



# Sunrise

**Public Tender Offer**  
by  
**UPC Schweiz GmbH, Wallisellen, Switzerland**  
for all publicly held registered shares with a nominal value of  
**CHF 1.00 each**  
of  
**Sunrise Communications Group AG, Opfikon, Switzerland**

**Offer Price:** CHF 110.00 net in cash (the **Offer Price**) per registered share of Sunrise Communications Group AG (**Sunrise** or the **Company**) with a nominal value of Swiss Francs (**CHF**) 1.00 each (each a **Sunrise Share**).

The Offer Price will be reduced by the gross amount of any dilutive effects in respect of the Sunrise Shares prior to the consummation of the Offer (the **Settlement**, and the date on which the Settlement shall occur, the **Settlement Date**), including dividend payments and other distributions of any kind, stock splits or reverse stock splits, demergers and spin-offs, capital increases and the sale of treasury shares at an issuance or sales price per Sunrise Share below the Offer Price, the purchase by the Company or any of its Subsidiaries of Sunrise Shares at a purchase price above the lower of the Offer Price and the prevailing share price, the issuance by the Company or any of its Subsidiaries of options, warrants, convertible securities or other rights to acquire Sunrise Shares or other securities of the Company, and repayments of capital in any form.

**Offer Period:** From September 11, 2020, to October 8, 2020, 4:00 p.m. Swiss time (subject to extension).

Sunrise	Securities No.	ISIN	Ticker symbol
Registered shares <b>not tendered</b> (first trading line)	26 729 122	CH0267291224	SRCG
Registered shares <b>tendered</b> (second trading line)	56 563 066	CH0565630669	SRCGE

---

Financial Advisors  
**Credit Suisse**      **J.P. Morgan**

Offer Manager  
**Credit Suisse**

Offer Prospectus dated August 27, 2020 (the **Offer Prospectus**)

## Offer Restrictions

### General

The tender offer (*öffentliches Kaufangebot*) described in this Offer Prospectus (the **Offer**) is not being made and will not be made, directly or indirectly, in any country or jurisdiction in which the Offer would be considered unlawful or otherwise violate any applicable laws or regulations, or which would require Liberty Global plc (**Liberty Global**) or any of its direct or indirect subsidiaries, including UPC Schweiz GmbH (the **Offeror**) (each direct or indirect subsidiary of Liberty Global or of Sunrise hereinafter a **Subsidiary**), to change or amend the terms or conditions of the Offer in any material way, to make an additional filing with any governmental, regulatory or other authority or take additional action in relation to the Offer. It is not intended to extend the Offer to any such country or jurisdiction. Any such document relating to the Offer must neither be distributed in any such country or jurisdiction nor be sent into such country or jurisdiction, and must not be used for the purpose of soliciting the purchase of securities of the Company by any person or entity resident or incorporated in any such country or jurisdiction.

According to Swiss law, Sunrise Shares tendered into the Offer may generally not be withdrawn after they are tendered except under certain circumstances, in particular in case a competing offer for the Sunrise Shares is launched.

### Notice to U.S. Holders

The Offer is being made for the registered shares of Sunrise, a Swiss corporation (*Aktiengesellschaft*) whose shares are listed on the SIX Swiss Exchange (**SIX**), and is subject to Swiss disclosure and procedural requirements, which are different from those of the United States of America (the **U.S.**). The Offer is being made in the U.S. pursuant to Section 14(e) of, and Regulation 14E under, the U.S. Securities Exchange Act of 1934, as amended (the **U.S. Exchange Act**), subject to the exemptions provided by Rule 14d-1 and Rule 14e-5 under the U.S. Exchange Act and any exemptions from such requirements granted by the U.S. Securities and Exchange Commission (the **SEC**), and otherwise in accordance with the requirements of Swiss law. Accordingly, the Offer is subject to disclosure and other procedural requirements, including with respect to withdrawal rights, settlement procedures and timing of payments that are different from those applicable under U.S. domestic tender offer procedures and laws. Holders of Sunrise Shares resident in the U.S. (each a **U.S. Holder**) are urged to read this Offer Prospectus, which is available via [www.nationalconnectivitychallenger.ch](http://www.nationalconnectivitychallenger.ch), and consult with their own Swiss advisors regarding the Offer. U.S. Holders may also call +1 303 220 6600 (US) or email [ir@LibertyGlobal.com](mailto:ir@LibertyGlobal.com) to request a copy of this Offer Prospectus.

In accordance with the laws of Switzerland and subject to applicable regulatory requirements, Liberty Global and its Subsidiaries and affiliates or their respective nominees or brokers (acting as agents for the Offeror) may from time to time after the date of this Offer Prospectus, and other than pursuant to the Offer, directly or indirectly, purchase or arrange to purchase Sunrise Shares or any securities that are convertible into, exchangeable for or exercisable for Sunrise Shares from shareholders of the Company who are willing to sell their Sunrise Shares outside the Offer from time to time, including purchases in the open market at prevailing prices or in private transactions at negotiated prices, and shall comply with applicable laws and regulations in Switzerland and applicable U.S. securities laws, rules and regulations and pursuant to exemptive relief granted by the SEC from Rule 14e-5 under the U.S. Exchange Act. Any such purchases will not

be made at prices higher than the Offer Price or on terms more favorable than those offered pursuant to the Offer unless the Offer Price is increased accordingly. Any information about such purchases or arrangements to purchase will be publicly disclosed in the U.S. on [www.nationalconnectivitychallenger.ch](http://www.nationalconnectivitychallenger.ch) to the extent that such information is made public in accordance with the applicable laws and regulations of Switzerland. In addition, the financial advisors to the Company and, subject to applicable Swiss and U.S. securities laws, rules and regulations and pursuant to exemptive relief granted by the SEC from Rule 14e-5 under the U.S. Exchange Act, the financial advisors to Liberty Global and its affiliates may also engage in ordinary course trading activities in securities of the Company, which may include purchases or arrangements to purchase such securities.

It may be difficult for U.S. Holders to enforce their rights and any claim arising out of U.S. securities laws, since the Offeror and the Company are located in a non-U.S. jurisdiction, and some or all of their officers and directors may be residents of a non-U.S. jurisdiction. U.S. Holders may not be able to sue a non-U.S. company or its officers or directors in a U.S. or non-U.S. court for violations of the U.S. securities laws. Further, it may be difficult to compel a non-U.S. company and its affiliates to subject themselves to a U.S. court's judgment.

The receipt of cash pursuant to the Offer by a U.S. Holder may be a taxable transaction for U.S. federal income tax purposes and under applicable U.S. state and local laws, as well as foreign and other tax laws. Each U.S. Holder of the Company is urged to consult his or her independent professional advisor immediately regarding the U.S. tax consequences of an acceptance of the Offer. Neither the SEC nor any securities commission of any State of the U.S. has (a) approved or disapproved of the Offer; (b) passed upon the merits or fairness of the Offer; or (c) passed upon the adequacy or accuracy of the disclosure in this Offer Prospectus. Any representation to the contrary is a criminal offence in the U.S.

### **American Depositary Shares and American Depositary Receipts**

The Offeror is aware that there is an "unsponsored" American Depositary Receipt Program concerning Sunrise Shares. The Offer is not being made for American Depositary Shares representing Sunrise Shares (**ADSs**), nor for American Depositary Receipts evidencing such ADSs (**ADRs**). However, the Offer is being made for the Sunrise Shares that are represented by the ADSs. Holders of ADSs and ADRs are encouraged to consult with the appropriate depository regarding the tender of Sunrise Shares that are represented by ADSs. The Offeror is unaware of whether any respective depository will make arrangements to tender the underlying Sunrise Shares into the Offer on behalf of holders of ADSs or ADRs.

Generally, holders of ADSs may be able to present their ADSs to the appropriate depository for cancellation and (upon compliance with the terms of the deposit agreement relating to the "unsponsored" American Depositary Receipt Program concerning Sunrise Shares, including payment of the depository's fees and any applicable transfer fees, taxes and governmental charges) delivery of Sunrise Shares to them, in order to become shareholders of the Company. The Sunrise Shares delivered to holders of ADSs upon such cancellation may then be tendered into the Offer. Holders of ADSs should consult with the relevant depository regarding their ability to obtain the underlying Sunrise Shares and the applicable procedures. Holders of ADSs should be aware, however, that in order to tender in this manner, they may need to have an account in Switzerland into which the Sunrise Shares can be delivered.

## United Kingdom

The communication of this Offer Prospectus is not being made by, and has not been approved by, an authorised person for the purposes of Section 21 of the Financial Services and Markets Act 2000. In the United Kingdom (**U.K.**), this Offer is directed only at persons (i) who have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the **Order**), (ii) falling within article 49(2)(a) to (d) ("high net worth companies, unincorporated associations, etc.") of the Order or (iii) to whom it may otherwise lawfully be communicated (all such persons together being referred to as "relevant persons"). No communication in respect of the Offer must be acted on or relied on by persons who are not relevant persons. The Offer, any investment or investment activity to which this Offer relates is available only to relevant persons and will be engaged in only with relevant persons.

## Canada

The Offer is being made to shareholders of the Company whose place of residence, seat or habitual abode is in Canada in reliance on the foreign takeover bid exemption under applicable Canadian securities law, and such shareholders may accept the Offer.

## Forward-Looking Statements

This Offer Prospectus contains forward-looking statements within the meaning of the U.S. Private Securities Litigation Reform Act of 1995. In this context, forward-looking statements often address expected future business and financial performance and financial condition, and often contain words such as "expect", "anticipate", "intend", "plan", "believe", "seek", "see", "will", "would", "may", "target", and similar expressions and variations or negatives of these words. These forward-looking statements may include, among other things, statements relating to the outlook in Switzerland of Sunrise and Liberty Global; operational expectations, including with respect to the development, launch and benefits of innovative and advanced products and services, including gigabit speeds, new technology and next generation platform rollouts or launches; future growth prospects and opportunities, results of operations, uses of cash, tax rates, and other measures that may impact the financial performance of the companies; anticipated benefits and synergies and estimated costs of the Offer; the expected timing of completion of the Offer; and other information and statements that are not historical facts. These forward-looking statements involve certain risks and uncertainties that could cause actual results to differ materially from those expressed or implied by these statements. These risks and uncertainties include events that are outside of the control of the parties, such as: (i) Sunrise's, Liberty Global's, and their respective operating companies' ability to meet challenges from competition and to achieve forecasted financial and operating targets; (ii) the effects of changes in laws or regulations; (iii) general economic, legislative, political and regulatory factors, and the impact of weather conditions, natural disasters, or any epidemic, pandemic or disease outbreak (including COVID-19); (iv) Sunrise's, Liberty Global's, and their respective Subsidiaries' ability to obtain regulatory approvals and satisfy other conditions to the consummation of the Offer; (v) the Offer may not be completed on anticipated terms and timing or completed at all; (vi) Liberty Global's and its Subsidiaries' ability to successfully integrate Sunrise and realize anticipated efficiencies and synergies from the Offer; (vii) the outcome of any potential litigation that may be instituted with respect to the Offer; (viii) the potential impact of unforeseen liabilities, future capital expenditures, revenues, expenses, economic performance, indebtedness, financial condition on the future prospects and business of Sunrise and Liberty Global's Swiss business after the consummation of

the Offer; (ix) any negative effects of the announcement, pendency or consummation of the Offer; and (x) management's response to any of the aforementioned factors. For additional information on identifying factors that may cause actual results to vary materially from those stated in forward-looking statements, please see Liberty Global's filings with the SEC, including Liberty Global's most recently filed Form 10-Q. These forward-looking statements speak only as of the date of this Offer Prospectus. Sunrise and Liberty Global expressly disclaim any obligation or undertaking to disseminate any updates or revisions to any forward-looking statement contained in this Offer Prospectus to reflect any change in expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based.

