This fairness opinion is prepared by ValueTrust Financial Advisors SE ("**ValueTrust**") based on information provided by Sunrise Communications Group AG and its subsidiaries (the "**Company**") solely for informational purposes and based on market and other data obtained by ValueTrust. By having access to the following information, you are agreeing to be bound by the following conditions and the conditions set forth in the fairness opinion.

This fairness opinion and its contents may not be distributed or passed on to any other person or published or reproduced, in whole or in part, by any medium or in any form for any purpose.

The fairness opinion contains forward-looking statements. Forward-looking statements include, but are not limited to, all statements other than statements of historical facts contained in this fairness opinion, including, without limitation, those regarding the results of operations, strategy, plans, objectives, goals and targets of the Company's and Liberty Global Europe Financing B.V. and its certain subsidiaries that are to be acquired by the Company (the "**UPC Switzerland**"). The forward-looking statements in this document can be identified, in some instances, by the use of words such as "expects", "anticipates", "intends", "believes", and similar language or the negative thereof or similar expressions that are predictions of or indicate future events or future trends. By their nature, forward-looking statements involve known and unknown risks and uncertainties and other factors that may cause the Company and UPC Switzerland's actual results, performance or achievements or other statements in this fairness opinion to be materially different from those expressed in, or implied by, such forward-looking statements. Past developments cannot be relied on as a guide to future developments. You should not place undue reliance on forward-looking statements, which speak of the date of this fairness opinion. In addition, forward-looking statements are not intended to give any assurances as to future results and statements regarding past trends should not be taken as a representation that they will continue in the future. All forward-looking statements apply only as of the date hereof and we undertake no obligation to update this information. No statement in this fairness opinion is intended as a profit forecast or a profit estimate.

The Company is under no obligation to update or keep current the information contained in this document. The Company makes no representation, warranty or undertaking, express or implied, on the fairness, accuracy, completeness or correctness of the information or the opinions contained herein. The information contained herein shall not be used to form the basis of, or be relied on, in connection with any contract, commitment, or action whatsoever, in particular, the Information must not be used in making any investment decision.

Certain financial data included in this presentation consists of "non-IFRS financial measures". These non-IFRS financial measures, as defined by the Company or UPC Switzerland, may not be comparable to similarly-titled measures as presented by other companies, nor should they be considered as an alternative to the historical financial results or other indicators of the performance based on IFRS.

The Company obtained certain industry and market data used in this fairness opinion from publications and studies conducted by third parties and estimates prepared by the Company based on certain assumptions. While the Company believes that the industry and market data from external sources is accurate and correct, the Company has not independently verified such data or sought to verify that the information remains accurate as of the date of the fairness opinion and the Company does not make any representation as to the accuracy of such information. Similarly, the Company believes that its internal estimates are reliable, but these estimates have not been verified by any independent sources. Accordingly, undue reliance should not be placed on any of the industry, market or competitive position data contained in the fairness opinion.

Certain financial and statistical information contained in the fairness opinion is subject to rounding adjustments. Accordingly, any discrepancies between the totals and the sums of the amounts listed are due to rounding. Certain financial information and operating data relating to the Company and UPC Switzerland contained in the fairness opinion has not been audited and in some cases is based on management information and estimates, and is subject to change. No reliance may or should be placed by any person for any purposes whatsoever on the fairness opinion, or on its completeness or accuracy. The information in the fairness opinion is in summary draft form for discussion purposes only. The information and opinions contained in the fairness opinion are provided as at the date of the fairness opinion and are subject to verification, correction, completion and change without notice. In providing access to the fairness opinion, neither the Company and/or any of its subsidiary undertakings or affiliates, or their respective directors, officers, employees, advisers or agents, undertakes any obligation to amend, correct or update the fairness opinion or to provide the recipient with access to any additional information that may arise in connection with it. Nothing herein should be construed as financial, legal, tax, accounting, actuarial or other specialist advice.

This document does not constitute or form part of, and should not be construed as, an offer to sell or issue or the solicitation of an offer to buy or acquire securities of the Company in the United States or in any other jurisdiction. Securities may not be offered or sold in the United States absent registration or an exemption from registration under the U.S. Securities Act of 1933, as amended (the "Securities Act"). The Company has not registered and does not intend to register any securities under the Securities Act or the securities laws of any state or other jurisdiction of the United States. The Company does not intend to engage in any public offering of securities in the United States. No part of this document, nor the fact of its distribution, should form the basis of, or be relied on in connection with, any contract or commitment or investment decision whatsoever. This document is not a prospectus within the meaning of Article 652a of the Swiss Code of Obligations, nor is it a listing prospectus as defined in the listing rules of the SIX Swiss Exchange AG or a prospectus under any other applicable laws.

Neither UPC Switzerland, nor Liberty Global plc, nor any of their respective affiliates (together, "**Liberty Global**") have had any involvement in the preparation of this fairness opinion or the information contained herein. For the avoidance of doubt, Liberty Global shall not have any duty or liability to any person in connection with this fairness opinion or the information contained herein.

Fairness Opinion

on the proposed acquisition of UPC Switzerland by Sunrise Communications Group AG

September 16, 2019

ValueTrust
OVERVIEW

Table of contents

Contact information

Florian Starck
Steuerberater
Managing Director
+49 89 388 790 200
+49 172 896 8989
florian.starck@value-trust.com

Mehmet Özbay
CVA
Director
+49 89 388 790 140
+49 176 103 057 74
mehmet.oezbay@value-trust.com

Nicolas von Manteuffel
Manager
+49 89 388 790 320
+49 159 045 664 04
nicolas.vonmanteuffel@value-trust.com

