



TX Group AG
Board of Directors

General Shareholders' Meeting 2020

To the shareholders of TX Group Ltd

Zurich, 10 March 2020

Ladies and Gentlemen,

It is our pleasure to invite you to the

2020 Ordinary General Shareholders' Meeting of TX Group Ltd (formerly Tamedia Ltd)

**on Friday, 3 April 2020, 15.00 hours at the Lake Side, Bellerivestrasse 170, 8008 Zurich.
Registration begins at 14.00 hours, the hall opens at 14.40 hours.**

Please find enclosed the details of the organisational arrangements along with an information sheet containing instructions on how to access an electronic platform where you can issue a proxy and directions to the independent representative of voting rights. We will use electronic voting devices at the meeting.

Agenda items and motions of the Board of Directors

1. **Annual report, consolidated financial statements and annual financial statements 2019 (as of 31 December 2019), auditor's reports**

A Motion

The Board of Directors proposes that the auditor's reports be acknowledged and that the annual report, the consolidated financial statements and the annual financial statements for 2019 be approved.

B Comments

Tamedia's revenues increased by 6.8 per cent, or CHF 68.9 million, to CHF 1,079.5 million due to the changes to the group of consolidated companies – particularly the acquisition of Zattoo Group in 2019 and the acquisitions of Basler Zeitung AG, Goldbach Group and Neo Advertising SA in 2018,

whose revenues are consolidated for a full year for the first time. The increase exceeds the structural decline in operating revenues in the traditional publishing business.

Operating income before depreciation and amortisation (EBITDA) fell by CHF 9.1 million or 4.4 per cent to CHF 196.8 million. The EBITDA margin decreased therefore from 20.4 per cent in the previous year to 18.2 per cent. Operating income (EBIT) fell by 46.5 per cent or CHF 61.2 million to CHF 70.4 million, reducing the EBIT margin from 13.0 per cent in the previous year to 6.5 per cent. Ongoing depreciation and amortisation rose by CHF 15.2 million to CHF 41.5 million year on year. Of this amount, CHF 12.1 million is due to the first-time reporting of the depreciation of the right-of-use assets capitalised in accordance with IFRS 16. The further increase is attributable to the changes to the group of consolidated companies. Depreciation and amortisation resulting from mergers climbed by CHF 14.5 million to CHF 60.1 million. This was primarily because Basler Zeitung AG, Goldbach Group and Neo Advertising SA, all acquired in 2018, were included in the figures for a full year for the first time and because the depreciation and amortisation contributed by the Zattoo Group was reported for the first time in 2019. Following the annual goodwill impairment test for each cash-generating unit, impairment on goodwill of CHF 24.7 million was recognised in the Paid Media segment on 31 December 2019, as against CHF 2.3 million in the previous year. The EBIT margin decreased from 13.0 per cent in the previous year to 6.5 per cent. The reported net income for 2019 of CHF 97.8 million represents a decrease of 24.5 per cent or CHF 31.8 million below the previous year's level of CHF 129.5 million.

With revenues of CHF 439.6 million (previous year CHF 481.2 million), the parent company, Tamedia Ltd, achieved an operating income before depreciation and amortisation (EBITDA) of CHF 25.2 million in the 2019 financial year (previous year CHF 68.6 million). The operating income (EBIT) amounted to CHF 17.4 million (previous year CHF 60.6 million). The financial result improved significantly in 2019 due to the sale of the participation in Swisscom Directories AG.

In their reports to the General Shareholders' Meeting, the auditors of PricewaterhouseCoopers Ltd, Zurich, recommend that the 2019 consolidated financial statements and the 2019 annual financial statements of the parent company be approved.

2. Appropriation of net profit and determination of dividends

A Motion

The Board of Directors proposes that a total amount of CHF 37.1 million or CHF 3.50 per share be paid as dividends from TX Group Ltd's net profit in the 2019 financial year.

B Comments

If the General Shareholders' Meeting approves this proposal, the dividends will be paid on 9 April 2020, subject to 35 percent withholding tax.

3. Discharge of the members of the Board of Directors and the Management Board

Motion

The Board of Directors proposes that the members of the Board of Directors and the members of the Management Board be discharged in respect of their activities in the 2019 financial year.

4. Elections (held individually):

4.1. Elections to the Board of Directors

4.1.1. Re-election of Pietro Supino as a member and Chairman of the Board of Directors

Motion

The Board of Directors proposes that Dr. Pietro Supino be re-elected as a member and Chairman of the Board of Directors until the end of the next Ordinary General Shareholders' Meeting.

4.1.2. Re-election of Martin Kall as a member of the Board of Directors

Motion

The Board of Directors proposes that Mr. Martin Kall be re-elected as a member of the Board of Directors until the end of the next Ordinary General Shareholders' Meeting.