## A. Background of the Offer

The Offeror is a limited liability company (*Gesellschaft mit beschränkter Haftung*) organized under the laws of Switzerland with registered seat in Wallisellen, Switzerland. The Offeror is an indirect wholly-owned Subsidiary of Liberty Global and pursues business activities in the telecommunications industry in Switzerland with product offerings for television, internet and fixed and mobile telephony and serving some 1.5 million customers across Switzerland.

Liberty Global is a public limited company organized under the United Kingdom Companies Act 2006, with registered office in London, United Kingdom. Liberty Global, together with its Subsidiaries (the **Liberty Global Group**) is globally active in the telecommunications industry.

Sunrise is a corporation (*Aktiengesellschaft*) organized under the laws of Switzerland, having its registered seat in Opfikon, Switzerland. Sunrise's registered shares have been traded on the SIX since February 6, 2015 (ticker symbol SRCG). Sunrise, together with its Subsidiaries (the **Sunrise Group**), is the second largest integrated telecommunications provider in Switzerland. Sunrise offers a broad range of services, including mobile voice and data, landline internet and TV services. Through the Offer, the Offeror intends to obtain full control over Sunrise and its Subsidiaries, with the aim of combining Sunrise's business with the Offeror's business.

On August 12, 2020, Liberty Global and the Company entered into a transaction agreement (the **Transaction Agreement**) pursuant to which Liberty Global agreed to, or cause a Subsidiary to, submit, publish and conduct the Offer and the Company's board of directors unanimously resolved, *inter alia*, to recommend the Offer for acceptance by the holders of Sunrise Shares.

On the same date, Liberty Global and freenet AG (**Freenet**), a stock corporation organized under the laws of Germany with registered office in Büdelsdorf, Germany, holding 11,051,578 Sunrise Shares, corresponding to 24.4% of the Company's issued share capital as of the date of this Offer Prospectus, entered into a tender undertaking in which Freenet agreed to tender all 11,051,578 Sunrise Shares held by Freenet into the Offer. Further, prior to the date of this Offer Prospectus, members of the Company's board of directors and executive leadership team have entered into tender undertakings in which they agreed to tender all Sunrise Shares held by them into the Offer. Therefore, an aggregate of 24.5% of the Company's issued share capital as of the date of this Offer Prospectus is subject to tender undertakings.

## B. Offer

### 1. Pre-Announcement

On August 12, 2020, Liberty Global published a pre-announcement (the **Pre-Announcement**) of the Offer in accordance with articles 5 *et seq.* of the Ordinance of the Swiss Takeover Board on Public Takeover Offers (*Verordnung der Übernahmekommission über öffentliche Kaufangebote*; the **Takeover Ordinance**). The Pre-Announcement was published in English, German and French on a designated offer website of Liberty Global ([www.nationalconnectivitychallenger.ch](http://www.nationalconnectivitychallenger.ch)) and on the website of the Swiss Takeover Board (the **TOB**), and was otherwise distributed in accordance with the Takeover Ordinance, before opening of trading on the SIX on August 12, 2020.

### 2. Object of the Offer

Except as set forth below and subject to the Offer restrictions set forth elsewhere in this Offer Prospectus, the Offer extends to all publicly held Sunrise Shares.

The Offer does not extend to (i) Sunrise Shares held by Liberty Global or any of its Subsidiaries, (ii) Sunrise Shares held by the Company or any of its Subsidiaries, or (iii) the ADSs or ADRs of the Company which are traded on the over-the-counter (OTC) markets in the U.S. (however, the Offer does extend to the underlying Sunrise Shares represented by such ADSs).

Accordingly, the Offer relates to a maximum number of 45,265,446 Sunrise Shares, calculated as of August 11, 2020 (the last SIX trading day (each a **Trading Day**) prior to the Pre-Announcement) as follows:

Issued Sunrise Shares*	45,265,446
Sunrise Shares held by Liberty Global or any of its Subsidiaries**	– 0
Sunrise Shares held by Sunrise or any of its Subsidiaries***	– 0
<b>Maximum Number of Sunrise Shares to which the Offer extends</b>	<b>45,265,446</b>

\* According to the Commercial Register.

\*\* As of August 11, 2020 (the last Trading Day prior to the Pre-Announcement).

\*\*\* As of August 11, 2020 (the last Trading Day prior to the Pre-Announcement) according to information provided by Sunrise.

Sunrise has agreed with Liberty Global that Sunrise will not, and that it will procure that its Subsidiaries will not, from the date of the Transaction Agreement until the Settlement Date, issue, sell or otherwise dispose of, or acquire or repurchase any Sunrise Shares.

### 3. Offer Price

The Offer Price for each Sunrise Share is CHF 110.00 net in cash.

The Offer Price will be reduced by the gross amount of any dilutive effects in respect of the Sunrise Shares prior to the Settlement, including dividend payments and other distributions of any kind, stock splits or reverse stock splits, demergers and spin-offs, capital increases and the sale of treasury shares at an issuance or sales price per Sunrise Share below the Offer Price, the

purchase by the Company or any of its Subsidiaries of Sunrise Shares at a purchase price above the lower of the Offer Price and the prevailing share price, the issuance by the Company or any of its Subsidiaries of options, warrants, convertible securities or other rights to acquire Sunrise Shares or other securities of the Company, and repayments of capital in any form.

The Offer Price implies a premium of 32% to the volume-weighted average price of all on-exchange transactions in Sunrise Shares executed on the SIX during the sixty (60) Trading Days prior to the publication of the Pre-Announcement (being CHF 83.17).

The monthly median of the daily volume of on-exchange transactions on the SIX in Sunrise Shares was equal to or greater than 0.04% of the tradeable portion of the relevant security (free float) in at least ten (10) of the twelve (12) full months preceding the publication of the Pre-Announcement. Accordingly, the Sunrise Shares are deemed liquid pursuant to Circular No. 2 (Liquidity in the context of takeover law) of the TOB of February 26, 2010.

Historical price trend of Sunrise Shares since 2016:

	2016	2017	2018	2019	2020**
High*	69.55	92.40	94.55	89.85	87.45
Low*	55.25	65.20	77.10	67.30	71.55

\* Daily closing price in CHF

\*\* From January 1 until August 11, 2020 (the last Trading Day prior to the Pre-Announcement)

Source: Factset

#### 4. Cooling-off Period

If not extended by the TOB, a cooling-off period of ten (10) Trading Days (the **Cooling-off Period**) will run following publication of this Offer Prospectus, *i.e.*, from August 28, 2020 through September 10, 2020. The Offer may only be accepted after the expiration of the Cooling-off Period.

#### 5. Offer Period

If the Cooling-off Period is not extended by the TOB, the initial offer period of twenty (20) Trading Days is expected to commence on September 11, 2020 and to end on October 8, 2020, 4:00 p.m. Swiss time (the **Offer Period**).

Holders of Sunrise Shares may tender their Sunrise Shares at any time prior to the end of the (possibly extended) Offer Period.

The Offeror reserves the right to extend the Offer Period once or several times to a maximum of forty (40) Trading Days from the commencement of the Offer or, with the approval of the TOB, beyond forty (40) Trading Days. In the event of an extension, the commencement of the Additional Acceptance Period (as defined below) and the Settlement Date will be deferred accordingly.

## 6. Additional Acceptance Period

After the expiration of the (possibly extended) Offer Period and if the Offer is declared successful (*zustande gekommen*), there will be an additional acceptance period of ten (10) Trading Days for the subsequent acceptance of the Offer (the **Additional Acceptance Period**). If the Cooling-off Period is not extended by the TOB and if the Offer Period is not extended, the Additional Acceptance Period is expected to begin on October 15, 2020 and to end on October 28, 2020, 4:00 p.m. Swiss time.

## 7. Offer Conditions, Waiver of Offer Conditions and Period for Which the Offer Conditions are in Force and Effect

### (1) Offer Conditions

The Offer is subject to the conditions set forth below (each an **Offer Condition**). The period in respect of which each of the Offer Conditions will be in force and in effect is described in subsection B.7(3) ("*Period for Which the Offer Conditions are in Force and in Effect*") below.

- (a) Minimum Acceptance Rate: By the end of the (possibly extended) Offer Period, the Offeror shall have received valid and irrevocable acceptances for such number of Sunrise Shares representing, when combined with any Sunrise Shares that Liberty Global and its Subsidiaries will own at the end of the (possibly extended) Offer Period (but not including Sunrise Shares held by the Company or any of its Subsidiaries), at least 66 2/3% of the fully diluted share capital of Sunrise as at the end of the (possibly extended) Offer Period (*i.e.*, of all Sunrise Shares issued as at such date plus all Sunrise Shares the issuance of which (i) has been resolved by a shareholders' meeting or the board of directors of the Company before such date, or (ii) may occur through the exercise of options or conversion or other rights for the issuance, acquisition, transfer or receipt of Sunrise Shares which are issued at, or the issuance of which has been resolved by the shareholders' meeting or the board of directors of the Company before, such date).
- (b) Merger Clearances and Other Approvals: All waiting periods applicable to the acquisition of the Company by the Offeror shall have expired or been terminated and all competent merger control and other authorities and, if applicable, courts in all jurisdictions shall have approved or cleared or, as the case may be, not prohibited or objected to, the Offer, its Settlement and the acquisition of the Company by the Offeror (each such expiration or termination of a waiting period, approval, clearance, non-prohibition or non-objection, a **Clearance**). No condition, restriction or undertaking shall have been imposed on Liberty Global, the Company and/or any of their Subsidiaries in connection with any Clearance, and no Clearance shall be subject to any condition, restriction or undertaking on any of them that, individually or together with any other condition, restriction or undertaking or other facts, occurrences, circumstances or events would reasonably be capable of causing a Material Adverse Effect (as defined below) on Liberty Global, the Company, any of their Subsidiaries or on the combined group consisting of Liberty Global, its Subsidiaries and the Sunrise Group when aggregating all respective effects on Liberty Global, all of its Subsidiaries and the Sunrise Group.
- (c) No Injunction or Prohibition: No judgment, award, decision, order or other authoritative measure shall have been issued temporarily or permanently, in full or in part, preventing,



prohibiting or declaring illegal the Offer, its acceptance, the Settlement or the acquisition of the Company by the Offeror.

- (d) *No Material Adverse Effect*: By the end of the (possibly extended) Offer Period, no facts, occurrences, circumstances or events shall have arisen or occurred, and no facts, occurrences, circumstances or events shall have been disclosed or reported by the Company or otherwise come to Liberty Global's or the Offeror's attention which, individually or together with any other facts, occurrences, circumstances, events or conditions, restrictions or undertakings, would reasonably be capable of having a Material Adverse Effect on the Company, any of its Subsidiaries or on the Sunrise Group, taken as a whole.

