodwill

SIX has decided to apply the partial goodwill method. The recognized goodwill of CHF 1.5 million comprises the value of expected synergies arising from the acquisition. The goodwill is allocated entirely to the financial information business area. None of the goodwill recognized is expected to be deductible for income tax purposes.

Ultumus Limited

In July 2021, SIX acquired 94.5% of Ultumus Limited (Ultumus), an international London-based index and ETF data specialist. The acquisition aims at enhancing the data offering of SIX and to support its overall strategy to bring new data to its clients in a fast-growing market. The cash consideration totaled CHF 50.2 million.

Both SIX and the minority shareholders have options to either buy or sell the remaining stake in Ultumus. Generally, the options are exercisable four years after the closing at fair value and have been measured by using probability weighted forecasts. The fair value of the call options is currently immaterial. As of the closing, the estimated probability weighted exercise price of the put options totaled CHF 2.5 million. SIX firstly recognized the non-controlling interests by applying the partial goodwill method. This resulted in a minor amount of non-controlling interests. Secondly, the non-controlling interests were derecognized by recognizing a financial liability of CHF 2.5 million and by reducing retained earnings by CHF 2.5 million. As at 31 December 2021, the liability totaled CHF 2.5 million. Changes in the liability are recognized as financial income or financial expenses. If the options expire unexercised, the financial liability will be derecognized and the non-controlling interests will be reinstated.

From the date of acquisition, the business has contributed CHF 2.3 million of Group revenues and negatively impacted Group earnings before tax by CHF 1.8 million in 2021. Assuming that the acquisition had taken place on 1 January 2021, the management estimates that Group revenues and Group earnings before tax would have been CHF 2.4 million higher and CHF 1.6 million lower, respectively.

The transaction costs of the acquisition amounted to CHF 0.9 million and were included in other operating expenses and personnel expenses in 2021.

Identifiable assets acquired and liabilities assumed

The following table summarizes assets acquired and liabilities assumed on the acquisition date.

CHF million	Fair value recognized on acquisition
Cash and cash equivalents	0.6
Trade and other receivables	0.7
Other current assets	0.7
Current assets	**2.0**
Intangible assets	2.8
Non-current assets	**2.8**
Total assets	**4.9**
Trade and other payables	0.4
Other current liabilities	3.2
Current liabilities	**3.7**
Deferred tax liabilities	0.6
Non-current liabilities	**0.6**
Total liabilities	**4.2**
Net assets acquired	**0.6**
Goodwill	49.5
Non-controlling interests	0.0
Total purchase price	**50.2**
of which cash considerations	*50.2*

Trade and other receivables

Trade and other receivables comprised gross contractual amounts of CHF 0.7 million, none of which were expected to be uncollectible at the date of acquisition.

Goodwill

SIX has decided to apply the partial goodwill method. The recognized goodwill of CHF 49.5 million comprises the value of expected synergies arising from the acquisition. The goodwill is allocated entirely to the financial information business area. None of the goodwill recognized is expected to be deductible for income tax purposes.

Additional Information

30. Assets Pledged or Assigned to Secure Own Liabilities

The following table presents the carrying amount of assets pledged or restricted in use:

CHF million	31/12/2022	31/12/2021
Cash and cash equivalents	5.3	5.8
Bonds at amortized cost	490.4	16.5
Bonds at FVtOCI	43.8	212.5
Other debt instruments	96.3	101.2
Total	**635.8**	**336.0**

As at 31 December 2022, SIX x-clear Ltd had pledged bonds in the amount of CHF 62.2 million for the interoperability and the intraday credit facility used in connection with the Norwegian equities settlement (31 December 2021: CHF 229.0 million). Additionally, SECB had pledged bonds in the amount of CHF 472.0 million and used its securities portfolio to obtain liquidity from Deutsche Bundesbank as part of a Lombard transaction (31 December 2021: none).

SIX holds funds at correspondent banks which originate from corporate actions and are linked to securities of sanctioned persons. The funds cannot be accessed until the sanctions are lifted. As at 31 December 2022, the sanctioned accounts amounted to CHF 94.3 million (31 December 2021: CHF 98.9 million).

Additionally, SIX has pledged assets and provided cash deposits as security for operating lease agreements. These amounts are restricted in use.

31. Contingent Liabilities

Except for the uncertainties regarding the final tax assessment (see note 12), SIX had no significant contingent liabilities as at 31 December 2022 (31 December 2021: none).

32. Leases

SIX as lessee
In particular, SIX leases office space, vehicles and IT equipment.

Leases of office space are negotiated on an individual basis and contain a wide range of different terms and conditions. Typically, they run for periods up to 13 years and may include an option to renew the lease for an additional period and/or to terminate the lease early. Some leases include variable lease payments that depend on local price indices. SIX subleases some of the leased office space.