ValueTrust Financial Advisors SE
Theresienstrasse 1
80333 Munich
Germany

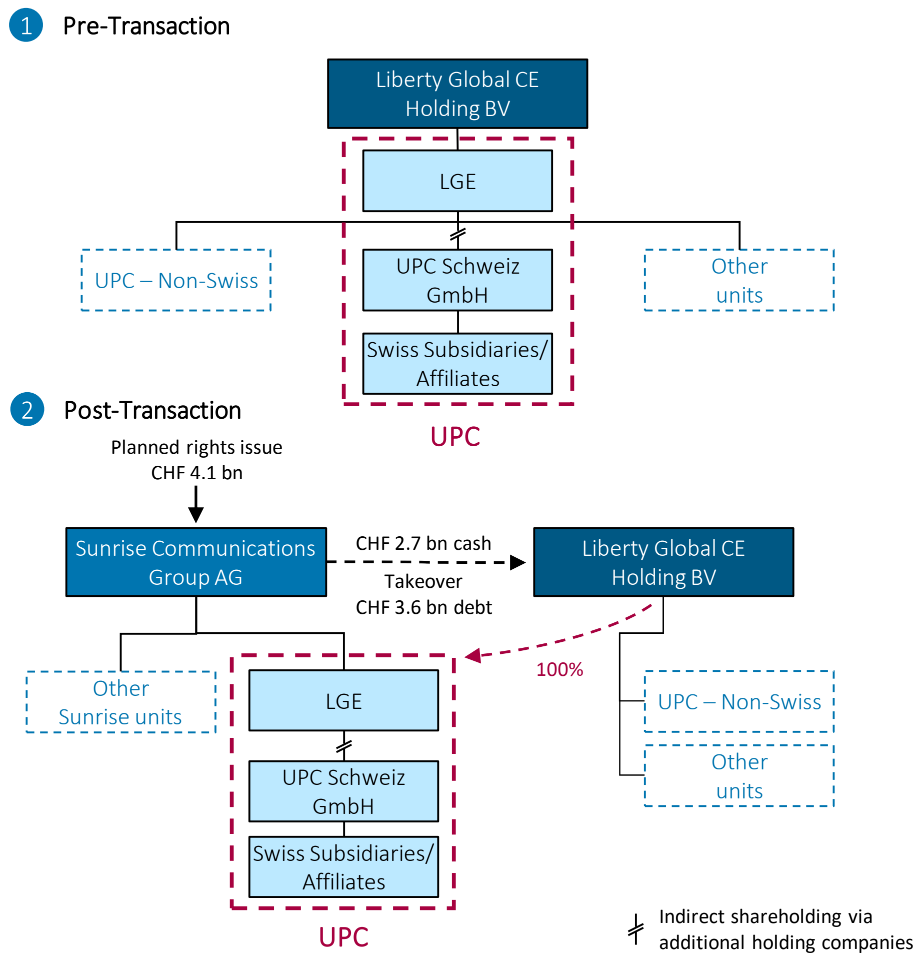
1 Introduction

Introduction
Background

Background

- Sunrise Communications Group AG ("Sunrise" or the "Client") is the largest non state-controlled telecommunications company in Switzerland and headquartered in Opfikon, Switzerland. The company offers mobile, internet, TV and landline services to private and business customers. As of December 31, 2018, Sunrise's total staff amounted to 1,611 full-time equivalents. Sunrise generated revenues of CHF 1,876 m in 2018.
- Sunrise is a publicly traded company, listed on the SIX Swiss Exchange since 2015 (ISIN: CH0267291224). The share capital is divided into 45,069,028 fully paid-in, registered shares, each with a par value of CHF 1.00 and one vote each at its shareholders' meetings.
- On February 27, 2019, Sunrise announced that it had signed a binding agreement with Liberty Global plc ("Liberty"), an international TV and broadband company, to acquire 100% of Liberty's Swiss cable business UPC Schweiz GmbH, including its subsidiaries, affiliates and minority participations as well as certain holding companies ("UPC" or "Target") (Sunrise, UPC and Liberty together "Transaction Parties"). UPC is an indirect subsidiary of Liberty Global Europe Financing B.V. ("LGE"), which is an intermediate holding company and the top holding company for UPC.
- The scope of the acquisition consists of the Swiss operations of LGE and indebtedness incurred by the companies above UPC Schweiz GmbH, which also hold other UPC businesses in Europe.
- Sunrise will acquire UPC based on an enterprise value ("EV") of CHF 6.3 bn ("Proposed Transaction").
- Prior to the Proposed Transaction, all non-Swiss operating entities of LGE will be carved-out. Liberty Global CE Holding BV serves as the seller of UPC.

Transaction structure



Introduction
Background

Background (cont'd)

- With the Proposed Transaction, Sunrise aims to reinforce its position as a converged challenger with scale across all elements of the so-called 4P bundle. As the second largest player in mobile, TV, fixed broadband and fixed voice, the combined company expects to have the scale to drive innovation, invest in new services and pursue growth.
- As part of the Proposed Transaction, Sunrise will acquire a portion of the Target's outstanding debt of ca. CHF 3.6 bn and the shares of LGE for a cash payment of CHF 2.7 bn ("Cash Consideration") (acquired debt and Cash Consideration together the "Consideration").
- Sunrise intends to undertake a rights issue in order to raise CHF 4.1 bn ("Capital Increase") to fund the Cash Consideration and repay ca. CHF 1.1 bn of certain existing Sunrise debt. The remaining portion of the Capital Increase will be used to fund the transaction cost in the amount of ca. CHF 0.2 bn for M&A, ECM (incl. issuance stamp duty), legal fees (incl. financial due diligence) as well as debt-related expenses (SFA restructuring and Sunrise bonds make-whole cost). However, the size of the rights issue might be subject to further changes as indicated by Sunrise as part of its second quarter results in 2019.
- As part of the Proposed Transaction, certain UPC bonds and associated derivatives will be assumed by Sunrise. A change of control is not triggered, as the change of control reference entity for the UPC debt is part of the Target.

Background (cont'd)

- The Proposed Transaction is subject to receipt of regulatory clearance and approval of the rights issue by an extraordinary general meeting (EGM) of Sunrise; the regulatory approval is expected to be obtained at the end of the third quarter / beginning of fourth quarter of 2019, with the closing of the Proposed Transaction expected to take place during the fourth quarter of 2019.
- Against this background, the Client requires a fairness opinion ("Fairness Opinion" or the "Opinion") to assess the fairness of the Proposed Transaction from a financial point of view.
- Hence, the Fairness Opinion will assess whether the stand-alone enterprise value of UPC plus the net present value of the expected synergies (incl. integration cost) and less associated transaction cost exceeds the agreed-upon EV of CHF 6.3 bn as of the issue date of this Fairness Opinion.

Introduction
Mandate of ValueTrust

Mandate of ValueTrust

- Sunrise has engaged ValueTrust Financial Advisors SE ("ValueTrust") to serve as an independent financial advisor to Sunrise's Board of Directors ("BoD") to provide an opinion as to the fairness, from a financial point of view, of the Consideration of the Proposed Transaction.
- In order to assess the fairness of the Consideration, the Opinion determines the fairness from a financial point of view of the proposed acquisition of UPC on a stand-alone basis and under consideration of expected synergies arising from the combination of UPC with the existing Sunrise business.
- The Fairness Opinion is intended for the sole benefit of the BoD as part of its report to the shareholders regarding the Consideration in compliance with the ordinance of the Swiss Takeover Board (*Übernahmekommission*) ("TOB"). ValueTrust is approved as an independent fairness opinion provider by the Swiss Takeover Board (*Besondere Befähigung*). The Fairness Opinion as a whole may be published in connection with a media release by the Client regarding the Proposed Transaction and in an updated version before the EGM or as part of the EGM materials, all on the Client's publicly available website. Any third party having access to the following information is deemed to agree to be bound by the conditions set forth in the fairness opinion prepared by ValueTrust as well as by the following conditions.
- With respect to UPC, our Fairness Opinion does not constitute a recommendation to Sunrise's public shareholders to accept or reject the proposed capital increase, nor does it contain any assessment of the following:
  - Payment terms and conditions of the proposed acquisition of UPC
  - Legal and tax assessment of the transaction structure
  - Future value of the Sunrise share

Mandate of ValueTrust (cont'd)

- We emphasize that the type of work carried out by us differs substantially in its scope as well as in its objectives from an audit of the financial statements, a due diligence or similar examinations. Thus, we did not issue any audit opinion or any other certificate or confirmation relating to the financial statements, the internal controlling system, planning system of the transaction parties or any other valuation purpose, but the Opinion.
- In preparing the Fairness Opinion, ValueTrust has assumed and relied upon the accuracy and completeness of financial and other information concerning the Transaction Parties, provided by the Client and other third parties including publicly available information, without accepting responsibility for the independent verification of such information. Our responsibility is limited to the careful and professional analysis and evaluation of the information provided to us.
- A representation letter, dated September 11, 2019, has been submitted to us by the Client stating that all information, which is relevant to the preparation of this Fairness Opinion, has been provided completely, accurately and to the best of the Client's knowledge. No significant information essential to the Fairness Opinion has been withheld from us.
- Our general terms and conditions (see Appendix) apply to the execution of this Fairness Opinion.

Scope of Fairness Opinion

Scope of Fairness Opinion

- In connection with this Opinion, ValueTrust performed its work from July through September 2019 including such reviews, analyses and inquiries that it has deemed necessary and appropriate under the circumstances.
- In order to assess the fairness of the Proposed Transaction from a financial point of view, our Opinion comprises:
  - Stand-alone valuation of UPC as of September 9, 2019
  - Analysis and valuation of expected synergies arising from the combination of UPC with the existing Sunrise business as well as synergy allocation
- No consideration has been given to possible effects at the individual shareholder level, such as tax effects.
- The range of values for UPC stand-alone was determined based on a variety of valuation methods, of which the discounted cash flow ("DCF") method is in practice the most common. Besides, market-oriented valuation methods such as analysis of comparable companies and analysis of precedent transactions were considered to assess the fairness of the Proposed Transaction.
- Simulation analyses were carried out as part of the DCF method applying changes to key value drivers and assumptions.
- Furthermore, synergies arising from the combination of UPC with the existing Sunrise business were valued separately and simulated as well.