A **Material Adverse Effect** means a reduction of:

- the annual consolidated earnings before interest, taxes, depreciation and amortization (EBITDA) of CHF 66.8 million – corresponding to 10% of the adjusted EBITDA of the Sunrise Group in the financial year 2019 as per the Company's annual report 2019 – or more; or
- the annual consolidated revenue of CHF 108.6 million – corresponding to 7% of the annual consolidated revenue excluding hardware and hubbing of the Sunrise Group in the financial year 2019 as per the Company's annual report 2019 – or more; or
- the consolidated total equity of CHF 134.1 million – corresponding to 10% of the consolidated total equity of the Sunrise Group as of December 31, 2019 as per the Company's annual report 2019 – or more.

- (e) *Registration in the Share Register of the Company*: The board of directors of the Company shall have resolved to register the Offeror and/or any other company controlled and designated by Liberty Global in the Company's share register as shareholder(s) with voting rights with respect to all Sunrise Shares that Liberty Global or any of its Subsidiaries has acquired or may acquire (with respect to Sunrise Shares to be acquired in the Offer, subject to all other Offer Conditions having been satisfied or waived), and the Offeror and/or any other company controlled and designated by Liberty Global shall have been registered in the share register of the Company as shareholder(s) with voting rights with respect to all Sunrise Shares acquired.

- (f) *Resignation and Appointment of Members of the Board of Directors of the Company*: All members of Sunrise's board of directors shall have resigned from their functions on the board of directors of the Company and its Subsidiaries with effect from and subject to the Settlement, and a duly convened general meeting of the Company's shareholders shall have elected the persons nominated by the Offeror to the Company's board of directors with effect from and subject to the Settlement.

- (g) *No Adverse Resolutions by the General Meeting of Shareholders of the Company*: The general meeting of shareholders of the Company shall not have:

- (A) resolved or approved any dividend, other distribution or capital reduction or any acquisition, spin-off (*Abspaltung*), transfer of assets and liabilities (*Vermögensübertragung*) or other disposal of assets (x) with an aggregate value or for

an aggregate consideration of more than CHF 406.2 million (corresponding to 10% of the consolidated total assets of the Sunrise Group as of December 31, 2019, as per the Company's annual report 2019), or (y) contributing in the aggregate more than CHF 66.8 million to the annual consolidated EBITDA (corresponding to 10% of the adjusted EBITDA of the Sunrise Group in the financial year 2019, as per the Company's annual report 2019);

(B) resolved or approved any merger, demerger (*Aufspaltung*) or ordinary, authorized or conditional increase of the share capital of the Company; or

(C) adopted any amendment of the articles of association of the Company to introduce any transfer restrictions (*Vinkulierung*) or voting limitations (*Stimmrechtsbeschränkungen*).

(h) *No Acquisition or Sale of Material Assets or Incurrence or Repayment of Material Indebtedness*: With the exception of the obligations that have been made public prior to the date of the Pre-Announcement or that are related to the Offer or arise from the Settlement, between December 31, 2019, and the transfer of control to the Offeror, the Company and its Subsidiaries shall not have undertaken to acquire or sell (or have acquired or sold) any assets or have undertaken to incur or repay (or have incurred or repaid) any indebtedness in the aggregate amount or aggregate value of more than CHF 406.2 million (corresponding to 10% of the consolidated total assets of the Sunrise Group as of December 31, 2019, as per the Company's annual report 2019).

## **(2) Waiver of Offer Conditions**

The Offeror reserves the right to waive, in whole or in part, one or more of the Offer Conditions.

## **(3) Period for Which the Offer Conditions are in Force and Effect**

Offer Conditions (a) and (d) shall be in force and in effect until the expiration of the (possibly extended) Offer Period.

Offer Conditions (b), (c), (g) and (h) shall be in force and effect until the Settlement.

Offer Conditions (e) and (f) shall be in force and effect until the Settlement or, if earlier, until the date when the applicable corporate body of the Company has taken the required resolution mentioned therein.

If any of the Offer Conditions (a) or (d) have not been satisfied or waived by the end of the (possibly extended) Offer Period, the Offer will be declared unsuccessful.

If the respective corporate body of the Company resolves on the matters specified in Offer Conditions (e) or (f) prior to the expiration of the (possibly extended) Offer Period and any of the Offer Conditions (e) or (f) have not been satisfied or waived (with respect to the resolutions of corporate bodies mentioned therein) by the end of the (possibly extended) Offer Period, the Offer will be declared unsuccessful.

If the Offer Condition (b) has not been satisfied or waived by the anticipated Settlement Date, the Offeror is obliged to postpone the Settlement for a period of up to four months after the expi-

ration of the Additional Acceptance Period (the **Postponement**). If any of the Offer Conditions (c), (g) or (h) or, if and to the extent still applicable (see preceding paragraphs), any of the Offer Conditions (e) or (f), have not been satisfied or waived by the anticipated Settlement Date, the Offeror shall be entitled to declare the Offer unsuccessful or to declare a Postponement. During the Postponement, the Offer shall continue to be subject to the Offer Conditions (b), (c), (g) and (h) and, if and to the extent still applicable (see preceding paragraphs), Offer Conditions (e) and (f), as long as, and to the extent, such Offer Conditions have not been satisfied or waived. Unless the Offeror applies for, and the TOB approves, an additional postponement of the Settlement, the Offeror will declare the Offer unsuccessful if such Offer Conditions have not been satisfied or waived during the Postponement.

## C. Information Regarding the Offeror

### 1. Name, Registered Seat, Capital, Shareholders and Principal Business Activities of the Offeror

The Offeror is a limited liability company organized under the laws of Switzerland with registered seat in Wallisellen, Switzerland. The Offeror was formed on November 29, 2000 and its quota capital amounts to CHF 2,000,000, represented by one quota with a nominal value of CHF 2,000,000. The Offeror's purpose is, *inter alia*, to pursue business activities in the cable industry, in particular the design, construction and operation of large community facilities with distribution networks or by other means, in particular for radio and television. The Offeror pursues business activities in the telecommunications industry in Switzerland with product offerings for television, internet and fixed and mobile telephony and serving some 1.5 million customers across Switzerland.

The Offeror's entire quota capital and voting rights are indirectly, through a chain of wholly-owned companies, held by Liberty Global. Liberty Global is a public limited company organized under the United Kingdom Companies Act 2006, with registered office in London, United Kingdom. The Liberty Global Group is globally active in the telecommunications industry. In the business year ended December 31, 2019, Liberty Global Group generated worldwide annual turnover of USD 11.5 billion.

Liberty Global's common stock is listed on NASDAQ (ticker symbols LBTYA, LBTYB and LBTYK). As of August 25, 2020, based upon (1) 182,289,922 Liberty Global Class A shares, (2) 12,561,772 Liberty Global Class B shares, and (3) 397,203,011 Liberty Global Class C shares, in each case, outstanding as of such date, the persons and entities listed below have been reported as direct or indirect shareholders holding 5% or more of the voting rights of Liberty Global to the extent known by Liberty Global or ascertainable from filings made by such persons or entities with the SEC. The Liberty Global Class C shares are, however, non-voting and therefore excluded from the calculation of voting rights below. Further details are set out in the filings of Liberty Global available on the Electronic Data Gathering, Analysis and Retrieval system operated by the SEC, including the most recent proxy statement pertaining to its 2020 annual general meeting filed on May 21, 2020, and the applicable Schedule 13D and Schedule 13G filings of the persons and entities listed below.

- Michael T. Fries, 8.95%; relating to shares (i) subject to certain share appreciation rights, (ii) held in the Liberty Global 401(k) Savings and Stock Ownership Plan for the benefit of Mr. Fries, (iii) held directly, and (iv) held through a trust of which the beneficiaries are Mr. Fries' children;

- John C. Malone, 30.06%; relating to shares (i) subject to certain options, (ii) held directly or through Columbus Holding LLC (an entity controlled by Mr. Malone), (iii) held by Mr. Malone's spouse, and (iv) held by two trusts managed by an independent trustee, of which the beneficiaries are Mr. Malone's adult children and a trust with respect to which Mr. Malone is the sole trustee and, with his spouse, retains a unitrust interest in the trust;
- Berkshire Hathaway Inc., 6.27%; based upon the Form 4, filed with the SEC on July 10, 2020, by Berkshire Hathaway Inc.;
- Dodge & Cox, 5.67%; relating to shares mostly held by Dodge & Cox International Stock Fund; based upon the Schedule 13G/A (Amendment No. 4) for the year ended December 31, 2019, filed with the SEC on February 13, 2020, by Dodge & Cox; and
- Harris Associates L.P., 12%; based upon the Schedule 13G/A (Amendment No. 4) for the year ended December 31, 2019, filed with the SEC on February 14, 2020, by Harris Associates Inc. on behalf of itself and as general partner of Harris Associates L.P.

In addition to the above, as of August 25, 2020, based upon the number of Liberty Global shares outstanding as described above, to the extent known by Liberty Global or ascertainable from filings made by such persons or entities with the SEC, the following persons and entities have been reported as direct or indirect shareholders holding 3% or more of the voting rights of Liberty Global: (i) Robert R. Bennett, 3.23% (based upon a Form 8.3 dated November 4, 2015, submitted by Mr. Bennett pursuant to the U.K. Takeover Code); (ii) William H. Gates III, 3.53% (based upon a Schedule 13G filed with the SEC on May 18, 2018, by William H. Gates III, Cascade Investment, L.L.C., the Bill and Melinda Gates Foundation Trust and Melinda French Gates); and (iii) Route One Investment Company, L.P., 3.03% (based upon a Schedule 13G filed with the SEC on February 14, 2020, jointly by Route One Investment Company, L.P., Route One Investment Company, LLC, ROIC, LLC, William F. Duhamel, Jr. and Jason E. Moment).

## **2. Persons Acting in Concert with the Offeror**

In connection with the Offer, all companies and persons (directly or indirectly) controlled by Liberty Global as well as from August 12, 2020, the date on which Liberty Global and Sunrise entered into the Transaction Agreement, Sunrise and all companies and persons (directly or indirectly) controlled by Sunrise are deemed to be acting in concert with the Offeror.

## **3. Annual Report**

As a private company and an indirect wholly-owned Subsidiary of Liberty Global, the Offeror has never published an annual report. The annual report of the Liberty Global Group for the business year ended December 31, 2019 and the financial results for the business quarter ended June 30, 2020, are available on the website of Liberty Global at <https://www.libertyglobal.com/investors/financials/>.

## **4. Participations in Sunrise**

As of August 11, 2020 (the last Trading Day prior to the Pre-Announcement), the Offeror and the persons acting in concert with it (excluding Sunrise and its direct and indirect Subsidiaries) held no Sunrise Shares and no financial instruments with respect to Sunrise Shares. As of the same

date, Sunrise and its direct and indirect Subsidiaries held, according to Sunrise, no Sunrise Shares and no financial instruments with respect to Sunrise Shares.