The leases of vehicles and IT equipment typically run for periods of three to five years. Some leases of IT equipment may lead to variable lease payments depending on the usage. The leases of printers are usually leases of low-value items. The Group has elected not to recognize right-of-use assets and lease liabilities for these leases.

Right-of-use assets
For the quantitative disclosures on the right-of-use assets, see note 19.

Lease liabilities

The maturity analysis of the contractual undiscounted cash flows is set out in note 25.

Extension and termination options

Some leases of office space contain extension or termination options only exercisable by SIX. The termination options are subject to a termination fee of up to 15 monthly rentals. SIX assesses at lease commencement whether it is reasonably certain to exercise the extension option or not to exercise a termination option and performs a reassessment if there is a significant event or significant change in the circumstances within its control.

CHF million	Notes	31/12/2022	31/12/2021
Amounts recognized in the income statement			
Income from subleasing of right-of-use assets		0.4	0.8
Interest expenses on lease liabilities	10	-2.8	-2.9
Expenses related to variable lease payments		-0.3	-0.1
Expenses relating to leases of low-value assets, excluding short-term leases of low-value assets		-0.0	-0.2
Amounts recognized in the statement of cash flows			
Lease payments directly recognized in the income statement		0.5	0.3
Interest expenses on lease liabilities		2.8	2.9
Payment of lease liabilities		18.9	15.7
Lease commitments and undiscounted potential future lease payments not included in the lease liabilities			
Future lease payments related to leases not yet commenced to which SIX is committed		3.0	–
Extension options not reasonably certain to be exercised		0.5	0.6

SIX as lessor

SIX partially leases out some office buildings owned and subleases some office space. These leases are classified as operating leases, because they do not transfer substantially all the risk and rewards incidental to ownership of the assets.

Operating lease income also includes fees earned for the renting of conference rooms and the income from recharges of ancillary costs. In 2022, the operating lease income totaled CHF 10.8 million (2021: CHF 11.4 million).

The table below sets out a maturity analysis of the future undiscounted lease payments:

CHF million	31/12/2022	31/12/2021
Within one year	7.0	6.6
Between one and five years	24.5	22.9
More than five years	5.6	11.2
Total	**37.1**	**40.8**

The breakdown of property, plant and equipment in assets used by SIX and assets leased to third parties is provided in note 19.

33. Defined Benefit Plans

SIX has established its own pension plan in Switzerland. Outside of Switzerland, SIX uses different, generally legally independent pension providers. Defined benefit plans are in place for Switzerland, Spain, France and Luxembourg. Independent actuarial valuations for the plans are performed as required for the defined benefit plans. The defined benefit plan for Switzerland represents more than 98% of the total present value of the defined benefit obligation. For this reason, SIX does not present the defined benefit plans in Spain, France and Luxembourg separately.

Swiss pension plan

The Swiss pension plan covers all SIX employees in Switzerland and exceeds the minimum benefit requirements under the Swiss law (BVG). The benefits covered include retirement, disability and death benefits. Pension plan contributions are paid by the employees and the employer and calculated as a percentage of the covered salary. The rate of contribution depends on the age of the employee. All entities are responsible for the timely payment of contributions for each employee.

The Swiss plan provides employees with a choice between three saving plans: the budget plan, the standard plan and the maximum plan. The three plans differ only in the amount of employee contributions. At retirement, the employees' individual savings capital is multiplied by the conversion rate, which is defined by the pension fund regulations, and can be paid out as either a lifetime annuity or a lump-sum payment. In the event of disability, the pension plan pays a disability pension until the ordinary retirement age. In the event of death, the surviving spouse, registered partner or life partner is entitled to receive a pension.

Although the Swiss pension plan is a defined contribution plan under Swiss pension law, it qualifies and is therefore accounted for as a defined benefit plan under IAS 19 *Employee Benefits*. According to the relevant affiliation agreements, there is no provision for SIX to be liable to the plan for other affiliated companies' obligations. Any deficit or surplus of the pension plan will be allocated between the affiliated companies according to the relevant defined benefit obligation.

The employer contributions expected to be made to the Swiss pension plan in 2023 are CHF 40.4 million.

Plan assets and defined benefit obligation

The overall investment policy and strategy for the Swiss defined benefit plans are guided by the objective of achieving an investment return which, together with the contributions paid, is sufficient to maintain reasonable control over the various funding risks of the plan. The foundation board is responsible for determining the mix of asset types and target allocations. Actual asset allocation is determined by a variety of current and expected economic and market conditions and in consideration of specific asset class risks, the risk profile and the maturity pattern of the plan.