Introduction
Information basis

Information basis

- The Fairness Opinion is based on information that was available to the Client and its advisors beyond the clean team (“Clean Team”). Certain detailed information that was only available to the Clean Team was not accessible to ValueTrust. Thus, some further in-depth analyses could not be performed.
- ValueTrust’s assessment is based, amongst others, on the following:
  - Publicly available information on Sunrise. This includes the audited annual reports and audited financial statements for the fiscal years 2016, 2017 and 2018
  - Broker reports from various investment banks
  - Internal information on Sunrise and UPC that was considered relevant for the analysis. This includes discussions with Sunrise management and/or their advisors regarding their view on the UPC business for the period 2019-2023 and synergy potential of the combined business as well as latest insights of UPC financial performance in H1 2019 and updated synergy assumptions.
  - Board presentation on the acquisition of UPC and updated Board presentation
  - Financial, Pension and Confirmatory Due Diligence Reports obtained by the company from leading industry consultants
  - Overview of the telecommunications industry and market prepared by Sunrise
  - Overview of UPC bond portfolio, prepared by Sunrise

Information basis (cont’d)

  - Capital market data and financial data of Sunrise as well as of selected peer companies as of the valuation date
  - Data on corporate transactions considered comparable
- The information and considerations contained in this document relate to the date of preparation of this document and may therefore be subject to change.

2 Business overview and competitive environment

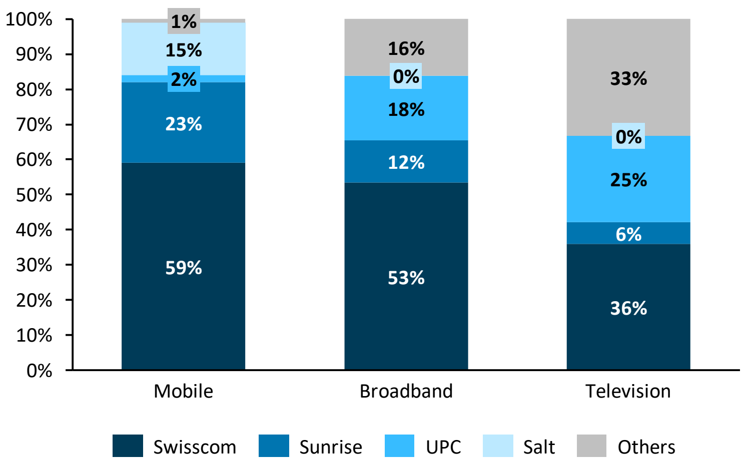
Business overview and competitive environment
UPC in the Swiss telecommunications market

	Telecommunications industry
Value chain	Infrastructure and platform vendors · Device vendors · **Operators** · OTT, content, advertising services · Retail and distribution
Swiss market information	▪ The telecommunications sector comprises fixed line networks (e.g. for broadband internet and television), mobile networks and roaming. ▪ Switzerland possesses a sophisticated telecommunications sector and one of the highest broadband penetration rates within the OECD. ▪ Competitive market served by three mobile network operators[1)] (Swisscom AG, Sunrise, Salt Mobile SA) and a number of MVNOs[2)]. ▪ Broadband market is characterized by two main players, while many smaller players provide services to local communities. ▪ UPC gained scale by acquiring several partner networks, while Sunrise became a full-service provider in mid-2018 adding fiber-based broadband and pay-TV services to its existing mobile voice and data offers.[3)]
Selected services	Broadband · Television · Fixed line telephony · Mobile — Main players in the Swiss market: upc, Salt., swisscom, Sunrise
Additional information	upc ▪ UPC is one of Switzerland's leading cable operators with access to 2.3 million homes. ▪ With about 5% of revenues coming from UPC's mobile segment, the focus is clearly on fixed line services. ▪ UPC owns a future-proof cable network across Switzerland with an extensive fiber backbone and deep hybrid fiber coax (HFC) residential local loops.

Note: [1)] MNOs. [2)] Mobile virtual network operator. [3)] In March 2018 Sunrise entered into a new fiber optics access agreement with SFN (Swiss Fibre Net AG) and IWB Industrielle Werke Basel (Basel Industrial Works).
Source: ValueTrust analysis.

Business overview and competitive environment
Overview of the Swiss telecommunications market

Market shares in the Swiss telecommunications market by segment
based on subscription numbers



Note: 1) Including pay-TV revenue.
Source: OECD, Analysys Mason, company information, ValueTrust analysis.

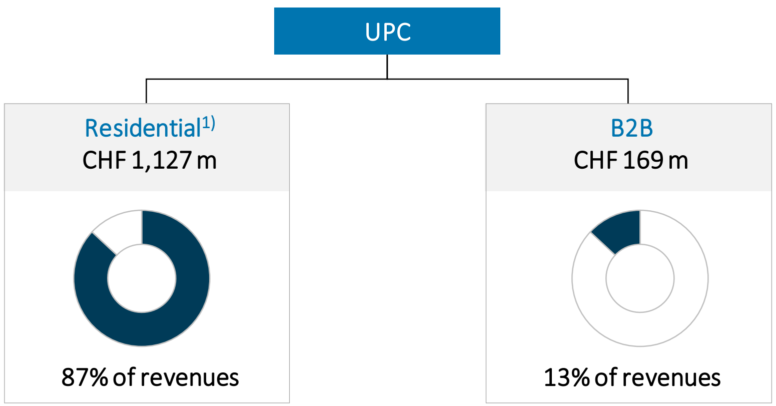
Market trends in the Swiss telecommunication market

- The Swiss telecommunication market is served by four primary network operators: Swisscom AG, Sunrise, UPC and Salt Mobile SA. With regards to market shares, Swisscom is the dominant player in the consumer mobile, consumer fixed, business market, TV and wholesale segment.
- While consumer mobile is the largest segment within the Swiss telecommunications market, fixed line services such as broadband, fixed voice and TV correspond to about CHF 7.7 bn in 2018 according to market estimates.[1)] The overall market volume of fixed line services in Switzerland declined from 2014 to 2018 with a CAGR (Compound Annual Growth Rate) of -1%. This decline in market volume is expected to continue, decreasing on average by -2% each year within the projected period.
- Regarding broadband subscriptions, an increase of 2% in revenue is expected each year between 2018 and 2023. This can be explained by the European market's trend towards higher broadband speeds, predominantly driven by data intensive applications and the delivery of interactive services. On a global level video content, such as YouTube and Netflix, accounts for nearly 60% of all internet traffic. The increased usage of these broadband services enables operators to charge premiums on their high-end products, which is expected to result in a future increase of broadband revenues.
- The Swiss television market covered about 4.2 m households by June 2019. Within the projected period until 2023 the volume of the television market is expected to decline with a CAGR of -3%. This is partly due to over-the-top ("OTT") platforms such as Netflix and Amazon TV, which have evolved into the main competitors within the linear TV market. To mitigate this risk, most linear TV players offer their own video streaming capabilities to complement their service.

Business overview and competitive environment

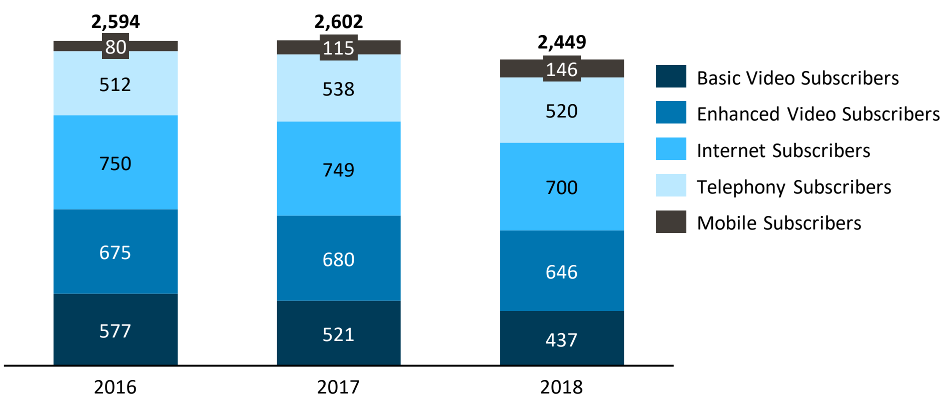
UPC snapshot

UPC's business areas by revenue (2018)



Development of RGUs (Revenue Generating Units)

in thousands



Note: [1)] Including other revenue of CHF 3.7 m.

Source: Company information, ValueTrust analysis.