## **5. Purchases and Sales of Equity Securities in Sunrise**

During the 12-month period preceding the date of the Pre-Announcement, the Offeror and the persons acting in concert with it (excluding Sunrise and its direct and indirect Subsidiaries) did not purchase or sell any Sunrise Shares. During the same period, the Offeror and the persons acting in concert with it (excluding Sunrise and its direct and indirect Subsidiaries) did not purchase or sell any financial instruments with respect to Sunrise Shares. Following the date of the Pre-Announcement, the Offeror and the persons acting in concert with it (excluding Sunrise and its direct and indirect Subsidiaries) did not purchase or sell any Sunrise Shares or any financial instruments with respect to Sunrise Shares. For a description of the undertakings by certain shareholders of Sunrise to tender their Sunrise Shares into the Offer see Section A ("*Background of the Offer*").

According to Sunrise, since August 12, 2020 (the date on which the Offeror and Sunrise entered into the Transaction Agreement), before opening of trading on the SIX, neither Sunrise nor any of its direct or indirect Subsidiaries have purchased or sold any Sunrise Shares or financial instruments with respect to Sunrise Shares.

## **D. Financing of the Offer**

The Offer will be financed through a combination of (i) additional term loan facilities in an aggregate amount equivalent to approximately CHF 1.6 billion to be made available to certain Subsidiaries of Liberty Global by commercial banks under the UPC SFA (as defined in Section E.3) and (ii) in respect of the balance, cash from Liberty Global's balance sheet in an amount equivalent to approximately CHF 3.4 billion. Loans and cash from Liberty Global's balance sheet not denominated in CHF will be converted into CHF (pursuant to certain hedging arrangements). The relevant funds will be made available to the Offeror through intra-group loans and/or equity injections.

## **E. Information Regarding Sunrise**

### **1. Name, Registered Seat, Business Activity and Annual Report**

Sunrise is a Swiss corporation (*Aktiengesellschaft*), having its registered seat in Opfikon, Switzerland. Pursuant to its articles of association, the Company's main corporate purpose is the acquisition, holding, management and sale of participations in companies in the area of telecommunication in and outside of Switzerland.

The consolidated financial statements of Sunrise as of December 31, 2019, as well as the consolidated interim financial statements as of June 30, 2020, can be consulted on Sunrise's website at <https://www.sunrise.ch/en/corporate-communications/investor-relations.html>.

## 2. Share Capital and Outstanding Options and Similar Rights

### ***Share Capital of Sunrise***

According to the online excerpt of the Commercial Register of August 11, 2020 (the last Trading Day prior to the Pre-Announcement), the share capital of Sunrise amounts to CHF 45,265,446, divided into 45,265,446 registered shares (*Namenaktien*) with a nominal value of CHF 1.00 each. The Sunrise Shares are listed pursuant to the International Reporting Standard of the SIX under the Swiss securities number 26 729 122 (ISIN: CH0267291224; ticker symbol SRCG).

According to its articles of association, Sunrise has (1) an authorized share capital of CHF 4,200,000, allowing for the issuance of 4,200,000 additional registered shares, and (2) an authorized share capital of CHF 84,554, allowing for the issuance of 84,554 additional registered shares to employees, members of the board of directors and executive management of Sunrise or its Subsidiaries pursuant to one or several regulations adopted by the board of directors. In the Transaction Agreement, Sunrise has undertaken, among other things, not to issue, sell or otherwise dispose of, or acquire any equity securities (including Sunrise Shares) or equity-linked securities or other rights for securities in the Company and not to change the share capital or capital structure of the Company without the prior approval of Liberty Global.

As of August 11, 2020 (the last Trading Day prior to the Pre-Announcement), Sunrise and its direct and indirect Subsidiaries held no treasury shares.

### ***Outstanding Options and Similar Rights***

Sunrise has certain share-based equity plans under which the members of its executive leadership team and other employees are or were entitled to receive or purchase Sunrise Shares. Some of the Sunrise Shares granted under these plans are subject to a three-year blocking period. Further, Sunrise pays part of the compensation of the members of the board of directors of the Company in the form of blocked Sunrise Shares.

Sunrise has undertaken in the Transaction Agreement, (i) not to change or amend or agree to change or amend any of the terms and conditions of the Sunrise incentive plans (including the plans described above), or establish or agree to any new option, share or other participation plan or arrangement, or agree to or perform any cash settlement or repurchase of any such options, rights or awards from the date of the Transaction Agreement until six months after the end of the Additional Acceptance Period, and (ii) not to grant any awards under any Sunrise incentive plans from the date of the Transaction Agreement until the Settlement, in each case except as agreed by Liberty Global and Sunrise in the Transaction Agreement.

The Offer extends to Sunrise Shares for which the blocking period will be accelerated to terminate on the first day of the Additional Acceptance Period, but it does not extend to any awards or entitlements granted under equity plans, which will be settled in cash.

Please refer to Section H ("*Report of the Board of Directors of Sunrise Communications Group AG pursuant to Article 132 FMIA*") for details on the treatment of awards and entitlements granted to the members of the Company's board of directors, executive leadership team, and certain other employees in connection with the Offer.

### 3. Intentions of the Offeror and Liberty Global with Respect to Sunrise

Through the Offer, the Offeror intends to obtain full control over Sunrise and its Subsidiaries, with the aim of combining Sunrise's business with the Offeror's business.

#### *Business combination*

Through a combination of Sunrise's and the Offeror's business, the Offeror plans to create the leading national converged challenger in Switzerland, with an expected 2.1 million mobile post-paid subscribers, 1.2 million broadband subscribers and 1.3 million TV subscribers. After such combination, the Offeror intends the combined business to continue its network roll-out including 5G and future technologies, supporting a range of new and enhanced products and services.

The Offeror believes that as a fully converged provider the combined business will be well positioned to compete in the Swiss market, accelerating the sale of converged fixed-mobile services to existing customers and new services using the best of each company's product portfolios, skills and networks. In addition, the Offeror expects significant synergies from a combination of Sunrise's and the Offeror's business.

#### *Board of directors of Sunrise*

The Offeror intends to replace all members of the board of directors of Sunrise upon the Settlement. In the Transaction Agreement, Sunrise has agreed (i) to procure that all members of Sunrise's board of directors resign from their functions on the board of directors of Sunrise and the board of directors (or equivalent corporate body) of its Subsidiaries by the end of the Offer Period, subject to the Offeror holding more than 50% of the Sunrise Shares immediately after the Settlement, and with effect from the Settlement and (ii) to call a shareholders' meeting, to be held during the Additional Acceptance Period, and to propose to shareholders the election of individuals designated by Liberty Global or the Offeror to the Company's board of directors, as well as chairperson of the board and as members of the nomination and compensation committee (as applicable), all subject to the Offeror holding more than 50% of the Sunrise Shares immediately after the Settlement and with effect as of the Settlement Date.

#### *Financing transactions*

In connection with the Offer, certain Subsidiaries of UPC Holding B.V., which itself is a Subsidiary of Liberty Global (UPC Holding B.V., together with its Subsidiaries, the **UPC Group**), have obtained term loan commitments from underwriting banks which are to be made available under the UPC Group's existing senior secured facilities agreement (the **UPC SFA**) for the purpose of funding a portion of the consideration for the acquisition of the Sunrise Shares. At Settlement, Sunrise and its Subsidiaries will fall within the UPC covenant group in respect of the external loan and bond financing arrangements of the UPC Group. However, Sunrise and its Subsidiaries are not required to grant credit support to the lenders under the existing UPC SFA and bondholders in respect of existing bonds of the UPC Group.

In addition, certain Subsidiaries of the UPC Group have obtained commitments from underwriting banks to provide term and revolving credit facilities for the purpose of refinancing Sunrise Group's existing financial indebtedness if any such financial indebtedness becomes due and payable following the Settlement. The Offeror expects to cause Sunrise Group companies to provide guarantees and/or security for such refinancing following the Settlement. Once Sunrise

has become a wholly-owned indirect Subsidiary of Liberty Global, Liberty Global intends to create a single combined credit pool of indebtedness of the UPC Group and the Sunrise Group with targeted leverage of 5.0x of the combined EBITDA, including vendor financing and leases.

#### *Squeeze-out*

If Liberty Global and/or its Subsidiaries hold more than 98% of the voting rights in Sunrise after the Settlement, the Offeror intends to request the cancellation of the remaining publicly held Sunrise Shares in accordance with article 137 of the Financial Markets Infrastructure Act (**FMIA**).

If Liberty Global and/or its Subsidiaries hold between 90% and 98% of the voting rights in Sunrise after the Settlement, the Offeror intends to merge with Sunrise, or to merge Sunrise with a Swiss company directly or indirectly controlled by Liberty Global, in each case in accordance with article 8 para. 2 and article 18 para. 5 of the Swiss Merger Act, whereby the remaining public shareholders of Sunrise would be compensated (in cash or otherwise) and not receive any shares in the surviving company. The Swiss tax consequences resulting from a squeeze-out merger may, depending on the structuring of the squeeze-out merger, be considerably worse for individuals who are resident in Switzerland for tax purposes and who hold the Sunrise Shares as their private assets (*Privatvermögen*), and potentially also for foreign investors, compared with the tax consequences of an acceptance of the Offer (see below Section L.5 ("*Costs and Taxes; General Tax Consequences for Accepting and Non-Accepting Shareholders*")).

If Liberty Global and/or its Subsidiaries hold less than 90% of the voting rights in Sunrise after the Settlement, Liberty Global and/or its Subsidiaries intends to, depending on the circumstances, purchase additional Sunrise Shares from remaining shareholders of Sunrise and/or combine the Offeror's business or other businesses of Liberty Global and/or its Subsidiaries with Sunrise through a contribution in kind to Sunrise of assets, businesses or shareholdings in a capital increase of Sunrise with respect to which the pre-emptive rights of the remaining public shareholders of Sunrise would be excluded and new Sunrise Shares would be issued only to the contributing company. Furthermore, the Offeror may consider implementing one or several other transactions under the Swiss Merger Act.

#### *De-listing*

After the Settlement of the Offer, the Offeror intends to have Sunrise submit an application to SIX Exchange Regulation for the de-listing of the Sunrise Shares in accordance with the listing rules of SIX Exchange Regulation (the **Listing Rules**) and for an exemption from certain disclosure and publicity obligations under the Listing Rules until the date of de-listing of the Sunrise Shares.

#### **4. Agreements between the Offeror and Sunrise, its Directors, Officers and Shareholders**

##### ***Confidentiality Agreement***

On August 3, 2020, Liberty Global and Sunrise entered into a confidentiality agreement customary for this type of transaction (the **Confidentiality Agreement**). Following the execution of the Confidentiality Agreement, Liberty Global was allowed to conduct limited due diligence relating to Sunrise.



The Confidentiality Agreement was terminated upon execution of the Transaction Agreement.