The plan assets of the Group comprise the following:

CHF million	31/12/2022	31/12/2021
Listed equity instruments	418.4	569.9
Listed debt instruments	572.9	646.6
Listed real estate	337.6	359.6
Cash and cash equivalents	35.9	19.7
Other financial investments	190.1	148.7
Total plan assets	**1,555.0**	**1,744.5**

All equity and most of the debt instruments have quoted prices in active markets. All government bonds excluding emerging markets have investment grade ratings.

An asset-liability matching (ALM) study is performed periodically by an external investment advisor to analyze the consequences of strategic investment policies. The strategic investment policy of the Swiss pension fund for 2022 can be summarized as follows:

- The strategic asset allocation comprises 24.0% to 40.0% (neutral: 32.0%) equity instruments; 28.0% to 52.0% (neutral: 38.0%) debt instruments and cash; and 20.0% to 39.0% (neutral: 30.0%) other investments (e.g. real estate and alternative investments).
- The interest rate risk is not managed actively, but the pension plan is underweighted in duration.
- The foreign currency risk of the main currencies is managed by a currency overlay program or foreign currency hedge directly in the funds.

The following table summarizes the changes in the present value of the defined benefit obligation:

CHF million	2022	2021
Present value of obligation at 1 January	**–1,631.6**	**–1,635.5**
Effect of business combinations and disposals	–0.7	–
Interest expenses on defined benefit obligation	–5.8	–2.6
Current service costs (employer)	–54.0	–56.1
Employee contributions	–30.9	–29.8
Benefits paid	85.4	43.0
Actuarial gains or (losses)	250.2	48.8
Administration costs	–0.8	–0.8
Translation adjustments	1.4	1.4
Present value of obligation at 31 December	**–1,386.8**	**–1,631.6**

Changes in the fair value of plan assets were as follows:

CHF million	2022	2021
Fair value of plan assets at 1 January	**1,744.5**	**1,603.6**
Effect of business combinations and disposals	0.3	–
Employer contributions	42.1	42.2
Employee contributions	30.9	29.8
Interest income on assets	6.1	2.4
Return on plan assets (excl. contributions in interest income)	–183.2	110.2
Benefits paid	–85.3	–43.3
Translation adjustments	–0.4	–0.4
Fair value of plan assets at 31 December	**1,555.0**	**1,744.5**

Amounts recognized in the balance sheet:

CHF million	31/12/2022	31/12/2021
Present value of defined benefit obligation	–1,386.8	–1,631.6
Fair value of plan assets	1,555.0	1,744.5
Overfunding/(underfunding)	**168.2**	**112.9**
Adjustment to asset ceiling	–167.1	–
Recognized pension assets/(liabilities)	**1.1**	**112.9**
of which presented as pension assets	*13.6*	*134.0*
of which presented as pension fund liabilities	*–12.5*	*–21.1*

All benefits were vested at the end of the reporting period. The weighted average duration of the defined benefit obligation at the reporting date was 12 years (31 December 2021: 15 years).

The following table provides information on pension costs for defined benefit plans:

CHF million	2022	2021
Current service costs	–54.0	–56.1
Net interest income/(expenses)	0.3	–0.1
Administration costs	–0.8	–0.8
Total pension expense for the period	**–54.5**	**–57.1**

Remeasurements recognized in other comprehensive income:

CHF million	2022	2021
Actuarial gains/(losses)	250.2	48.8
Return on plan assets excl. interest income	–183.2	110.2
Change in effect of asset ceiling excl. interest income/expenses	–167.1	–
Total income/(expense) recognized in OCI	**–100.2**	**159.0**

The actuarial gains/(losses) arising from changes in financial assumptions totaled CHF 321.2 million (2021: CHF 2.0 million).

Assumptions used to determine the defined benefit obligation

The following were the principal actuarial assumptions at the reporting date:

	31/12/2022	31/12/2021
Discount rate	2.20%	0.35%
Salary trend	2.50%	0.85%
Interest rate on retirement savings capital	1.50%	1.00%
Mortality tables	BVG 2020 GT	BVG 2020 GT

Sensitivity analysis

The calculation of the defined benefit obligation is sensitive to the assumptions set out above. The following table summarizes the positive or negative impact on the defined benefit obligation at the reporting date as a result of a change in the principal actuarial assumptions.