UPC, a telecommunication provider

- UPC is one of Switzerland's leading cable operators, engaging in the business areas Residential and B2B. UPC's services comprise television, broadband internet, fixed network phone and mobile phone services. As of 2018, the company generated revenues of CHF 1,296 m and operates as wholly owned subsidiary of Liberty. Since the vast majority of UPC's revenue is generated in the field of fixed line businesses, UPC is a key player in the Swiss broadband and TV services market.
- UPC's Consumer business (87% of revenues) is based on approx. 1.1 m customers and comprised about 2.3 m RGUs in 2018 (excl. Mobile Subscribers). The Average Revenue Per User (ARPU) in the field of cable consumer relationship slightly increased by 1.5% to CHF 71.54 year-on-year ("y-o-y") in Q2'2019.
- The company's Mobile offering was introduced in 2014 and initially limited to fixed line clients. In 2015, the offering was extended to other clients and is included in the B2B business since 2017.
- The B2B business generated CHF 169 m revenues in 2018 and has shown stable growth rates of approx. 8% p.a. The business has been supported by the launch of mobile offerings, as corporates strive to have a single telecommunication provider.
- With more than 45 fixed broadband subscriptions per 100 inhabitants, Switzerland is leading among the OECD countries. Connecting 2.3 m homes to its broadband backbone, UPC serves 1.1 m customers and 2.3 m service subscribers (excl. Mobile Subscribers), including 1.1 m video subscribers, 0.7 m broadband internet subscribers, 0.5 m telephony subscribers (as of 2018).

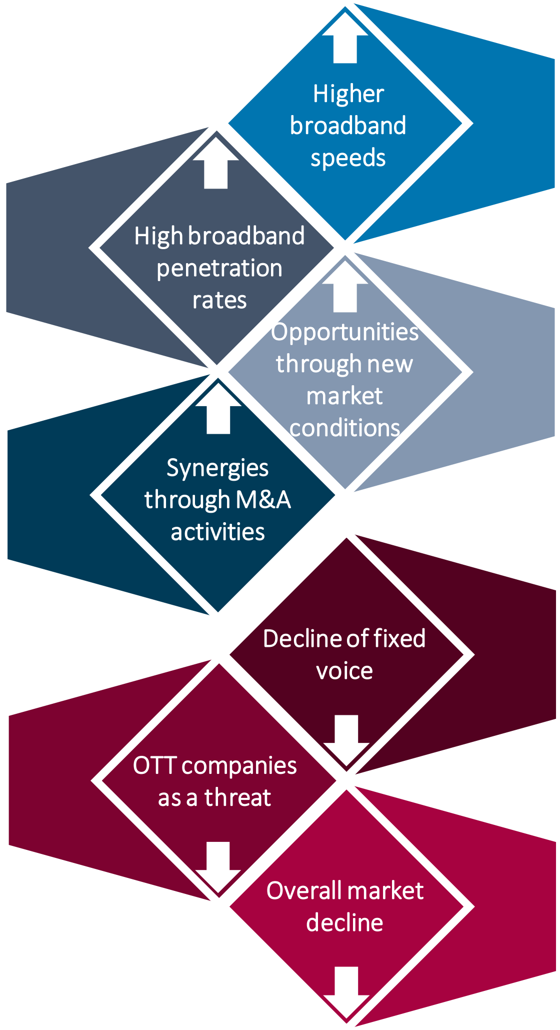
Business overview and market environment

Major market trends in the telecommunications industry

Switzerland possesses an advanced telecommunications sector, as well as the highest broadband penetration rates among the OECD countries.

The possibility of achieving significant synergies is one of the main driving factors behind the M&A trend in the industry.

Increased usage of broadband services of OTT companies such as Netflix can be deemed a major threat to the linear TV industry.



Trend towards higher broadband speeds in the European market, predominantly driven by data intensive applications and the delivery of interactive services.

Changing market circumstances and consumer preferences, as well as the introduction of 5G technologies, are expected to create entirely new revenue streams and bolster current revenue sources.

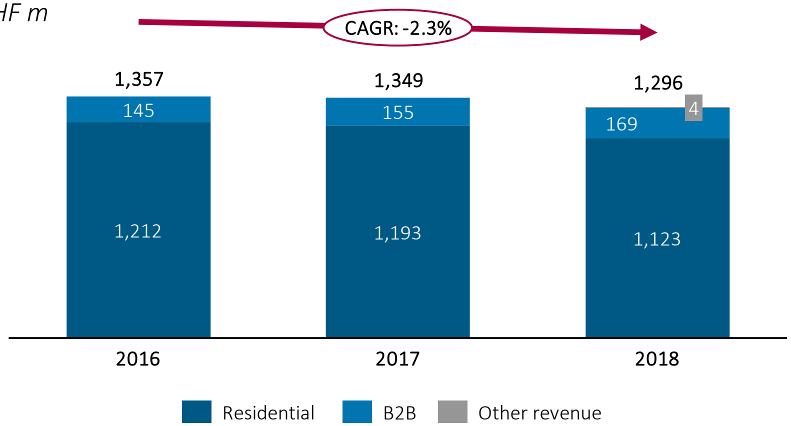
Market volume of fixed voice is expected to decrease further due to replacement by mobile and VoIP-to-VoIP calling.

The overall market volume of fixed line services in Switzerland is expected to continue its decline.

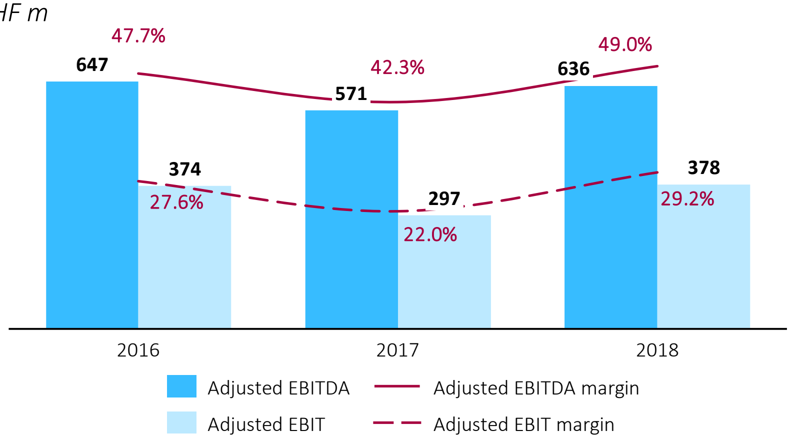
Source: Company information, ValueTrust analysis.

Business overview and competitive environment
UPC: Historical (carve-out) financials

Revenues by business areas
in CHF m



Total adjusted EBITDA and adjusted EBIT[1)]
in CHF m



Revenues

- UPC's historical financials are based on audited carve-out financials.
- Historically, revenues have been negatively impacted by the decline in Consumer business. This was partly due to high competition in the field of Enhanced TV and a late renewal of UPC's set-top-boxes. In addition, the steady decline of the Basic TV business is also a key driver of the decrease of consumer revenues.
- In 2014, the Mobile business of UPC was launched by utilizing Salt's mobile network via a MVNO contract. Increasing mobile volumes almost offset the decline in the Consumer business in 2017. The B2B business benefits from the new Mobile business due to a new mobile pool offering for corporates and has a positive impact on the total revenues.
- In 2018, the decline in the Residential business exceeded the growth in the B2B business notably. Therefore, revenue decreased from CHF 1,349 m in 2017 to CHF 1,296 m in 2018.

Profitability

- The decline of adjusted EBITDA in 2017 was partly driven by a decline in consumer volumes impacted by the comparatively low quality of the Enhanced TV platform due to late renewal of UPC's set-top-boxes. The decline of the Basic TV business also had a negative impact on profitability.
- Furthermore, cost have increased from 2016 to 2018 due to the launch of MySports, which has a significant portion of related fixed cost.

Note: 1) Adjusted EBITDA and adjusted EBIT figures for 2018 are not comparable with previous years, since 2016-2017 figures were distorted by related party fees.
Source: Company information, ValueTrust analysis.