4.1.3. Re-election of Pierre Lamunière as a member of the Board of Directors

Motion

The Board of Directors proposes that Mr. Pierre Lamunière be re-elected as a member of the Board of Directors until the end of the next Ordinary General Shareholders' Meeting.

4.1.4. Re-election of Sverre Munck as a member of the Board of Directors

Motion

The Board of Directors proposes that Dr. Sverre Munck be re-elected as a member of the Board of Directors until the end of the next Ordinary General Shareholders' Meeting.

4.1.5. Re-election of Konstantin Richter as a member of the Board of Directors

Motion

The Board of Directors proposes that Mr. Konstantin Richter be re-elected as a member of the Board of Directors until the end of the next Ordinary General Shareholders' Meeting.

4.1.6. Re-election of Andreas Schulthess as a member of the Board of Directors

Motion

The Board of Directors proposes that Mr. Andreas Schulthess be re-elected as a member of the Board of Directors until the end of the next Ordinary General Shareholders' Meeting.

4.1.7. New election of Pascale Bruderer as a member of the Board of Directors

A Motion

The Board of Directors proposes that Ms. Pascale Bruderer be elected as a member of the Board of Directors until the end of the next Ordinary General Shareholders' Meeting.

B Personal information

Pascale Bruderer (CH/1977) looks back on a long political career in Switzerland as former National Councillor, Speaker of the National Council and Member of the Council of States. In 2019, the political scientist with a Master's degree from the University of Zurich left the Federal Parliament and switched from politics to business. Today, she is a partner in the start-up company Crossiety and holds other board memberships with BernExpo AG, Mobiliar Genossenschaft (which she will abandon to avoid conflicts of interest) and probably from May 2020 onwards with the Galenica Group.

4.1.8. New election of Christoph Tonini as a member of the Board of Directors as of 1 July 2020

A Motion

The Board of Directors proposes that Mr. Christoph Tonini be elected as a member of the Board of Directors as of 1 July 2020 until the end of the next Ordinary General Shareholders' Meeting.

B Personal information

Christoph Tonini (CH/I/1969) has been Chief Executive Officer since January 2013. He joined the former Tamedia Group in April 2003 as Chief Financial Officer and member of the Management Board. From 2008 to 2012 he was responsible among others for the Services Division, the Newspapers Switzerland, Media Switzerland and most recently the Digital & 20 Minuten Division. He was also Deputy CEO from 2007 to 2012. Before joining Tamedia, Christoph Tonini held various positions for Ringier between 1998 and 2003 including Head of Ringier Hungary and Romania. Christoph Tonini completed an MBA at St. Gallen University from 2001 to 2003. Prior to that, he completed an apprenticeship in offset printing and studied at the Swiss Engineering School for Printing and Packaging (esig) in Lausanne from 1990 to 1993.

4.2. Elections to the Compensation Committee

4.2.1. Re-election Martin Kall as a member of the Compensation Committee

Motion

The Board of Directors proposes that Mr. Martin Kall be re-elected as a member of the Compensation Committee until the end of the next General Shareholders' Meeting. Mr. Martin Kall has been appointed Chairman of the Compensation Committee.

4.2.2. Re-election of Andreas Schulthess as a member of the Compensation Committee

Motion

The Board of Directors proposes that Mr. Andreas Schulthess be re-elected as a member of the Compensation Committee until the end of the next Ordinary General Shareholders' Meeting.

4.2.3. New election of Pierre Lamunière as a member of the Compensation Committee

Motion

The Board of Directors proposes that Mr. Pierre Lamunière be elected as a member of the Compensation Committee until the end of the next Ordinary General Shareholders' Meeting.

4.3 Re-election of Gabriela Wyss as independent representative of voting rights

Motion

The Board of Directors proposes that Dr. Gabriela Wyss, Wyss Häfeli Rechtsanwälte, Zurich, be re-elected as independent representative of voting rights until the end of the next General Shareholders' Meeting.

4.4. Re-election of PricewaterhouseCoopers as auditors

Motion

The Board of Directors proposes the re-election of PricewaterhouseCoopers Ltd as the auditors for the 2020 financial year.

5. Total remuneration to the Board of Directors, the Advisory Board for Media Technology and Innovation and the Management Board

5.1. Total remuneration to the Board of Directors for the 2019 financial year

A Motion

The Board of Directors proposes that the total remuneration to the members of the Board of Directors for the 2019 financial year in the amount of CHF 2,399,128 be approved.

B Comments

The remuneration to the members of the Board of Directors consists exclusively of a fixed remuneration also comprising pensions and social benefits. Details are provided in the compensation report on pages 127 et seq. of the Company Report.