	Present value of defined benefit obligation	
CHF million	**31/12/2022**	**31/12/2021**
Defined benefit obligation based on current actuarial assumptions	–1,386.8	–1,631.6
Discount rate		
Change in actuarial assumption – decrease of 50 bps	–1,474.2	–1,762.4
Change in actuarial assumption – increase of 50 bps	–1,309.4	–1,517.3
Salary trend		
Change in actuarial assumption – decrease of 25 bps	–1,382.9	–1,624.5
Change in actuarial assumption – increase of 25 bps	–1,390.7	–1,638.8
Interest rate on retirement savings capital		
Change in actuarial assumption – decrease of 50 bps	–1,362.2	–1,600.4
Change in actuarial assumption – increase of 50 bps	–1,412.5	–1,664.2
Life expectancy		
Change in actuarial assumption – decrease of 1 year	–1,361.7	–1,591.9
Change in actuarial assumption – increase of 1 year	–1,411.3	–1,671.0

The above sensitivities are based on the average duration of the benefit obligation determined at the date of the last full actuarial valuation in 2022 and are applied to adjust the defined benefit obligation at the reporting date based on the assumptions concerned. While the analysis does not take into account the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity to the assumptions shown.

34. Related Party Disclosures

SIX defines related parties as:
- shareholders that have significant influence by delegating a member into the Board of Directors of SIX
- associated companies that are significantly influenced by SIX
- post-employment benefit plans for SIX employees
- key management personnel
- entities that are directly or indirectly controlled or jointly controlled by key management personnel

SIX shares are held by 120 banks, but no bank holds more than 20% of the Group's shares issued. The shares are widely distributed, i.e. no bank category has an absolute majority. All shareholders are bound by a shareholders' agreement.

Transactions with related parties and companies are conducted on terms equivalent to those that prevail in arm's length transactions. The price schedules for transactions with third parties also apply to transactions with related parties.

Transactions and outstanding balances with related parties of SIX are summarized in the tables below.

				2022
CHF million	Qualifying shareholders	Associates and joint ventures	Post-employment benefit plans	Total
Income statement				
Operating income	264.9	50.0	–	314.9
Other operating expenses	–0.5	–33.5	–	–34.0
Net financial expenses	–0.2	–0.7	–	–1.5
Net interest expenses	–1.6	0.0	–	–1.6
Contributions	–	–	–41.8	–41.8

				31/12/2022
CHF million	Qualifying shareholders	Associates and joint ventures	Post-employment benefit plans	Total
Balance sheet				
Cash and cash equivalents	139.5	–	–	139.5
Trade and other receivables	22.7	16.1	–	38.8
Receivables from clearing & settlement	45.9	–	–	45.9
Financial assets	18.2	3.4	–	21.6
Payables from clearing & settlement	750.0	262.6	–	1,012.6
Financial liabilities current	13.5	–	–	13.5
Other liabilities	2.2	12.4	–	14.7

CHF million	Qualifying shareholders	Associates and joint ventures	Post-employment benefit plans	2021 Total
Income statement				
Operating income	314.0	54.0	–	368.1
Other operating expenses	–0.7	–40.4	–	–41.1
Net financial expenses	–0.3	–0.5	–	–0.7
Net interest expenses	–0.8	–	–	–0.8
Contributions	–	–	–41.6	–41.6

CHF million	Qualifying shareholders	Associates and joint ventures	Post-employment benefit plans	31/12/2021 Total
Balance sheet				
Cash and cash equivalents	203.8	–	–	203.8
Trade and other receivables	30.5	8.0	–	38.5
Receivables from clearing & settlement	38.4	–	–	38.4
Financial assets	38.2	–	–	38.2
Payables from clearing & settlement	754.9	135.9	–	890.9
Financial liabilities current	9.5	–	–	9.5
Other liabilities	6.4	12.7	–	19.1

Operating income with associates and joint ventures included, in particular, office rental income and infrastructure as a service revenues (IAAS) with an associated company. Operating expenses with associates and joint ventures included mainly debit card and ATM processing fees paid to an associated company. The IAAS and processing fees are fixed and adjusted annually if the business volume changes.

Receivables from clearing & settlement due from related parties amounting to CHF 25.9 million are collateralized (31 December 2021: CHF 37.8 million). No loss allowance for doubtful receivables (i.e. lifetime expected credit losses under stage 3 of the impairment model) for amounts due from related parties were recorded as at 31 December 2022 or 31 December 2021.

Compensation paid to key management personnel

Key management personnel are defined as members of the Board of Directors and the Executive Board. This definition is based on the requirements of IAS 24 *Related Party Disclosures*.

The members of the Board of Directors and the Executive Board and their immediate relatives do not have any ownership interest in the Group's companies.

Apart from the compensation paid and the regular contributions to the pension fund institutions, no transactions with key management personnel took place. The amounts disclosed in the table are the amounts recognized as an expense during the reporting period.