Business overview and competitive environment

UPC: H1’19 update

in CHF m	H1'18	% of total revenue	H1'19	% of total revenue	Change (H1) Delta	in %
Residental revenue:						
Video	261.2	39.9	239.0	37.9	*-22.2*	*-8.5*
Broadband internet	173.7	26.6	166.4	26.4	*-7.3*	*-4.2*
Fixe-line telephony	57.8	8.8	51.5	8.2	*-6.3*	*-1.1*
Non-subscription revenue	43.0	6.6	39.5	6.3	*-3.5*	*-8.1*
Total residential cable revenue	**535.7**	**81.9**	**496.4**	**78.7**	***-39.3***	***-7.3***
Residental mobile revenue						
Subscription revenue	23.4	3.6	30.7	4.9	*7.3*	*31.2*
Non-subscription revenue	7.5	1.1	13.7	2.2	*6.2*	*82.7*
Total residential revenue	**566.6**	**86.6**	**540.8**	**85.7**	***-25.8***	***-4.6***
B2B revenue:						
Subscription revenue	9.6	1.5	10.7	1.7	*1.1*	*11.4*
Non-subscription revenue	76.8	11.7	78.2	12.4	*1.4*	*1.8*
Total B2B revenue	**86.4**	**13.2**	**88.9**	**14.1**	***2.5***	***2.9***
Other revenue	1.0	0.2	1.1	0.2	*0.1*	*0.1*
Total	654.0	100	630.8	100	*23.2*	*-3.5*

Comparison H1’19 vs H1’18

- Relating to the historical financials with declining revenues and margins, we expect a trend reversal in the planning period (p. 27-30).
- The positive trend regarding revenue and subscription development, which started in Q1’19 and continued in Q2’19, indicates a positive development. The operating business is driven by growing mobile sales, an increase of deployed TV boxes (more than 200,000 UPC TV boxes on the market in the second quarter of 2019 with an upwards trend) and a high level of customer satisfaction, although revenue still declined by 3.5% y-o-y due to continued intense competition.
- **TV:** Overall, the number of TV subscriptions is still down in Q2’19 compared to Q1’19 but increased fixed-mobile convergence is driving churn benefits and slowing down fixed RGU losses. A positive revenue impact arises from higher RGUs with a stable ARPU development compared to prior decline assumptions.
- **Mobile:** Strong growth in Mobile business continued in Q2’19. Compared to the previous quarter, the number of subscriptions rose to 173,000. The outperformance shows a high demand for mobile subscriptions, with unlimited surfing in Switzerland and new roaming offers in the EU as well as in the USA and Canada (introduced in Q2).
- Higher EBITDA is driven by revenue and cost changes (higher programming cost were offset by lower interconnect cost).

The updated figures for H1’19 support the expected stabilization of revenue and margin decline.

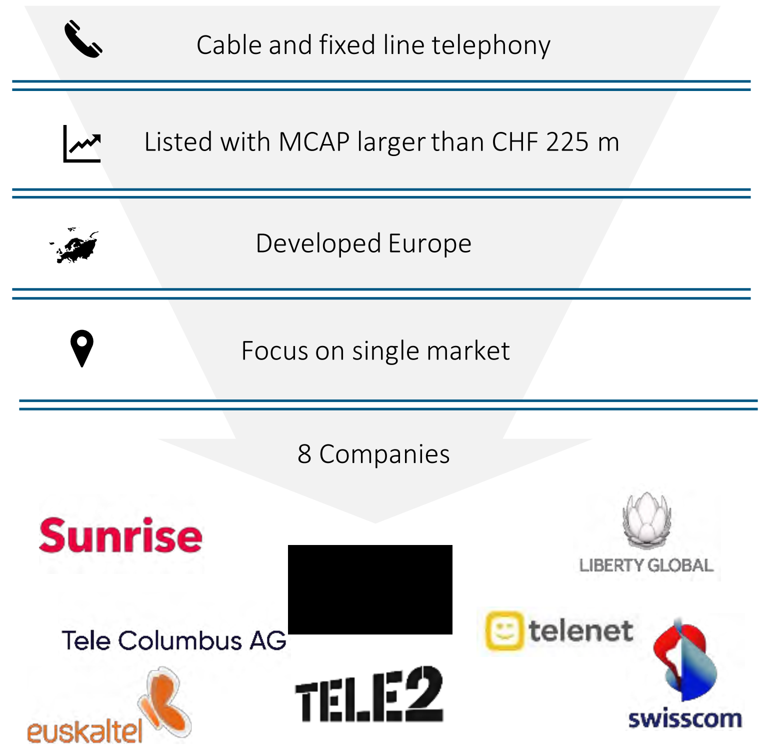
Source: Company information, ValueTrust analysis.

Business overview and competitive environment
UPC: Peer group selection

Overview of selected peer group companies

- The group of comparable companies (peer group) is an essential component of a company valuation, since it is required for the market-oriented valuation (e.g. multiple method) and the derivation of the cost of capital (e.g. beta factor).
- Companies in the same sector or with comparable products and market structure are generally suitable for selecting the peer group. It is neither possible nor necessary for the companies surveyed according to these criteria to be identical with the valuation objects.
- For the market-oriented valuations and the derivation of the cost of capital, capital market data are required which are often only published by listed companies. In practice, therefore, only listed companies are included in the peer group.
- Against this background, the peer group consists of listed companies which predominantly operate in the telecommunications industry with a similar business model as UPC, focusing on cable and fixed line telephony.
- Additionally, the peer group companies are supposed to have a market capitalization above CHF 225 m, operate in similar geographic regions (focus on developed Europe) and concentrate on a single national market.

Peer group selection for UPC



Source: Company information, ValueTrust analysis, Copyright © 2019, S&P Global Market Intelligence (and its affiliates, as applicable).

Business overview and competitive environment
UPC: Overview of selected peer group companies

Overview of selected peer group companies for UPC

- A scoring model is used to select comparable companies for the peer group. The criterion "Business fit" ensures that the effects of operational influencing factors and trends on the valuation object are reflected in the peer group. The "Geographical fit" ensures the geographical reference to the valuation object. Companies operating in different markets may be subject to different political, economic and cultural influences and may therefore not be directly compared with each other.
- UPC has its operating business mainly in Switzerland. Therefore, the peer group includes listed companies which predominantly have their telecommunication operations in Western Europe.
- As a result, the analysis led to the following peer group, ranked by best qualitative comparability to UPC:

Comparable Companies	Country	Business Fit	Geographical Fit	Revenue LTM (in CHF)	Revenue CAGR 2018-2021	Ø EBITDA Margin 2019-2021	Asset Turnover 2018	Total Score
Liberty Global Plc[1)]	USA	Best Fit	Medium Fit	11,654	-1.4%	42.8%	0.2x	●
NOS, S.G.P.S., S.A.	Portugal	Strong Fit	Strong Fit	1,818	1.4%	42.4%	0.5x	◕
Telenet Group Holding NV	Belgium	Strong Fit	Strong Fit	2,915	0.2%	55.2%	0.4x	◕
Euskaltel, S.A.	Spain	Strong Fit	Strong Fit	785	1.4%	51.0%	0.2x	◕
Sunrise Communications Group AG[1)]	Switzerland	Medium Fit	Best Fit	1,876	0.5%	37.4%	0.5x	◕
Tele Columbus AG	Germany	Medium Fit	Strong Fit	599	-0.4%	50.7%	0.2x	◕
Swisscom AG	Switzerland	Medium Fit	Best Fit	11,690	-0.9%	39.8%	0.5x	◕
Tele2 AB (publ)	Sweden	Medium Fit	Medium Fit	2,980	6.9%	43.1%	0.4x	◑
Peer group median				2,395	0.4%	43.0%	0.4x	
Peer group average				4,290	1.0%	45.3%	0.4x	

Note: [1)] Illustrated figures for Liberty and Sunrise are solely based on broker estimates and do not comprise any internal business plan information.
Source: Company information, ValueTrust analysis, Copyright © 2019, S&P Global Market Intelligence (and its affiliates, as applicable).