### **Transaction Agreement**

On August 12, 2020, before opening of trading on the SIX, Liberty Global and Sunrise entered into the Transaction Agreement, which was unanimously approved by Sunrise's board of directors. The following is a summary of the main terms of the Transaction Agreement:

- Liberty Global agreed to make, or to cause an affiliate of Liberty Global to make, this Offer, and Sunrise and its board of directors, respectively, agreed to unanimously support the Offer and to recommend to Sunrise's shareholders the acceptance of the Offer, among other things, by way of its recommendation contained in the board report included in Section H ("*Report of the Board of Directors of Sunrise Communications Group AG pursuant to Article 132 FMIA*").
- Sunrise undertook not to solicit, initiate, encourage or facilitate any transactions that may compete or interfere with this Offer. In addition, Sunrise undertook not to enter into negotiations or provide information on Sunrise with respect to any such transactions, and not to support or recommend any proposal for such transaction or competing offer or withdraw its recommendation for this Offer, except under certain conditions (as further specified in the Transaction Agreement) with respect to unsolicited third party proposals or offers that Sunrise's board of directors has determined to be superior to this Offer. Sunrise also agreed to provide Liberty Global with information with respect to unsolicited third party proposals or offers and granted Liberty Global a matching right with regard to any superior third-party offer. Sunrise agreed to provide Liberty Global with information disclosed to any third party on terms not less favorable than those applied to the relevant third party.
- Sunrise undertook to pay CHF 50 million as lump sum reimbursement of costs (the **Reimbursement Amount**) that Liberty Global, the Offeror and their respective representatives have incurred or will incur for preparing and making the Offer (i) if the Offer is not successful or has not become unconditional and is no longer required to remain open, or if the Transaction Agreement is terminated, due to a material breach by Sunrise of the Transaction Agreement (including representations and warranties) or of any legal requirements in connection with the Offer; or (ii) (1) if Sunrise's board of directors fails to unanimously recommend the Offer; (2) if Sunrise's board of directors or any committee thereof withdraws, modifies or qualifies its unanimous recommendation of the Offer; (3) if Sunrise or any other person on its behalf recommends, approves or enters into an agreement or arrangement with a third party for a competing transaction (including a superior transaction); or (4) in each case of (1), (2) or (3), if Sunrise or Sunrise's board of directors makes an announcement to that effect; or (iii) if a competing offer has been declared successful. However, the Reimbursement Amount is not payable if the Offer is declared successful and settled.
- Sunrise agreed, subject to mandatory legal requirements, to support the Offer and to cooperate with Liberty Global and its affiliates (including the Offeror) in relation to the execution and completion of the Offer, including with respect to the financing of the Offer and refinancing of existing financial indebtedness of Sunrise and its Subsidiaries, obtaining any third-party consents, a potential squeeze-out of remaining public shareholders, de-listing of the Sunrise Shares from the SIX, and preparation and facilitation of the combination and integration of Sunrise with and into the Liberty Global Group.

- The parties have entered into customary undertakings to pursue the satisfaction of the Offer Conditions.
- Sunrise agreed to promptly register the Offeror and/or any of its affiliates in Sunrise's share register as shareholders with voting rights with respect to all Sunrise Shares that the Offeror or any of its affiliates have acquired or may acquire in the Offer or otherwise as of the Settlement.
- Sunrise agreed to procure that all members of Sunrise's board of directors shall resign from their functions on the board of directors of Sunrise and the board of directors (or equivalent corporate body) of its Subsidiaries by the end of the Offer Period, subject to the Offeror holding more than 50% of the Sunrise Shares immediately after the Settlement, and with effect from the Settlement.
- Sunrise agreed to call an extraordinary shareholders' meeting, to be held during the Additional Acceptance Period, and to propose to shareholders the election of individuals designated by Liberty Global or the Offeror to Sunrise's board of directors as well as chairperson of Sunrise's board of directors and as members of the nomination and compensation committee (as applicable), all subject to the Offeror holding more than 50% of the Sunrise Shares immediately after the Settlement, and with effect as per the Settlement.
- Subject to merger control legal requirements, Sunrise agreed to operate its business in the ordinary course of business consistent with past practice, and to execute, enter into or announce certain transactions only with the consent of Liberty Global or, if merger control legal requirements do not so permit, prior consultation with Liberty Global.
- Sunrise made certain customary representations and warranties, the accuracy of which has no impact on Liberty Global's obligation to complete the transactions contemplated by the Transaction Agreement.
- The Transaction Agreement may be terminated in specified circumstances, including (i) by either party, if the Offer has not become unconditional and the TOB no longer requires the Offer to remain open, (ii) by either party if the Offeror publicly declares that the Offer will not be further pursued or has failed or otherwise withdraws from launching, continuing or settling the Offer, the TOB permits the Offer not to be launched, no longer to remain open or not to be settled, and the party seeking to terminate is not in a relevant breach of the Transaction Agreement, (iii) by either party in case of an unremedied material breach of the Transaction Agreement (including representations and warranties) by the other party, (iv) by Liberty Global, if Sunrise or any person acting on behalf of Sunrise enters into an agreement or arrangement with any person regarding a competing transaction (including a superior transaction) or makes an announcement to that effect, (v) by Liberty Global if a competing offer has an acceptance rate of more than 10% of the Sunrise Shares, (vi) by Liberty Global if Sunrise's board of directors or a committee thereof (1) fails to unanimously recommend the Offer to the shareholders of Sunrise, or (2) withdraws, modifies or qualifies its unanimous recommendation of the Offer or makes an announcement to that effect, or (3) approves or recommends a competing transaction (including a superior transaction) or makes an announcement to that effect, or (vii) by Sunrise if (1) its board of directors withdraws, modifies or qualifies its recommendation of the Offer as permitted by the Transaction Agreement, (2) the Offeror has the right to withdraw the Offer, (3) Sunrise

concurrently with such termination enters into an agreement for a superior transaction and (4) Sunrise concurrently pays Liberty Global the Reimbursement Amount.

### ***Business Relationships***

The Offeror and a member of the Sunrise Group are parties to a mobile virtual network operator agreement (the **MVNO Agreement**) effective as of September 10, 2019, which entitles the Offeror to receive certain mobile network services provided by Sunrise to enable the Offeror to offer mobile communication services to its customers. Currently, the Offeror does not use any services by Sunrise under the MVNO Agreement.

The Offeror and a member of the Sunrise Group are parties to a framework agreement effective as of May 31, 2012 with an unlimited term as well as various individual agreements for various durations for the mutual shared use of cable ducts and other pipe systems.

The Offeror and a member of the Sunrise Group are parties to a framework agreement effective as of January 6, 2003 with an unlimited term, supplemented by numerous individual agreements for various durations, relating to dark fiber in which the parties agreed to the mutual shared use of fiber optic lines.

The Offeror and a member of the Sunrise Group are parties to an interconnect agreement which was originally entered into in August 2006 under which the parties define the conditions and prices with regard to the interconnection of their networks on a regular basis. In addition, the Offeror and a member of the Sunrise Group are parties to an SMS inter-working agreement to define interconnection for text message services between their mobile networks.

### ***No Other Agreements***

Except for the agreements summarized in Section A ("*Background of the Offer*") and this Section E.4 ("*Agreements between the Offeror and Sunrise, its Directors, Officers and Shareholders*"), no agreements in relation to the Offer exist or will exist at the Settlement Date, as the case may be, between the applicable members of the Liberty Global Group on the one hand, and Sunrise, its Subsidiaries and their directors, officers and shareholders on the other hand.

## **5. Confidential Information**

The Offeror confirms that neither Liberty Global nor any other company or person under Liberty Global's control has received, directly or indirectly, from Sunrise or any of its Subsidiaries, any information regarding Sunrise which is not or does not become public at the time of the publication of this Offer Prospectus and which could significantly influence the decision of the recipients of the Offer.

## **F. Publication**

This Offer Prospectus as well as all other statutory publications of the Offeror in connection with the Offer will be published on [www.nationalconnectivitychallenger.ch](http://www.nationalconnectivitychallenger.ch) and submitted in electronic form to the major Swiss media, the major news agencies active in Switzerland, the major electronic media which distribute stock exchange information and the TOB. The Offer Prospectus will be published on August 27, 2020 before opening of trading on the SIX.

This Offer Prospectus may be obtained without delay and free of charge in German, French and English from Credit Suisse AG, Zurich (e-mail: equity.prospectus@credit-suisse.com).

## **G. Report of the Review Body Pursuant to Article 128 FMIA**

As a review body recognized according to the FMIA to review public takeover offers, we have reviewed the offer prospectus of UPC Switzerland LLC (the "Offeror"). The report of the board of directors of the target company and the Fairness Opinion of ValueTrust Financial Advisors SE were not subject to our review.

The preparation of the offer prospectus is the responsibility of the Offeror. Our responsibility is to express an opinion on the offer prospectus based on our review. We confirm that we comply with the independence requirements provided by takeover law and there are no circumstances incompatible with our independence.

Our review was conducted in accordance with the Swiss Auditing Standard on the examination of Public Takeover Offers (AS 880), which requires that a review pursuant to article 128 FMIA be planned and performed to verify the formal completeness of the offer prospectus pursuant to the FMIA and its ordinances and to obtain reasonable assurance about whether the offer prospectus is free from any material misstatements in consequence of violations or errors. It has to be noted that ciphers 4 to 7 below cannot be verified with the same assurance as ciphers 1 to 3. We have reviewed the information in the offer prospectus by means of analyses and ascertainments on a test basis. Furthermore, we have verified the compliance with the FMIA and its ordinances. We believe that our review provides a reasonable basis for our opinion.

In our opinion:

1. the Offeror has taken the necessary measures in order for the required funds to be available on the settlement date;
2. the provisions governing change of control offers, in particular those governing the minimum price, have been observed;
3. the Best Price Rule has been observed until the publication of the offer prospectus.

Moreover, we have not encountered any facts from which we had to infer that:

4. the recipients of the offer are not treated equally;
5. the offer prospectus is not complete and accurate;
6. the offer prospectus is not in accordance with the FMIA and its ordinances;
7. the provisions regarding the effects of the pre-announcement have not been observed.

This report is neither a recommendation for the acceptance or rejection of the offer nor a confirmation (Fairness Opinion) regarding the financial appropriateness of the offer price.

Zurich, 25 August 2020

BDO Ltd

Edgar Wohlhauser  
Partner

Marcel Jans  
Partner

## **H. Report of the Board of Directors of Sunrise Communications Group AG pursuant to Article 132 FMIA**

The board of directors (the «**Board of Directors**») of Sunrise Communications Group AG, with registered seat in Opfikon, Switzerland («**Sunrise**» or the «**Company**»), hereby takes its position pursuant to Article 132 FMIA and Articles 30-34 of the Takeover Ordinance on the public tender offer (the «**Offer**») by UPC Schweiz GmbH, with registered seat in Wallisellen, Switzerland (the «**Offeror**»), a wholly owned indirect subsidiary of Liberty Global plc, having its registered seat in London, United Kingdom («**Liberty Global**»), for all publicly held registered shares of the Company with a nominal value of CHF 1 each (each share a «**Sunrise Share**»).

### **1. Recommendation**

Based on an in-depth review of the Offer and taking into account the fairness opinion of ValueTrust Financial Advisors SE (see Section I below) which forms an integral part of this report, the Board of Directors has unanimously resolved (with participation of all members) to recommend to the shareholders of Sunrise the acceptance of the Offer.

### **2. Rationale**

#### **a) Appropriateness of the Offer Price**

The price offered by the Offeror in the Offer is CHF 110 net for each Sunrise Share (the «**Offer Price**»). The Offer Price represents a premium of 28% compared to the closing price of the Sunrise Shares on August 11, 2020, the last trading day before the date of the pre-announcement of CHF 86.20 per Sunrise Share, and a premium of 32% compared to the volume-weighted average price of all on-exchange transactions during the last 60 trading days prior to the publication of the pre-announcement on August 12, 2020 of CHF 83.17 per Sunrise Share.