CHF million	2022	2021
Salaries and other short-term employee benefits	–13.9	–13.9
Other long-term benefits	–3.0	–3.0
Total compensation to key management	**–16.9**	**–16.9**

35. Events after the Balance Sheet Date

As at 1 March 2023, the date of approval for issue of the financial statements by the Board of Directors, the Group had undergone no subsequent events warranting a modification of the value of the assets and liabilities or an additional disclosure.

Report of the Statutory Auditor

To the General Meeting of SIX Group Ltd, Zurich
Zurich, 2 March 2023

Report on the audit of the consolidated financial statements

Opinion

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

In our opinion, the consolidated financial statements (pages 45 to 131) give a true and fair view of the consolidated financial position of the Group as at 31 December 2022 and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) and comply with Swiss law.

Basis for opinion

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

Key audit matters

Key audit matters are those matters that, in our professional judgment, 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. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the "Auditor's responsibilities for the audit of the consolidated financial statements" section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the consolidated financial statements.

Valuation of goodwill and purchased intangible assets

Risk

As at 31 December 2022, SIX Group holds intangible assets in the amount of CHF 2,756.2 million, corresponding to 16.1% of the total assets. These relate predominantly to goodwill and purchased intangible assets (trademarks & licenses, customer relationships and internally generated software acquired in a business combination).

We focused on this area due to the significance on the balance sheet and because of the judgements and assumptions used by management for the purpose of impairment testing. Impairment testing is performed on an annual basis or more frequently if indicators for impairment are present by comparing the carrying value of a cash-generating unit (CGU) to its recoverable amount. This assessment involves judgements and assumptions on key parameters within the valuation models, such as on future free cash flows, long-term growth rates and discount rates.

The applied accounting policies for goodwill and purchased intangible assets are described in note 2 and further details are disclosed in note 3 and note 20 to the consolidated financial statements.

Our audit response

We have confirmed our understanding of the impairment testing process and assessed the design effectiveness of key controls, concluding that a substantive audit approach should be adopted. We evaluated, with the support of our valuation experts, the reasonableness of the valuation models and the appropriateness of the significant assumptions related to the valuation parameters. Specifically, we verified the calculation method for the determination of the discount rates and long-term growth rates and compared the rates with market- and industry specific reference values.

Furthermore, we assessed the projected cash flows and compared these forecasts to the business plans approved by the Board of Directors and appraised the reliability of the forecasts in previous years by back testing. Based on discussions with management we also gained an understanding about the budgeting process. We inspected the sensitivity analysis performed by management and performed our own sensitivity analysis on the key valuation parameters, understanding the impact that reasonably possible changes to these key inputs would have on the overall carrying value of the goodwill and purchased intangible assets at the balance sheet date.

In addition, we assessed the appropriateness of the relevant disclosures for this audit focus area in the consolidated financial statements.

Our audit procedures did not lead to any reservations regarding valuation of goodwill and purchased intangible assets.

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 consolidated financial statements, the stand-alone financial statements and our auditor's reports thereon.

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

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

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

Board of Directors' responsibilities for the consolidated financial statements

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

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

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

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

A further description of our responsibilities for the audit of the consolidated financial statements is located on EXPERTsuisse's website at: https://www.expertsuisse.ch/en/audit-report. This description forms an integral part of our report.

Report on other legal and regulatory requirements

In accordance with Art. 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 the consolidated financial statements according to the instructions of the Board of Directors.

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

Ernst & Young Ltd

Bruno Patusi
Licensed audit expert
(Auditor in charge)

Slaven Cosic
Licensed audit expert

SIX Group Ltd Financial Statements 2022

1. Balance Sheet

CHF million	Notes	31/12/2022	31/12/2021
Assets			
Cash and cash equivalents	3.2.2	292.7	351.8
Current financial assets	3.2.5	14.4	16.8
Trade receivables	3.2.3	6.2	6.8
Other receivables	3.2.4	392.0	306.5
Positive replacement values of derivatives		0.5	0.9
Accrued income and prepaid expenses		12.6	12.9
Current assets		**718.4**	**695.6**
Non-current financial assets	3.2.5	132.9	141.1
Investments in subsidiaries and associated entities	3.2.6	6,730.0	6,624.5
Non-current assets		**6,862.9**	**6,765.6**
Total assets		**7,581.3**	**7,461.1**
Liabilities			
Trade payables	3.2.7	8.7	2.3
Current interest-bearing liabilities	3.2.8	255.3	280.2
Other current liabilities	3.2.9	1.1	1.0
Negative replacement values of derivatives		0.5	0.8
Accrued expenses and deferred income		12.0	12.3
Current liabilities		**277.5**	**296.7**
Non-current interest-bearing liabilities	3.2.10	1,264.0	1,298.4
Other non-current liabilities	3.2.11	–	8.2
Non-current provisions		3.2	3.2
Non-current liabilities		**1,267.2**	**1,309.8**
Total liabilities		**1,544.7**	**1,606.5**
Equity			
Share capital		19.5	19.5
Legal capital reserves			
Reserves from capital contributions		230.2	230.2
Reserves for indirectly held treasury shares		23.3	23.3
Free reserves			
Profit carried forward		5,488.9	5,312.8
Profit for the year		274.6	268.8
Treasury shares	3.2.14	–0.0	–0.0
Total equity		**6,036.6**	**5,854.7**
Total liabilities and equity		**7,581.3**	**7,461.1**