Business overview and competitive environment
UPC: SWOT analysis

Strengths

- Switzerland's leading cable operator with access to 2.3 m homes, serving 1.1 m customers
- High EBITDA margin above peer group average, historically exceeding Sunrise's margin levels, since integrated MNOs show industry-specific lower margins
- Future-proof cable network with extensive fiber backbone

Weaknesses

- Declining growth and margin profile in the historical perspective
- High leverage restricting the company's debt capacity
- Only limited engagement in mobile market, which has promising growth perspective due to the launch of 5G

Opportunities

- Trend towards higher broadband speed predominantly driven by data intensive applications and the delivery of interactive services leads to growing market expectations in the Swiss broadband segment
- Mobile offerings support all segments, as corporates strive to have a single telecommunication provider
- Despite revenue decline in H1'19 (-3.6% y-o-y), signs of turnaround with 14,000 new mobile subscribers in Q2'19 compared to Q1'19 and expected 1 Gbps roll-out at year-end

Threats

- Challenging operating trends continuing in 2019
- Competitive pressure from Fiber to the Home (FttH), exacerbated by very aggressive fiber offerings from Salt (CHF 50 vs. CHF 139/month)
- Declining market expectations in the fixed voice market (replacement by mobile and VoIP-to-VoIP calling) and TV segment (growing competition, especially by OTT platforms like Netflix and Amazon)
- Future CAPEX requirements as well as content price inflation

Chances

- Sophisticated cable network and well-known brand within the Swiss telecommunications market can be used to drive innovation, invest in new services and pursue growth by providing innovative and competitively priced offers
- Increased usage of broadband services enables UPC to charge premiums on their high-end products, which is expected to result in a future increase of broadband revenues

Risks

- Saturation of highly competitive fixed line markets such as fixed voice and TV with declining market volumes predicted for the Swiss market
- Growth potential solely dependent on the development of the Swiss broadband market
- Low financial headroom and debt capacity due to high leverage

Source: Company information, ValueTrust analysis.

3 Valuation approach and methodology

Valuation approach and methodology
General remarks

General remarks

- This Fairness Opinion is based on a variety of valuation methods, of which the DCF method is in practice the most common. In addition to the DCF method, market-oriented valuation methods such as trading multiples and analysis of precedent transactions were considered to assess the fairness of the Proposed Transaction from a financial point of view.
- The principles of the DCF method, which is based on the capitalized earnings value, are explained in more detail on the following pages.
- Additionally, trading and transaction multiple methods were used as market-based valuation approaches.
  - In context of the trading multiple method, the market valuation of comparable listed companies was analyzed. This is particularly the case when companies are similar in terms of business model, geographical fit, risk and opportunity profiles, growth and profitability profiles. It is neither possible nor necessary for the companies surveyed according to these criteria to be identical with the valuation objects.
  - In the transaction multiple method, previous M&A transactions are analyzed in which the target companies are comparable to the valuation object. The prices paid in such transactions (and the implied valuations) are highly dependent on the specific interests of the parties involved and therefore to some extent reflect subjective value attributions.

General remarks (cont'd)

- Based on the discussions with Sunrise management and/or their advisors on the UPC business as well as under consideration of brokers estimates for UPC's development, we have extrapolated the historical financials and prepared a fully integrated business plan model.
- The Business Plan (as defined herein) comprises the analysis of key value drivers, industry outlook and market environment in discussions with management, comparisons with historical results and peer group benchmarking. We have not performed an audit or special review of the data and information that we have received.
- The underlying valuation date is September 9, 2019. Due to an insignificant cash flow cyclicality of UPC's business within a year, the enterprise value as of the technical valuation date December 31, 2018, is compounded to the valuation date September 9, 2019.

Valuation approach and methodology
Discounted cash flow method

Discounted cash flow method

- The fundamental idea of the DCF method is that the business value results from the financial surpluses (cash flows) the company generates under the going concern assumption. The value of future cash flows depends primarily on the capacity of the business to generate financial surpluses. Therefore, a DCF valuation requires a projection of the entity's future distributable cash flows. However, only those cash flows that are placed at the owner's disposal as net proceeds are used for valuation purposes (so-called benefits principle).
- The equity value can be directly derived by net capitalization using the so-called dividend discount method or the cash flow to equity method ("Equity approach"), or indirectly by using gross capitalization in accordance with the concept of the weighted average cost of capital approach ("WACC approach"), the adjusted present value approach or the total cash flow approach.
- In the case of the Equity approach, the total financial surpluses, reduced by the cost of debt, are discounted in one step. In case of the WACC approach, the discounting refers to the financial surpluses from the entire business activities and a subsequent reduction of the aggregate business value (enterprise value) determined in this manner by the interest-bearing debt.
- If applied consistently, both methods, the Equity approach and the WACC approach lead to the same equity value of the company. In this Fairness Opinion, the WACC approach is applied.

Discounted cash flow method (cont'd)

- The relevant cash flow to discount in the context of the WACC approach is the free cash flow to firm ("FCF"). FCF is defined as the difference between cash provided by the operating activities and cash invested in the operating activities of the business. It can be derived from financial projections as follows:

Earnings before interest and taxes (EBIT)

+/- Applicable adjustments

= EBIT after applicable adjustments

- Adjusted taxes on income (assuming 100% equity financing)

= Net operating profit less adjusted taxes (NOPLAT)

+ Depreciation & amortization (D&A)
+ Other non-cash charges to the income statement
- Gross investments in fixed assets (CAPEX)
-/+ Changes in Working capital (WC)

(Change in invested capital)

= Free cash flow to firm (FCF)

- The planning of the FCFs used for valuation purposes is normally performed in three steps. The first so-called detailed planning period includes a period of three to five years and is based in general on a detailed business plan of the company to be valued. Because the valuation object has often not yet reached the "steady state" at the end of the detailed planning period, corresponding assumptions are made in a convergence phase, e.g. with regards to long-term investment or product life cycles in order to derive the sustainable financial surpluses.

Valuation approach and methodology
Discounted cash flow method

Discounted cash flow method (cont'd)

- The third, so-called continuing phase (hereinafter, the "Terminal Value" or abbreviated, the "TV") assumes a balanced or stable condition within which the annual financial surpluses are assumed to grow constantly or at a constant rate.
- In order to value a business, the future expected FCFs are discounted to the valuation date using an appropriate discount rate. This discount rate is developed from the (expected) earnings and the price of the best alternative use of capital compared to the business to be valued.
- Economically, the discount rate reflects the alternative decision of an investor, comparing the return of an investment in the specific business to be valued with the return of a corresponding alternative investment in corporate shares. Consequently, the discount rate represents the return of an adequate alternative investment that is equivalent to investing in the business to be valued with regards to risk and timing of cash flows.
- Since FCFs are net cash proceeds from operations available to both, equity holders and debt holders, the appropriate discount rate is the weighted average cost of capital ("WACC"), which takes the return requirements of both, equity holders and debt holders into account. Formally, the WACC can be stated as follows.

$$\mathrm{WACC} = r_{\mathrm{e}}^{L} \frac{\mathrm{E}}{\mathrm{EV}} + r_d \times (1 - \mathrm{t}) \times \frac{\mathrm{D}}{\mathrm{EV}}$$

Discounted cash flow method (cont'd)

- Whereby the variables have the following meaning:

r_{e}^{L}	Levered cost of equity
E	Market value of equity
D	Market value of debt
EV	Enterprise value (market value of equity plus market value of debt)
r_d	Cost of debt
t	Tax rate

- The levered cost of equity can be determined using the capital asset pricing model ("CAPM"). The CAPM is an equilibrium capital market model which explains the cost of equity by the risk-free interest rate and a risk premium, which depends on the individual company's exposure towards the broad equity markets. It can be formally stated as follows.

$$r_{\mathrm{e}}^{L} = r_f + \beta_l \times \mathrm{MRP}$$

- Whereby the variables have the following meaning:

r_f:	Risk-free interest rate
β_l:	Levered beta
MRP:	Market risk premium

- The cost of debt is typically determined by adding a credit spread, which is expected to compensate for the credit risk of the investment, to the risk-free interest rate.