The Board of Directors has mandated ValueTrust Financial Advisors SE to render a fairness opinion in order to assess the fairness of the Offer Price from a financial perspective. In its fairness opinion dated August 26, 2020, ValueTrust Advisors SE determined a valuation range of CHF 83.84 to CHF 109.64 based on various valuation methods customary in the market and concluded that the Offer Price of CHF 110 net per Sunrise Share in cash is fair and appropriate from a financial perspective, subject to the assumptions made in its fairness opinion. The fairness opinion can be ordered in German, French and English at no cost at Sunrise (e-mail: [investor.relations@sunrise.net](mailto:investor.relations@sunrise.net); phone: +41 58 777 96 86) or downloaded under <https://www.nationalconnectivitychallenger.ch/>.

Based on these considerations and the result of the fairness opinion, the Board of Directors considers the Offer Price to be fair.

#### **b) Business Rationale**

The combination of the Offeror and Sunrise is expected to create a fully converged nationwide challenger on the Swiss telecommunications market, who is active across all elements of the 4 play bundled product, including fiber, cable, TV and mobile. The combined company will have the scale to drive innovation, invest in new services and pursue growth by providing innovative and competitively priced offers. The combined company should also be better positioned to drive competition with direct benefits for the Swiss economy and consumers.

The combined business will be well positioned to continue its next generation network roll-outs, including 5G and future technologies, offering up to 1Gbps speeds to up to 90% of Swiss households by 2021, with a clear roadmap to enable up to 10Gbps over time. The Offeror's next generation fixed network with its extensive fibre backbone will further strengthen Sunrise's leadership position in 4G and 5G.

Based on the considerations summarized above, the Board of Directors considers the Offer to be in the best interest of the Company and its shareholders.

#### **c) Squeeze-Out and Delisting**

In the event that the Offeror holds more than 98% of the voting rights in Sunrise after the settlement of the Offer, the Offeror can request the cancellation of the remaining Sunrise Shares against payment of the Offer Price in accordance with Article 137 FMIA.

In the event the Offeror holds between 90% and 98% of the voting rights in Sunrise after the settlement, the Offeror intends to merge the Company into the Offeror or into a company directly or indirectly controlled by Liberty Global pursuant to Article 8 para. 2 of the Swiss Merger Act by way of a cash-out merger and to compensate the remaining minority shareholders of Sunrise in cash or otherwise, but not with shares of the surviving company. The Swiss tax consequences of such a squeeze-out by way of a cash-out merger may, depending on the structuring of such merger, be considerably worse than the tax consequences of tendering the Sunrise Shares into the Offer. The Swiss tax consequences are described in detail under Section L.5 of the Offer Prospectus.

After the Settlement of the Offer, the Offeror is expected to cause Sunrise to apply for delisting of the Sunrise Shares from the SIX Swiss Exchange and for an exemption from certain disclosure and publicity obligations under the Listing Rules until the date of de-listing of the Sunrise Shares.

#### **d) Conclusion**

Based on the considerations summarized above, the Board of Directors unanimously recommends to its shareholders that they tender their Sunrise Shares in the Offer.

### **3. Contractual Arrangements between the Offeror and Sunrise**

On August 12, 2020, Sunrise and Liberty Global entered into a transaction agreement with respect to the Offer pursuant to which Liberty Global undertook to submit, either directly or through one of its subsidiaries, a public tender offer. The transaction agreement essentially governs the terms of the Offer and the respective rights and obligations of Sunrise and Liberty Global and the Offeror in relation to the Offer. In particular, the transaction agreement sets forth the Offer Price to be offered by the Offeror. In return, Sunrise undertook to support the Offer and to recommend to its shareholders to tender their Sunrise Shares into the Offer. In addition, Sunrise has undertaken to pay a lump sum in the amount of CHF 50 million to the Offeror in case the Offer is unsuccessful due to certain events, including a competing offer. A summary of the main terms of the transaction agreement is contained in the Offer Prospectus in Section E.4. The other existing agreements between Liberty Global and Sunrise or their respective Subsidiaries are described in the Offer Prospectus in Section E.4.

### **4. Potential Conflicts of Interest of the Members of the Board of Directors and the Executive Leadership Team**

#### **a) Members of the Board of Directors**

The Board of Directors is composed of the following members:

- Thomas Daniel Meyer, Chairman;
- Michael Krammer, Vice-Chairman;
- Ingo Arnold;
- Ingrid Deltenre;
- Thomas Karlovits;
- Sonja Stirnimann;
- Christoph Vilanek; and
- Henriette Ohland Wendt.

In the transaction agreement, the Board of Directors undertook to unanimously support the Offer and to recommend its acceptance. Subject to the conditions set forth in the transaction agreement, all members of the Board of Directors will resign from office as of the settlement date of the Offer, and the Board of Directors will propose to an extraordinary shareholders' meeting of Sunrise to elect the persons nominated by Liberty Global or the Offeror to the Board of Directors as of the settlement date of the Offer.

In separate tender undertakings entered into between publication of the Pre-Announcement and publication of the Offer Prospectus, Michael Krammer and Christoph Vilanek have agreed towards Liberty Global to tender the total number of 2,091 unblocked Sunrise Shares held by them into the Offer.

Christoph Vilanek and Ingo Arnold sit in the Board of Directors as representatives of freenet AG, a stock corporation organized under the laws of Germany with registered office in Büdelsdorf,

Germany («**Freenet**»), the largest shareholder of Sunrise. On August 12, 2020, Freenet entered into a tender undertaking with Liberty Global in which Freenet agreed to accept the Offer with regard to 11,051,578 Sunrise Shares and to tender all 11,051,578 Sunrise Shares into the Offer.

Subject to the foregoing, no member of the Board of Directors has entered into a contractual or other arrangement with the Offeror or a person acting in concert with the Offeror (except for Sunrise and its subsidiaries), no member of the Board of Directors has been elected at the request of the Offeror or a person acting in concert with the Offeror (except for Sunrise and its subsidiaries), no member of the Board of Directors will be re-elected by the Offeror or a person acting in concert with the Offeror (except for Sunrise and its subsidiaries), and no member of the Board of Directors exercises its mandate pursuant to the instructions of the Offeror or a person acting in concert with the Offeror. In addition, the members of the Board of Directors are neither corporate bodies or employees of the Offeror or a person acting in concert with the Offeror (except for Sunrise and its subsidiaries), nor do they act as corporate bodies or employees of a company which has significant business relationship with the Offeror or a person acting in concert with the Offeror (except for Sunrise and its subsidiaries).

#### **b) Members of the Executive Leadership Team**

The executive leadership team (the «**Executive Leadership Team**») of Sunrise is composed of the following members:

- André Krause, Chief Executive Officer and Chief Consumer Officer a.i.;
- Uwe Schiller, Chief Financial Officer;
- Françoise Clèmes, Chief Services Officer;
- Robert Wigger, Chief Business Officer;
- Giuseppe Bonina, Chief YOL Officer;
- Elmar Grasser, Chief Technology Officer;
- Marcel Heinz Huber, Chief Administrative Officer and General Counsel; and
- Tobias Foster, Chief Human Resources Officer.

As of September 1, 2020, Christoph Richartz will join the Executive Leadership Team of Sunrise.

In separate tender undertakings entered into between publication of the Pre-Announcement and publication of the Offer Prospectus, all members of the Executive Leadership Team mentioned above have agreed towards Liberty Global to tender the total number of 48'893 unblocked Sunrise Shares held by them into the Offer.

In order to enable the members of the Executive Leadership Team to tender all their Sunrise Shares into the Offer, the Board of Directors has resolved, for the event that the Offer is successful and more than 50% of the Sunrise Shares are tendered into the Offer during the offer period, to remove the obligation to hold a minimum number of Sunrise Shares contained in the employment agreements of the members of the Executive Leadership Team. Apart from that, the Offer has no effect on the existing employment agreements.



Other than the above-mentioned tender undertakings, no member of the Executive Leadership Team has entered into a contractual or other arrangement with the Offeror or a person acting in concert with the Offeror (except for Sunrise and its subsidiaries) and, currently, there is no intention to enter into such agreements. The members of the Executive Leadership Team are neither corporate bodies or employees of the Offeror or a person acting in concert with the Offeror (except for Sunrise and its subsidiaries), nor do they act as corporate bodies or employees of a company which has significant business relationships with the Offeror or a person acting in concert with the Offeror (except for Sunrise and its subsidiaries).

## 5. Financial Consequences of the Offer for the Members of the Board of Directors and the Executive Leadership Team

### a) Financial Consequences for the Members of the Board of Directors

In the past terms of office, half of the annual compensation of each member and one-third of the annual compensation of the chairman of the Board of Directors was paid in the form of Sunrise Shares. The corresponding Shares are blocked for a period of three years from the date of allocation. In the event that the Offer is successful and more than 50% of the Sunrise Shares are tendered to the Offeror during the offer period, the Board of Directors has resolved to release all blocked Sunrise Shares and to tender them into the Offer during the additional acceptance period on behalf and on the account of the members of the Board of Directors. Furthermore, the Board of Directors has resolved to pay the compensation of its members for the current term of office (i.e. from the Annual General Meeting 2020 until the end of the mandate), to the extent not yet paid, on a pro rata basis entirely in cash.

At the time of drafting this report, the members of the Board of Directors hold the following number of Sunrise Shares:

	Unblocked Shares	Blocked Shares	Total
Thomas D. Meyer	0	1,286	1,286
Michael Krammer	658	1,959	2,617
Ingo Arnold	0	1,331	1,331
Ingrid Deltenre	0	1,959	1,959
Thomas Karlovits	0	643	643
Sonja Stirnimann	0	643	643
Christoph Vilanek	1,433	1,959	3,392
Henriette Ohland Wendt	0	643	643
<b>Total</b>	<b>2,091</b>	<b>10,423</b>	<b>12,514</b>

Other than in their capacity as Sunrise shareholders and the fixed compensation which, to the extent not yet paid, will be paid entirely in cash on a pro rata basis until the termination of their mandate the Offer has no financial impact on the members of the Board of Directors.

## **b) Compensation of the Members of the Executive Leadership Team and Employee Participation Plans**

In addition to their fixed salary, the members of the Executive Leadership Team are paid a variable compensation based on the Short Term Plan, which depends on the achievement of the annually defined EBITDA and gross profit targets. In addition, Sunrise has various share-based employee participation plans outstanding which grant the members of the Executive Leadership Team the right to purchase or obtain Sunrise Shares:

### *Variable Compensation (Short Term Plan)*

In light of the Offer, the Board of Directors has resolved, subject to certain conditions, to determine the variable compensation of the members of the Executive Leadership Team under the Short Term Plan as at the settlement date of the Offer and to pay it pro rata (i.e. for the period between January 1, 2020 and the settlement date). Further, the Board of Directors has resolved to terminate the Short Term Plan upon settlement of the Offer. The Board of Directors will determine the achievement of the targets based on the actual performance of the Company as at the settlement date, linearly extrapolated to December 31, 2020, pursuant to the Short Term Plan.