2. Income Statement

CHF million	Notes	2022	2021
Dividend income from investments		266.2	216.3
Service revenues		14.9	14.8
Other trade revenues		9.1	9.0
Total operating income		**290.3**	**240.0**
Consulting and other professional fees		–20.0	–16.5
Valuation adjustments and losses	3.2.15	–18.1	–31.5
Other operating expenses		–3.1	–2.5
Total operating expenses		**–41.2**	**–50.5**
Operating profit before interest and tax		**249.1**	**189.5**
Financial income	3.2.16	79.6	81.9
Financial expenses	3.2.16	–50.5	–54.7
Earnings before tax and extraordinary items		**278.2**	**216.7**
Extraordinary income	3.2.18	20.1	57.0
Extraordinary expenses	3.2.18	–23.2	–
Earnings before tax		**275.1**	**273.7**
Taxes		–0.5	–4.9
Profit for the year		**274.6**	**268.8**

3. Notes to the Financial Statements

3.1 Principles of the financial statements

3.1.1 General principles

These financial statements were prepared according to the principles of the Swiss Law on Accounting and Financial Reporting (32nd title of the Swiss Code of Obligations). Where not prescribed by law, the significant accounting and valuation principles applied are described below. The financial statements may be influenced by the creation and release of hidden reserves.

The amounts stated in the financial statements are rounded. The total may therefore differ from the sum of the individual values, which are calculated to the decimal point.

3.1.2 Foreign currency translation

Transactions in foreign currencies are recorded at the current exchange rates. Monetary items are translated using the closing rates. Non-monetary items are translated using historical exchange rates. Exchange rate gains and losses are credited or debited to the income statement.

Foreign currency positions were translated into CHF using the following closing rates:

Foreign currency	31/12/2022	31/12/2021
EUR	0.9837	1.0347
USD	0.9237	0.9144

3.1.3 Investments in subsidiaries and associated entities

Investments in subsidiaries and associated entities are carried at cost less accumulated impairment losses.

3.1.4 Financial assets

Bonds are measured at the lower of amortized cost or market value. Financial assets which are due within one year are presented within current assets. Loans are carried at nominal value less accumulated impairment losses.

3.1.5 Derivative financial instruments

Derivatives are recognized initially at cost. Subsequent to initial recognition derivatives are measured at market value.

3.1.6 Treasury shares

At initial recognition, treasury shares are recognized at cost as a negative position within equity. Gains or losses arising on subsequent sale are recognized as financial income or expense.

3.1.7 Revenue recognition

Revenues for services are recognized when invoiced. This occurs when the services have been provided.

3.2 Disclosure on balance sheet and income statement items and other information

3.2.1 Number of full-time equivalents

The annual average number of full-time equivalents in the reporting year was nil (2021: nil).

3.2.2 Cash and cash equivalents

CHF million	31/12/2022	31/12/2021
Due from third parties	5.5	12.0
Due from shareholders	287.3	339.8
Cash and cash equivalents	**292.7**	**351.8**

3.2.3 Trade receivables

CHF million	31/12/2022	31/12/2021
Due from Group and associated entities	6.2	6.8
Trade receivables	**6.2**	**6.8**

3.2.4 Other receivables

CHF million	31/12/2022	31/12/2021
Due from third parties	0.2	1.8
Due from Group and associated entities	391.8	304.7
Other receivables	**392.0**	**306.5**

3.2.5 Financial assets

CHF million	31/12/2022	31/12/2021
Loans due from Group and associated entities	93.7	91.8
Bonds	35.3	45.7
Equity and convertible loans	18.3	20.3
Financial assets	**147.3**	**157.8**
of which current	*14.4*	*16.8*
of which non-current	*132.9*	*141.1*

3.2.6 Investments in subsidiaries and associated entities

A list of direct and significant indirect Group companies held by SIX Group Ltd with the percentage of capital controlled is included in the SIX Consolidated Financial Statements.