5.2. Total remuneration to the Advisory Board for Media Technology and Innovation for the 2019 financial year

A Motion

The Board of Directors proposes that the total remuneration to the members of the Advisory Board for Media Technology and Innovation for the 2019 financial year in the amount of CHF 60,000 be approved.

B Comments

The remuneration to the members of the Advisory Board for Media Technology and Innovation consists exclusively of a fixed remuneration without pensions and social benefits. Details are provided in the compensation report on pages 127 et seq. of the Company Report.

5.3. Total fixed remuneration to the Management Board for the 2019 financial year

A Motion

The Board of Directors proposes that the total fixed remuneration to the members of the Management Board for the 2019 financial year in the amount of CHF 5,588,370 be approved.

B Comments

In addition to the salaries, the total fixed remuneration to the members of the Management Board also comprises pensions and social benefits. Details are provided in the compensation report on pages 127 et seq. of the Company Report.

5.4. Total variable remuneration to the Management Board for the 2019 financial year

A Motion

The Board of Directors proposes that the total variable remuneration to the members of the Management Board for the 2019 financial year in the amount of CHF 2,964,679 be approved.

B Comments

The variable remuneration to the members of the Management Board consists of a performance-based and/or profit-sharing component also comprising pensions and social benefits. Details are provided in the compensation report on pages 127 et seq. of the Company Report.

6. Any other business

For the Board of Directors



Dr. Pietro Supino
Chairman

Enclosures:

- Return envelope
- Registration card with proxy form and option to order the Company Report 2019
- Login information for electronic grant of voting rights

Organisational information

Company Report, Auditor's Reports

The Company Report, comprising the annual report, the compensation report, the annual financial statements and the consolidated financial statements for the period ending 31 December 2019 along with the reports by the external auditor will be available for consultation by shareholders at the reception of our registered office (TX Group Ltd, Werdstrasse 21, 8004 Zurich) from Tuesday, 10 March 2020 and will be provided to shareholders upon request. The full Company Report is also available on the website of TX Group Ltd for download at www.tx.group.

Admission ticket, voting documents and representation

Shareholders entered in the share register as being eligible to vote will receive a registration card (with proxy form, see below) together with the invitation to the General Shareholders' Meeting. We kindly ask you to return the registration card by Friday, 27 March 2020. The admission tickets and the voting documents will be mailed by the Computershare Switzerland Ltd share registry upon receipt of the registration.

Eligibility to attend and vote at the General Shareholders' Meeting

The shareholders entered in the share register as being eligible to vote by Friday, 27 March 2020 are entitled to attend the General Shareholders' Meeting on Friday, 3 April 2020. The share register will be closed on Friday, 27 March 2020 at 13:00 hrs. Any unregistered shareholders and accompanying persons may attend the General Shareholders' Meeting, without voting rights, using a guest card.

Personal attendance at the General Shareholders' Meeting

To be admitted to the General Shareholders' Meeting, the admission ticket, together with the voting cards or the visitor's card must be presented. The admission windows will open at 14:00 hrs. Please note that the admission ticket must not be separated from the voting cards. They must be shown together at the admission window for validation.

Early departure from the General Shareholders' Meeting

In the event that you should leave the General Shareholders' Meeting early, we kindly ask you to present your unused voting materials at the exit so that we may correctly determine shareholder presence.

Representation

Shareholders may be represented at the General Shareholders' Meeting by their legal representative, a third party, who does not need to be a shareholder, or by the independent representative of voting rights, Dr. iur. Gabriela Wyss (Wyss Häfeli Rechtsanwälte, Freigutstrasse 22, 8002 Zurich). The independent representative of voting rights will vote in accordance with your instructions. If no instructions have been provided, she will vote in favour of the Board of Directors' proposals. If Dr. iur. Gabriela Wyss is unable to attend the General Shareholders' Meeting, the Board of Directors will designate her substitute.

The proxy may be granted in writing using the proxy form on the registration card or the admission ticket, or electronically in accordance with the enclosed information and log-in details. If proxies are granted, it is not possible to personally exercise the voting rights at the General Shareholders' Meeting.

Electronic participation or any changes to electronically provided instructions are accepted no later than Tuesday, 31 March 2020 at 23:59 hrs. For practical reasons, the shareholder's basic decision to participate electronically can be changed only one time to select personal attendance or third-party attendance by no later than 4 days prior to the General Shareholders' Meeting.

Additional information

The 2020 General Shareholders' Meeting will be held at the Lake Side, Bellerivestrasse 170, 8008 Zurich. You can reach the Lake Side by public transportation as follows: tram lines 2 and 4 or the number 33 bus to the Fröhlichstrasse stop, or the number 912 or 96 buses to the Chinagarten stop. There is also a public car park in front of the Lake Side.