### *Performance Share Unit Plan*

Pursuant to the Performance Share Unit Plan dated January 13, 2020 (the «**PSUP**»), each member of the Executive Leadership Team as well as other Sunrise employees receive Performance Share Units (the «**PSU**») in the amount of 20-55% of the annual fixed salary each year. According to the PSUP, the PSU entitle the holders to receive free of charge, after a three-year vesting period, a certain number of unblocked Sunrise Shares, the number of which will be determined according to the achievement of targets and can range between 0% and 200% of the number of the allocated PSU. In addition, at the end of the vesting period, the participants of the PSUP are entitled to a cash amount per PSU or, if the number of allocated Sunrise Shares is lower, per allocated Sunrise Share, which corresponds to the sum of the dividends paid out to Sunrise's other shareholders during the vesting period (so-called dividend equivalent). At the time of publication of this report, an aggregate of 55'920 PSU have been allocated which entitle the shareholders to receive a minimum of 0 and a maximum of 111'840 Sunrise Shares after expiration of the vesting period.

In light of the Offer, the Board of Directors has resolved, in accordance with the provisions of the PSUP and subject to inter alia (i) the Offer not being terminated and (ii) the tendering of more than 50% of all the Sunrise Shares in the Offer during the main offer period, to amend the plan as follows: the respective vesting periods of all outstanding PSU will be accelerated to expire on the last trading day prior to the settlement date of the Offer, and the right of the participants to receive Sunrise Shares in kind will be converted into the right to receive cash payment corresponding the Offer Price per Sunrise Share. The relevant amount, together with the dividend equivalent provided for in the plan as accrued up to the settlement date, will be paid out to the plan participants on the settlement date of the Offer. In addition, the Board of Directors has determined the achievement of the targets based on the actual performance of the Company as at June 30, 2020, extrapolated to the expiration of the vesting periods provided for in the PSUP. As a result, the Board of Directors has resolved to base the conversion of the PSU on the maximum target achievement provided for in the PSUP (i.e. 200%).

*Management Long Term Investment Programme – Revised*

Pursuant to the Management Long Term Investment Programme – Revised dated March 1, 2017 (the «MLTIP»), each member of the Executive Leadership Team as well as other Sunrise employees have the possibility to receive part of the annual variable compensation in the form of Sunrise Shares (so-called *investment shares*), which are blocked for a period of three years. In accordance with the provisions of the MLTIP, the members of the Executive Leadership Team were additionally allocated an award for performance share for each blocked investment share. According to MLTIP, each such award for performance share entitles the members of the Executive Leadership Team to receive 0 to 1.2 Sunrise Shares free of charge after a three-year vesting period, depending on the extent to which the targets have been achieved. Plan participants who were not members of the Executive Leadership Team at the time of subscription to the investment shares were granted an award for matching share for each blocked investment share, entitling them to receive one Sunrise Share free of charge after a three-year vesting period.

At the time of publication of this report, a total of 9'279 awards for performance shares are allocated to the members of the Executive Leadership Team. After the expiration of the vesting period, these awards for performance shares entitle the beneficiaries to receive a minimum of 0 and a maximum of 11'136 Performance Shares, depending on the achievement of the targets set for this period. In addition, at the end of the vesting period, the participants of the MLTIP are entitled to a dividend equivalent per allocated Sunrise Share. Giuseppe Bonina, Tobias Foster and Uwe Schiller were not members of the Executive Leadership Team at the time of allocation of the investment shares in accordance with the MLTIP. Accordingly, they have been allocated one award for matching share for each blocked Sunrise Share and do not hold awards for performance shares.

In light of Offer, the Board of Directors has resolved, in accordance with the provisions of the MLTIP and, subject to inter alia (i) the Offer not being terminated and (ii) the tendering of more than 50% of all the Sunrise Shares in the Offer during the main offer period, to amend the plan as follows: all blocked investment shares will be released (if still subject to a blocking period) and will be tendered into the Offer on behalf and on the account of the respective beneficiaries during the additional acceptance period. Subject to and on the same conditions, the respective vesting periods of all outstanding awards for performance shares and awards for matching shares will be accelerated or set to expire on the trading day prior to the settlement date of the Offer and the right of the participants to receive Sunrise Shares in kind will be converted into the right to receive cash payment corresponding the Offer Price per Sunrise Share. The relevant amount, together with the dividend equivalent provided for in the plan as accrued up to the settlement date, will be paid out to the plan participants on the settlement date of the Offer. In addition, with regard to the awards for performance shares the Board of Directors has determined the achievement of the targets based on the actual performance of the Company as at June 30, 2020, extrapolated to the end of the vesting periods provided for in the MLTIP. As a result, the Board of Directors resolved to allocate 0.9398 Sunrise Shares per Award for Performance Share granted in 2017 and 0.83 Sunrise Shares per Award for Performance Share granted in 2018.

At the time of drafting this report, the members of the Executive Leadership Team hold the following number of Sunrise Shares and the following entitlements resulting from the above-mentioned plan adjustments:

	Unblocked Shares	Blocked Shares (Investment Shares)	Shares allocated due to the Offer and converted into a right to receive cash payment			Dividend Equivalents (in CHF)
			from MLTIP 2017	From MLTIP 2018	from PSUP	
André Krause	5,383	1,925	0	1,598	20,742	76,011
Uwe Schiller	4,132	529	0	529	5,296	18,754
Françoise Clèmes	14,581	1,279	0	1,062	7,878	39,012
Robert Wigger	8,207	1,108	760	249	6,304	33,222
Giuseppe Bonina	2,082	461	0	461	5,170	22,370
Elmar Grasser	4,560	1,585	0	1,316	8,402	38,651
Marcel Heinz Huber	3,000	0	0	0	6,304	20,509
Tobias Foster	4,948	300	0	300	4,728	19,163
Christoph Richartz <sup>1</sup>	1,800	824	0	502	2,222	13,519
<b>Total</b>	<b>48,893</b>	<b>8,011</b>	<b>760</b>	<b>6,017</b>	<b>67,046</b>	<b>281,211</b>

Other than in their capacity as Sunrise shareholders and the consequences described above resulting from the adjustment of the Short Term Incentive Plan, the PSUP and MLTIP, the Offer has no financial impact on the members of the Executive Leadership Team.

### c) Compensation and Benefits

Apart from the compensation described above, the members of the Board of Directors and the Executive Leadership Team will not receive any additional compensation or benefits in connection with the Offer.

## 6. Intentions of Qualified Shareholders of Sunrise

To the knowledge of the Board of Directors, the following shareholders hold, on the publication date of this report, a participation of 3% or more of the Sunrise Shares:

<sup>1</sup> Entry into the Executive Leadership Team of Sunrise as of September 1, 2020.

Shareholder	Number of Sunrise Shares	Percentage
freenet AG	11,051,578	24.42%
PSquared Master SICAV Ltd	1,928,344	4.26%
BlackRock, Inc.	1,662,631 <sup>2</sup>	3.68%
Credit Suisse Funds AG	1,389,813	3.08%
Norges Bank (the Central Bank of Norway)	1,364,086	3.01%

Freenet has entered into a tender undertaking with Liberty Global in which Freenet has agreed to tender its Sunrise Shares into the Offer (see Section 4.a of this report).

The Board of Directors does not know the intentions of PSquared Master SICAV Ltd, BlackRock Inc., Credit Suisse Funds AG and Norges Bank in respect to the Offer.

#### **7. Defensive Measures pursuant to Article 132 para. 2 FMIA**

The Board of Directors has not taken any defensive measures against the Offer and has no intention of taking any defensive measures in the future or proposing to an ordinary or extraordinary shareholders' meeting to take any such measures.

#### **8. Financial Reporting; Information on Material Changes in the Assets, Financial Position, Results of Operations and Business Prospects**

The consolidated financial statements of Sunrise as of December 31, 2019, as well as the consolidated interim financial statements as of June 30, 2020, can be consulted on Sunrise's website at <https://www.sunrise.ch/en/corporate-communications/investor-relations.html>. The annual and semi-annual reports can be quickly ordered at no cost at Sunrise (e-mail: [investor.relations@sunrise.net](mailto:investor.relations@sunrise.net); phone: +41 58 777 96 86).

Except for the transaction underlying this report and to the extent disclosed prior to or on the date of this report (including in this report), the Board of Directors is not aware of any material changes in the assets, the financial position, the results of operations or the business prospects of Sunrise since July 1, 2020, that could influence the decision of the shareholders of Sunrise regarding the Offer.

Zurich, August 27, 2020

For the Board of Directors of Sunrise

Thomas D. Meyer

Chairman of the Board of Directors

<sup>2</sup> 183,659 of the mentioned voting rights, corresponding to 0.41% of the voting rights, have been delegated by a third party and can be exercised at one's own discretion; in addition, BlackRock, Inc. holds contracts for difference regarding a total of 870,507 Sunrise Shares, corresponding to 1.93% of the voting rights.

## I. Fairness Opinion

The fairness opinion prepared by ValueTrust Financial Advisors SE for the attention of the Board of Directors, in which the Offer is confirmed with regard to all relevant aspects as fair and appropriate from a financial perspective, can be ordered at no cost at Sunrise (e-mail: investor.relations@sunrise.net; phone: +41 58 777 96 86) or downloaded under [www.nationalconnectivitychallenger.ch](http://www.nationalconnectivitychallenger.ch).

## J. Decision of the Swiss Takeover Board

On August 26, 2020, the TOB issued the following decision (*Verfügung*) (unofficial translation from the German original):

1. The public tender offer by UPC Schweiz GmbH to the shareholders of Sunrise Communications Group AG complies with the statutory provisions on public tender offers.
2. It is declared that the intended treatment of the Equity Awards, the blocked shares and the bonuses of the employees and members of the board of directors of Sunrise Communications Group AG in connection with the public tender offer by UPC Schweiz GmbH does not violate the principle of equal treatment and, in particular, the Best Price Rule (article 10 para. 1 Takeover Ordinance) or trigger the latter.
3. UPC Schweiz GmbH is granted an exception such that the disclosure pursuant to article 19 para. 1(b) Takeover Ordinance can be limited to the information disclosed on Liberty Global plc pursuant to the applicable US securities law. In particular, the shareholdings in Liberty Global plc have to be disclosed only if they exceed 5% of the voting rights.
4. freenet AG is granted party status as of the date of publication of this decision.
5. This decision will be published on the website of the Swiss Takeover Board on the day of the publication of the offer prospectus.
6. The fee chargeable to UPC Schweiz GmbH is CHF 250,000.

## K. Rights of Shareholders of Sunrise

### 1. Request for Party Status (Article 57 Takeover Ordinance)

Shareholders of Sunrise who have been holding at least 3% of the voting rights of Sunrise, whether exercisable or not (a **Qualified Participation**), since August 12, 2020 (each a **Qualified Shareholder**), will be granted party status if they file a respective request with the TOB. The request of a Qualified Shareholder must be received by the TOB (Stockerstrasse 54, 8002 Zurich; fax: +41 44 283 17 40) within five (5) Trading Days from the date of publication of the decision of the TOB (see above Section J ("*Decision of the Swiss Takeover Board*"). The first Trading Day after the publication of the decision of the TOB on the TOB's website will be the first day of the filing period. Concurrently with the request, the applicant has to furnish proof of their Qualified Participation. The TOB may request proof of the Qualified Shareholder's continued Qualified Participation at any time. The party status of a Qualified Shareholder will be upheld in relation to any further decisions issued by the TOB in connection with the Offer, provided that the Qualified Shareholder continues to hold a Qualified Participation.