3.2.7 Trade payables

CHF million	31/12/2022	31/12/2021
Due to third parties	7.2	0.2
Due to Group and associated entities	1.4	2.1
Trade payables	**8.7**	**2.3**

3.2.8 Current interest-bearing liabilities

CHF million	31/12/2022	31/12/2021
Due to third parties	0.0	0.1
Due to Group and associated entities	255.3	280.1
Current interest-bearing liabilities	**255.3**	**280.2**

3.2.9 Other current liabilities

CHF million	31/12/2022	31/12/2021
Due to third parties	0.1	1.0
Due to Group and associated entities	1.0	–
Other current liabilities	**1.1**	**1.0**

3.2.10 Non-current interest-bearing liabilities

CHF million			31/12/2022	31/12/2021
Due to third parties			600.0	600.0
thereof 0.125% dual part bond	*ISIN CH1142754337 / CH1142754345*	*Maturity: 27/11/2026*	*150.0*	*150.0*
thereof 0.2% bond	*ISIN CH1132966347*	*Maturity: 28/09/2029*	*450.0*	*450.0*
Due to Group and associated entities[1]			664.0	698.4
Non-current interest-bearing liabilities			**1,264.0**	**1,298.4**

[1] Related to the issue of EUR 650.0 million Senior Bond by SIX Finance (Luxembourg) SA, see note 3.2.13.

3.2.11 Other non-current liabilities

CHF million	31/12/2022	31/12/2021
Due to Group and associated entities	–	8.2
Other non-current liabilities	**–**	**8.2**

3.2.12 Liabilities due to pension fund

CHF million	31/12/2022	31/12/2021
Liabilities due to pension fund	–	0.1

3.2.13 Contingent liabilities

CHF million	31/12/2022	31/12/2021
Total amount of guarantees and warranty obligations		
Group and associated obligors	750.7	864.1
Joint liability from consolidated value added tax filing status	p.m.	p.m.

The Tax Authorities of the Canton of Zurich have announced a re-assessment of possible tax effects from the disposal of the former cards business on SIX Group Ltd in the tax period 2018. The possible tax claim would amount to a maximum of CHF 6.0 million. Management believes that is has strong arguments to defend its current position and that the re-assessment will not lead to a payment. Accordingly, no provision has been made in the financial statements.

Apart from that, different legal opinions between the Company and third parties (contractual partners, authorities, etc.) may arise in the course of business, which could possibly lead to legal disputes. The Company assesses the corresponding risks and recognizes provisions if it considers the occurrence to be probable. No provisions are recognized for risks that the Company currently considers to be unlikely or highly unlikely to occur. However, it cannot be ruled out that risks will be assessed differently in the future as a result of new findings and that there will be cash outflows. This is particularly the case as the assessment of legal uncertainties involves a degree of discretion and legal developments may also lead to new assessments.

Group and associated obligors include:
- CHF 47.0 million (2021: CHF 47.0 million) guarantee in the event of insolvency of a cash pooling member
- CHF 2.1 million (2021: CHF 2.1 million) contingent liability related to credit facilities granted to Group entities
- nil (2021: CHF 103.0 million) guarantee related to an intraday facility
- CHF 13.6 million (2021: CHF 13.6 million) guarantee related to the VISA license for SIX BBS Ltd
- CHF 664.0 million (2021: CHF 698.4 million) guarantee related to the issue of EUR Senior Bond by SIX Finance (Luxembourg) SA
- CHF 24.0 million (2021: nil) guarantee related to Worldline Switzerland Ltd

3.2.14 Treasury shares including treasury shares held by Group entities

	31/12/2022		31/12/2021	
Values in CHF million	**Number**	**Value**	**Number**	**Value**
Held by SIX Group Ltd	10	0.0	10	0.0
Held by subsidiaries	607,854	23.3	607,854	23.3

There were no transactions with treasury shares in the reporting and in the previous year.

3.2.15 Valuation adjustments and losses

CHF million	2022	2021
Current assets	–0.0	–0.0
Current financial assets	–3.0	–31.5
Investments in subsidiaries and associated entities	–15.1	–
Valuation adjustments and losses	**–18.1**	**–31.5**

In the reporting year, loans were impaired in the amount of CHF 3.0 million (2021: CHF 31.5 million). Additionally, the valuation adjustments consist of an impairment of CHF 15.1 million of investments in associated entities (2021: nil).

3.2.16 Financial result

CHF million	2022	2021
Foreign exchange gains	76.6	79.8
Gain on disposal of financial assets	–	0.1
Other income	3.0	2.0
Financial income	**79.6**	**81.9**
Foreign exchange losses	–44.7	–46.5
Loss on disposal of financial assets	–	–0.1
Other expenses	–5.8	–8.1
Financial expenses	**–50.5**	**–54.7**

3.2.17 Hidden reserves released

There are no hidden reserves in 2022 and 2021.