Valuation approach and methodology
Special items and multiple method

Special items and non-operating assets

- Assets which cannot be reflected or can only be incompletely reflected when determining the equity value using the DCF method, must generally be valued separately and then added to the calculated value. Special items are, in particular non-operating assets, such as excess cash. Assets, which can be freely sold without affecting the actual operational business, are considered to be not necessary for the business. The sum of the equity value calculated by using the DCF method and special items ultimately leads to the equity value of the valuation subject.

Multiple method

- In addition to the derivation of the business value and the presentation of value ranges on the basis of the DCF method, we determine business values and value ranges using the multiple method.
- The multiple method constitutes a comparative market valuation. The value of the business is considered to be the product of a variable (frequently a variable concerning revenue or profit) of the business and a corresponding multiple normally derived from comparable companies. Analogous to the DCF and dividend discount method, the multiple method can be used for determining the aggregate business value.
- The theoretical foundation of multiple valuations is the so-called “Law of One Price”, which states that same goods should trade at the same price in all markets, otherwise arbitrage opportunities would arise. Broadly, it may also be understood that comparable assets (such as companies or shares of companies) should trade at comparable prices.

Multiple method (cont'd)

- In the case of a valuation on the basis of multiples, the business value is accordingly the product of a reference variable (frequently revenue or profit) of the company and the corresponding multiple, which is normally derived from listed comparable companies (trading multiples) as well as from comparable transactions (transaction multiples). The assumption is made that there is a proportional relationship between the underlying reference variables and the business value.
- The stated reference variables are used as a proxy, because normally no forecasts for cash flow and return on investment variables are prepared and published by analysts (especially for the peer group). The decisive aspect in the multiple method is that the starting point for the valuation are prices that are observed in the market. In order to establish the necessary equivalency with the company being valued, however, these prices are adjusted using various steps in the valuation, in order to receive an estimate of the fundamental value of the business (as analogy to the DCF method) as a final result. Such adjustments can be necessary in the case of distortions in the development of the market price resulting from external shocks.
- One benefit from the multiple based business valuation is its strict connection to the market. The underlying relationships in pricing can be observed and are used in the capital markets and/or corporate transactions. On the other hand, this valuation method (just as the determination of the capitalization rate based on capital market data) is also subject to inadequacies and inefficiencies in the market, which can lead to deviations between observed prices and intrinsic values and must be corrected by the valuation expert using adjustments to the valuation.

Valuation approach and methodology
Multiple method and share price

Multiple method (cont'd)

- Especially in times of crisis, the available market prices are often viewed critically due to potential distortions and special situations.
- A valuation based on multiples, as it is the case with discounting methods, uses internal business planning and internal information. The determined multiples of the peer group companies are applied to the realized reference variables and the planned reference variables of the business (on the basis of the same business plan used also for the DCF method). However, the available period of time for the forecast is much shorter than when applying the discounting method.
- The multiple is the result of the ratio of the price to the reference variable of the comparable company. Analyses are normally based on multiples from the last twelve months or the last year as well as the subsequent years (so-called forward multiples). Forward multiples are generally preferred in a market price-oriented valuation. Historical multiples, such as last-twelve-months (“LTM”) multiples, can be distorted by special effects. Forward multiples, however, are typically based on normalized estimates, while the actual values form the basis of LTM multiples. LTM multiples are primarily applied in the case of transaction multiples in order to maintain consistency in terms of time.
- In the case of multiples derived on the basis of transaction prices one needs to consider that actual purchase prices are influenced by subjective interests of the transaction parties. The transaction prices take into account, for example, synergy effects and other subjective expectations, which can only be realized as a result of the intended transaction. There are also interdependencies between the prices paid and the structure of the purchase contract (e.g. guarantees etc.).

Multiple method (cont'd)

- Purchase prices paid for majority stakes can accordingly contain premiums. In general, reference is made in this regard to so-called takeover premiums, which consider these effects, contrary to trading multiples, which do usually not contain any such premiums prior to rumors about a takeover.

4 UPC: Valuation analysis

UPC: Valuation analysis
Discounted cash flow: Basis of preparation

Basis of preparation

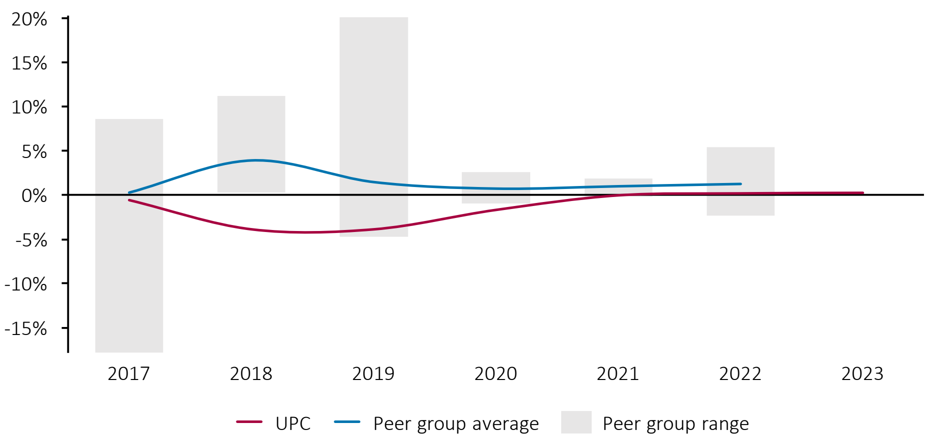
- The value of UPC to Sunrise is comprised of the stand-alone value of UPC plus synergies arising from the combination of UPC with the existing Sunrise business.
- The valuation of UPC comprises
  1) a benchmarking of the Business Plan (as defined herein) against the peer group and analyses considering market expectations, industry outlooks and the development of carve-out historical financials;
  2) the stand-alone valuation of UPC which is based on the (stand-alone) Business Plan that was developed based on discussions with Sunrise management and their advisors;
  3) the separate valuation of the projected synergies including associated integration cost arising from the combination of UPC with the existing Sunrise business based on synergy estimates.
- The transaction perimeter includes the operating business of UPC as well as non-trading entities. Non-trading entities are primarily composed of cash, senior notes and long-term debt.
- Since the transaction perimeter is not consolidated, an aggregated set of information (P&L, cash flows and balance sheet) for FY'18 and intercompany eliminations were provided by the management of Sunrise.
- Financial forecasts for UPC stand-alone were originally prepared by Liberty's management from a seller's point of view on a pro-forma basis and in CHF. As UPC is not a separate legal entity, such forecasts were prepared for carve-out purposes only and cover the operating business of UPC.

Basis of preparation (cont'd)

- Subsequently, Liberty's view on UPC has been challenged by Sunrise's management based on extensive analyses of UPC through an external financial due diligence and a commercial due diligence.
- Based on due diligence findings, market environment and benchmarking analysis, ValueTrust developed its own view on UPC resulting a stand-alone business plan (the "Business Plan").
- The Business Plan takes into account the updated H1 2019 financials for UPC (see p. 15), covers the years from 2019 to 2023 and represents the basis of the stand-alone valuation of UPC.
- The valuation of the projected synergies arising from the combination of UPC with the existing Sunrise business is based on assumptions of Sunrise's management regarding cost, CAPEX and revenue synergies, and is separated from the stand-alone valuation of UPC.
- Projected synergies comprise cost and CAPEX synergies as well as potential revenue synergies mainly driven by cross-selling to the combined customer base. In order to realize such synergies, integration cost ranging from CHF 230 m to CHF 250 m in total are expected to arise in the years from 2019 to 2024.