## 2. Objection (Article 58 Takeover Ordinance)

A Qualified Shareholder may file an objection against the TOB's decision in respect of the Offer (see above Section J ("*Decision of the Swiss Takeover Board*"). The objection must be filed with the TOB (Stockerstrasse 54, 8002 Zurich; fax: +41 44 283 17 40) within five (5) Trading Days from the date of publication of the decision of the TOB. The first Trading Day after the publication of the decision of the TOB on the TOB's website will be the first day of the filing period. The objection must contain a motion, summary reasons and proof of the Qualified Participation as from August 12, 2020.

## L. Implementation of the Offer

### 1. Information | Registration

Sunrise shareholders will be informed of the procedure for accepting the Offer by their broker or custodian bank, and will have to act in accordance with such instructions.

### 2. Offer Manager

The Offeror has mandated Credit Suisse AG, Zurich, with the execution of the Offer. Credit Suisse AG also acts as the tender agent for the Offer.

### 3. Tendered Sunrise Shares

Tendered Sunrise Shares will be booked to the separate Swiss securities number 56 563 066 (ISIN: CH0565630669; ticker symbol SRCGE). The Offer Manager will apply on behalf of the Company for the opening of a second trading line for the tendered Sunrise Shares as of September 11, 2020. It is expected that the trading on the second trading line will be terminated upon the expiration of the Additional Acceptance Period or, in the event of a Postponement in accordance with Section B.7 ("*Offer Conditions*"), at the end of the third (3<sup>rd</sup>) Trading Day prior to the Settlement Date.

### 4. Payment of the Offer Price; Settlement Date

The Offer Price for the Sunrise Shares which will have been validly tendered during the Offer Period and the Additional Acceptance Period is expected to be paid on the Settlement Date, being November 5, 2020, according to the indicative timetable set forth in Section 0 ("*Indicative Timetable*").

In the event of an extension of the Cooling-off Period by the TOB, an extension of the Offer Period pursuant to Section B.5 ("*Offer Period*") or a Postponement of the Settlement in accordance with Section B.7 ("*Offer Conditions*"), the Settlement will be deferred accordingly, in particular if merger control and other approvals (see Offer Condition (b) ("*Merger Control and Other Approvals*")) are outstanding or waiting periods have not yet lapsed by the end of the Additional Acceptance Period.

## 5. Costs and Taxes; General Tax Consequences for Accepting and Non-Accepting Shareholders

### **Costs and Taxes**

During the (possibly extended) Offer Period and the Additional Acceptance Period, Sunrise Shares deposited with banks in Switzerland may be tendered free of costs and fiscal charges. Any Swiss transfer stamp duty as well as stock exchange fees, if applicable, imposed on the sale will be borne by the Offeror.

### **Tax Consequences for Shareholders who tender their Sunrise Shares into the Offer**

No Swiss withholding tax will be levied on the sale of Sunrise Shares pursuant to this Offer.

The following Swiss individual and corporate income tax consequences will likely result for Sunrise shareholders who are resident in Switzerland for tax purposes and tender their Sunrise Shares into the Offer:

- Pursuant to general principles of Swiss income taxation, shareholders holding their Sunrise Shares as private assets (*Privatvermögen*) and who tender their Sunrise Shares into the Offer realize either a tax-free private capital gain or suffer a non-tax-deductible capital loss, unless the shareholder classifies as a professional securities dealer (*gewerbsmässiger Wertschriftenhändler*).
- Shareholders holding their Sunrise Shares as business assets (*Geschäftsvermögen*), for example by classifying as a professional securities dealer (*gewerbsmässiger Wertschriftenhändler*), who tender their Sunrise Shares into the Offer realize either a taxable capital gain or a tax-deductible capital loss depending on the relevant income tax value of their Sunrise Shares pursuant to general principles of Swiss individual and corporate income taxation.

Shareholders who are not tax residents of Switzerland are not subject to Swiss individual and corporate income taxes, except if their Sunrise Shares are attributed to a permanent establishment (*Betriebsstätte*) or a fixed place of business in Switzerland.

### **Tax Consequences for Shareholders who do not tender their Sunrise Shares into the Offer**

*Scenario 1: Liberty Global or one or several of its direct or indirect Subsidiaries hold more than 98% of the voting rights in Sunrise after the Settlement*

If Liberty Global or one or several of its direct or indirect Subsidiaries hold more than 98% of the voting rights in Sunrise after the Settlement, the Offeror intends to request the cancellation of the outstanding publicly held Sunrise Shares in accordance with article 137 FMIA. In such a case, the Swiss tax consequences for the holders of Sunrise Shares will be the same as if they had tendered their Sunrise Shares into the Offer (see above).

*Scenario 2: Liberty Global or one or several of its direct or indirect Subsidiaries hold between 90% and 98% of the voting rights in Sunrise after the Settlement*



If Liberty Global or one or several of its direct or indirect Subsidiaries hold between 90% and 98% of the voting rights in Sunrise after the Settlement, the Offeror intends to merge with Sunrise, or to merge Sunrise with a Swiss company directly or indirectly controlled by Liberty Global, in each case in accordance with article 8 para. 2 and article 18 para. 5 of the Swiss Merger Act, whereby the remaining minority shareholders would be compensated (in cash or otherwise) and not receive any shares in the surviving company.

The consideration paid to remaining Sunrise minority shareholders (irrespective of their tax residence) in the squeeze-out merger may, depending on the structuring of the squeeze-out merger, be subject to Swiss withholding tax of 35% on the difference between (i) the amount of the consideration and (ii) the sum of the nominal value of the Sunrise Shares concerned and of the proportionate part of Sunrise's reserves from capital contributions (*Reserven aus Kapitaleinlagen*) attributable to the respective Sunrise Shares. Upon request, the Swiss withholding tax, if any, will generally be refunded to shareholders of Sunrise who have their tax residence in Switzerland, provided that such shareholders duly declare the consideration in the tax return or, in the case of legal entities, in the profit and loss statement. Sunrise shareholders who are not tax residents of Switzerland may be entitled to a full or partial refund of the Swiss withholding tax if the country of residence for tax purposes has entered into a bilateral treaty for the avoidance of double taxation with Switzerland and the conditions of such treaty are met.

Furthermore, the following Swiss individual and corporate income tax consequences may result for Sunrise shareholders who are resident in Switzerland for tax purposes depending on the structure of the squeeze-out merger:

- Shareholders holding their Sunrise Shares as private assets (*Privatvermögen*) may realize a taxable income on the difference between (i) the amount of the consideration and (ii) the sum of the nominal value of the Sunrise Shares concerned and of the proportionate part of Sunrise's reserves from capital contributions (*Reserven aus Kapitaleinlagen*) attributable to the respective Sunrise Shares.
- Shareholders holding their Sunrise Shares as business assets (*Geschäftsvermögen*), for example by classifying as professional securities dealer (*gewerbsmässiger Wertschriftenhändler*), may face the same tax consequences as if they tender their Sunrise Shares into the Offer (see above).

Shareholders who are not tax residents of Switzerland are not subject to Swiss individual or corporate income taxes, except if their Sunrise Shares are attributed to a permanent establishment (*Betriebsstätte*) or a fixed place of business in Switzerland.

### **General Remark**

All shareholders of Sunrise and beneficial owners of Sunrise Shares are expressly advised to consult their own tax advisors with respect to the Swiss and foreign tax consequences of the Offer and its acceptance or non-acceptance, respectively.

## **6. Squeeze-out and De-listing**

After the Settlement, as set out in Section E.3 (*"Intentions of the Offeror and Liberty Global with Respect to Sunrise"*), the Offeror intends to request the cancellation of the outstanding publicly held Sunrise Shares, or to merge with Sunrise, or merge Sunrise with a Swiss company directly

or indirectly controlled by Liberty Global, whereby the remaining public shareholders of Sunrise will receive a compensation, but no shares of the surviving company, if permitted by law. Furthermore, after the Settlement the Offeror intends to have Sunrise apply with SIX Exchange Regulation for the de-listing of the Sunrise Shares in accordance with the Listing Rules and for an exemption from certain disclosure and publicity obligations under the Listing Rules until the date of de-listing of the Sunrise Shares.

## M. Applicable Law and Jurisdiction

The Offer, and all rights and obligations arising under or in connection with the Offer, shall be governed by, and construed in accordance with, **Swiss law**. The exclusive place of jurisdiction for all disputes arising out of or in connection with the Offer shall be the city of **Zurich**.

## N. Indicative Timetable

August 27, 2020	Publication of Offer Prospectus
August 28, 2020	Start of Cooling-off Period
September 10, 2020	End of Cooling-off Period
September 11, 2020	Start of Offer Period Opening of the second trading line on the SIX for tendered Sunrise Shares
October 8, 2020	End of Offer Period, 4:00 p.m. Swiss time*
October 9, 2020	Provisional notice of the interim results of the Offer*
October 14, 2020	Definitive notice of the interim results of the Offer*
October 15, 2020	Start of the Additional Acceptance Period*
October 28, 2020	End of the Additional Acceptance Period, 4:00 p.m. Swiss time* Closing of the second trading line on the SIX for tendered Sunrise Shares**
October 29, 2020	Provisional notice of the end results of the Offer*
November 3, 2020	Definitive notice of the end results of the Offer*
November 5, 2020	Settlement of the Offer*

\* The Offeror reserves the right to extend the Offer Period pursuant to Section B.5 ("*Offer Period*"), once or several times, in which case the above dates will be deferred accordingly. In addition, the Offeror reserves the right to postpone the Settlement pursuant to Section B.7 ("*Offer Conditions*"), in particular if merger control and other approvals are outstanding or waiting periods have not yet lapsed.

\*\* It is expected that the trading on the second trading line will be terminated upon the expiration of the Additional Acceptance Period or, in the event of a Postponement in accordance with Section B.7 ("*Offer Conditions*"), at the end of the third (3<sup>rd</sup>) Trading Day prior to the Settlement Date.

## O. Security Numbers

Sunrise	Swiss securities number	ISIN	Ticker symbol
Registered shares <b>not tendered</b> (first trading line)	26 729 122	CH0267291224	SRCG
Registered shares <b>tendered</b> (second trading line)	56 563 066	CH0565630669	SRCGE

## P. Offer Documentation

This Offer Prospectus may be obtained free of charge (in German, French and English) from Credit Suisse AG (e-mail: [equity.prospectus@credit-suisse.com](mailto:equity.prospectus@credit-suisse.com)).

This Offer Prospectus and other information concerning the Offer are also available at [www.nationalconnectivitychallenger.ch](http://www.nationalconnectivitychallenger.ch).

---

Financial Advisors



J.P.Morgan

Offer Manager



Information Agent

**M O R R O W**  
**S O D A L I**

tel: +41 55 242 60 03 (Retail Investors) | +44 204 5136910 (Institutional Investors)  
e-mail: [sunriseoffer@investor.morrowsodali.com](mailto:sunriseoffer@investor.morrowsodali.com)