3.2.18 Explanations of extraordinary positions in the income statement

Investments in subsidiaries are valued individually. As a result, a reversal of impairment of CHF 20.1 million was recognized in extraordinary income (2021: CHF 57.0 million). An impairment of an investment of CHF 23.2 million was recognized as extraordinary expense (2021: nil).

3.2.19 Significant events after the balance sheet date

None.

4. Statement of Changes in Equity

	Legal capital reserves		Legal retained earnings	Free reserves		
CHF million	Share capital	Reserves from capital contributions	Reserves for treasury shares	Profit carried forward	Treasury shares	Total equity
Balance at 1 January 2021	**19.5**	**230.2**	**23.3**	**5,396.7**	**–0.0**	**5,669.8**
Dividends paid	–	–	–	–83.9	–	–83.9
Profit for the year	–	–	–	268.8	–	268.8
Balance at 31 December 2021	**19.5**	**230.2**	**23.3**	**5,581.6**	**–0.0**	**5,854.7**
Dividends paid	–	–	–	–92.7	–	–92.7
Profit for the year	–	–	–	274.6	–	274.6
Balance at 31 December 2022	**19.5**	**230.2**	**23.3**	**5,763.5**	**–0.0**	**6,036.6**

The share capital consists of 19,521,905 registered shares with a par value of CHF 1.00 each.

An ordinary dividend of CHF 4.75 per registered share was paid during the reporting period.

5. Appropriation of Profit

CHF million	2022	2021
Profit carried forward from previous year	**5,488.9**	**5,312.8**
Profit for the year	274.6	268.8
Available profit carried forward	**5,763.5**	**5,581.6**
Dividend of CHF 5.10 per registered share of CHF 1.00 nominal value (previous year: CHF 4.75)	99.6	92.7
Profit carried forward to the following year	**5,664.0**	**5,488.9**

The Board of Directors proposes to the General Meeting of Shareholders that the profit be appropriated in accordance with the table above.

Report of the Statutory Auditor

To the General Meeting of SIX Group Ltd, Zurich
Zurich, 2 March 2023

Report on the audit of the financial statements

Opinion

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

In our opinion, the financial statements (pages 137 to 144) comply with Swiss law and the Company's articles of incorporation.

Basis for opinion

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

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

Key audit matters

Key audit matters are those matters that, in our professional judgment, 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. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the "Auditor's responsibilities for the audit of the financial statements" section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the financial statements.

Valuation of investments in subsidiaries

Risk

As at 31 December 2022, SIX Group Ltd holds investments in subsidiaries in the amount of CHF 5,113.3 million, corresponding to 67.4% of the total assets, which are accounted for at acquisition cost less accumulated impairment losses.

We focused on this area due to the significance on the balance sheet and because of the judgements and assumptions over the valuation of investments in subsidiaries. Where indicators of impairment are identified, management assesses the potential need of impairment of each subsidiary individually by comparing the carrying amount of the investment in subsidiary with the recoverable amount, which is calculated based on the value of capitalized earnings. This calculation involves several judgements including assumptions on future free cash flows, discount rates and long-term growth rates.

The applied accounting policy for this position is described in note 3.1.3 and further details related to investments in subsidiaries are disclosed in note 3.2.6 to the financial statements.

Our audit response
We have confirmed our understanding of the impairment assessment process and assessed the design effectiveness of key controls, concluding that a substantive audit approach should be adopted. To test the appropriateness of management's assessment, we evaluated the impairment indicators identified. In case indicators were present, we compared the carrying amount of the investment with the amount of capitalized earnings. In respect to the value of capitalized earnings, we have assessed the valuation model used. We verified, with the support of our valuation experts, the key assumptions used, including the discount rate and long-term growth rate.

In addition, we assessed the appropriateness of the relevant disclosures for this audit focus in the financial statements.

Our audit procedures did not lead to any reservations regarding the valuation of investments in subsidiaries.

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 consolidated financial statements, the stand-alone financial statements and our auditor's reports thereon.

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

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

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

Board of Directors' responsibilities for the financial statements

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

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

Auditor's responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located on EXPERTsuisse's website at: https://www.expertsuisse.ch/en/audit-report. This description forms an integral part of our report.

Report on other legal and regulatory requirements

In accordance with Art. 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 the financial statements according to the instructions of the Board of Directors.

Furthermore, we 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.

Ernst & Young Ltd

Bruno Patusi
Licensed audit expert
(Auditor in charge)

Slaven Cosic
Licensed audit expert

Publisher
SIX Group Ltd
Pfingstweidstrasse 110
P.O. Box
8021 Zurich
Switzerland
T +41 58 399 21 11
six-group.com

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Thomas Eugster
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