UPC: Valuation analysis
Discounted cash flow: Business Plan (1/3)

Revenue growth benchmarking[1)]



Revenues

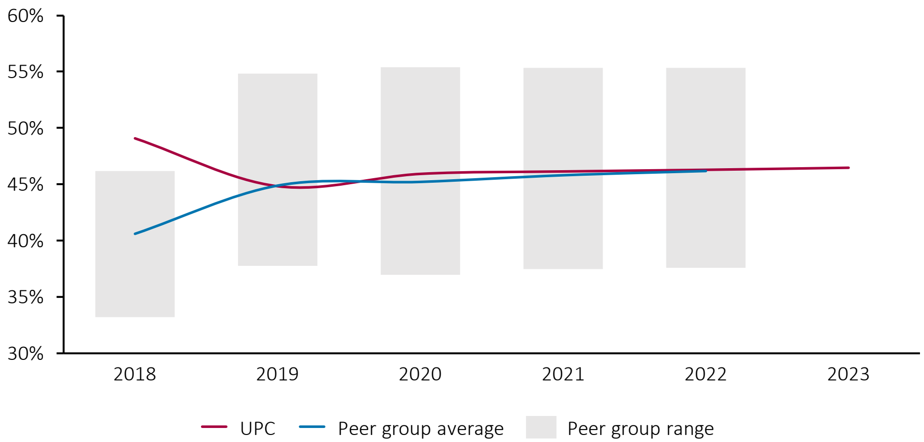
- Historically, total revenues of UPC decreased by 0.6% in 2017 and 3.9% in 2018 mainly due to negative trends in the Consumer business, which has been primarily affected by high competition in the field of Enhanced TV and the late renewal of UPC's set-top-boxes as well as the decline of the Basic TV business (see p. 14).
- Total revenues are expected to decline further between FY'18 and FY'20, mainly driven by the continuing decline in the Consumer business.
- Key driver for the trend reversal in the Consumer business from FY'20 on is the implementation of the new EOS platform, which is expected to reduce Enhanced video churn and increase the share of customers that switch from Basic to Enhanced TV.
- In contrast to the declining Consumer business, Mobile and B2B revenues increased historically and are expected to grow further until 2023. The Mobile business is expected to benefit from its continued ramp-up (launch FY'14), the change to a new MVNO contract with Swisscom from January 2019 and the reinforcement of the sales team. The growth of the B2B business mainly reflects the development of the B2B Mobile offering for small office/home office as well as the positive development of the B2B offering for small and medium-sized enterprises and large enterprise customers.
- The continuous projected decline of the Consumer business and the simultaneous planned increase of UPC's Mobile and B2B business result in a changed business mix at the end of the planning period.

Growth in the Mobile and B2B business is expected to offset the continuous declining Consumer business until the end of the projection period.

Note: 1) Please see basis of preparation on page 26 for underlying assumptions. For reasons of data availability and consistency, peer group estimates are depicted until 2022.

UPC: Valuation analysis
Discounted cash flow: Business Plan (2/3)

EBITDA margin benchmarking[1)]



EBITDA

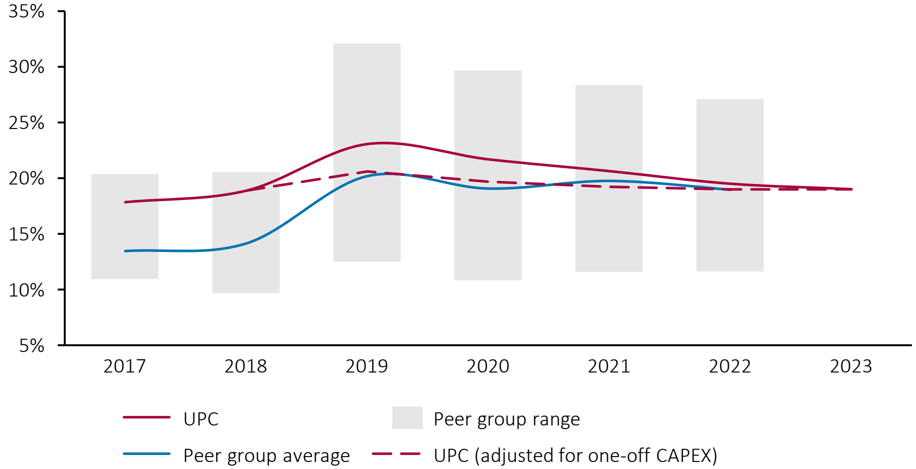
- EBITDA figures are depicted from 2018 onwards since forward-looking numbers are not comparable with the historical numbers, which are distorted by related party fees.
- UPC's EBITDA forecast until 2023 is mainly driven by the expected revenue development.
- As the Mobile and B2B businesses generate lower margins than the Consumer business, the change in the business mix negatively impacts gross profit and EBITDA margins.
- This negative margin impact is partly counterbalanced by:
  - a change of the MVNO provider in January 2019 (from Salt to Swisscom) leading to significant direct cost and operating expenditures (OPEX) improvements in the Mobile business;
  - the implementation of the Simple & Digital transformation plan which is expected to reduce OPEX until FY'22 (primarily commercial expenses and FTE reduction).
- UPC's EBITDA forecast is in line with the peer group average over the entire projection period.

UPC's EBITDA is mainly effected by the changing business mix, as Mobile and B2B are increasing their share of total revenue but generating lower margins than the Consumer business. Overall, UPC's EBITDA margin is expected to stabilize and reach a sustainable level congruent with the peer group.

Note: 1) Please see basis of preparation on page 26 for underlying assumptions. EBITDA figures in 2018 are adjusted as seen on page 14. For reasons of data availability and consistency, peer group estimates are depicted until 2022.

UPC: Valuation analysis
Discounted cash flow: Business Plan (3/3)

CAPEX to revenue benchmarking[1)]



Taxes

- A corporate tax rate of 19% has been applied for Switzerland.

CAPEX

- UPC's CAPEX relates primarily (2/3 of the total CAPEX) to new high-performance network and baseline access investments. Further investments are made for video and data hardware, node splits and CMTS[2)] as well as for product developments.
- The higher levels of CAPEX in 2019 and 2020 reflect the roll-out of the new Enhanced TV platform and the one-off CAPEX relating to the implementation of the Simple & Digital transformation plan. These CAPEX one-offs last until 2022 and are expected to decline annually.
- After the roll-out of the new Enhanced TV platform, CAPEX is expected to converge towards the peer group average. To ensure comparability with the peer group, we adjusted CAPEX for one-off CAPEX. The adjusted CAPEX ratio is in line with the peer group level.

Interest-bearing liabilities

- The interest-bearing liabilities of the carve-out balance sheet consist of a fully swapped bond portfolio, a vendor financing loan, pensions and financial leases. The interest-bearing liabilities amount to CHF 3.6 bn as of December 31, 2018.
- An analysis regarding market and book value of UPC's interest-bearing liabilities was performed, yielding no indication for significant differences.
- Compiling cash in the planning period is used for deleveraging considering the earliest bond call dates for UPC's bonds.

Note: [1)] Please see basis of preparation on page 26 for underlying assumptions. For reasons of data availability and consistency, peer group estimates are depicted until 2022.
[2)] Cable modem termination system.

UPC: Valuation analysis
Discounted cash flow: Cost of capital

Using the Capital Asset Pricing Model, the derivation of the cost of equity for UPC was conducted as follows.

Risk-free rate

- The risk-free rate is a return available on a security that the market generally regards as free of default risk. Based on the respective yield curve, a uniform risk-free rate is derived under the assumption of present value equivalence to an infinite time horizon. Using data from the Swiss National Bank and the Svensson method, a current three-month average risk-free rate of 0.1% was derived for Switzerland as of the valuation date.

Market risk premium

- Based on ValueTrust analyses of the Swiss capital market, the implied market return as of the valuation date is 7.3%. Historical market data lead to a range from 6.9% to 8.9% for the market return, supporting the current implied market returns. Therefore, as a forward-looking valuation is conducted, a market risk premium of 7.5% was chosen for valuation purposes.

Size premium

- For the DACH region, no validated empirical data regarding size premia is available. The existing empirical evidence of size premia for the US market is only partially applicable to the Swiss capital market and the results are sensitive to the actual model used. Furthermore, the selected peer group comprises companies of different sizes (see p. 17) and the average size of the peer group companies is very comparable to UPC. Hence, a size premium was not applied.

Beta

- Since UPC is not a listed company, the own beta can not be empirically observed. Therefore, peer group betas (see Appendix) were analyzed.
- The betas were determined using a linear regression with a two-year observation period and weekly data points. Taking into account the peer group average and median for the two-year period and considering the beta factors of UPC's parent company Liberty itself, a rounded levered beta of 0.75 was applied.
- The resulting rounded levered cost of equity of 7.1% is slightly higher than the observable implied cost of equity of 6.8% for the peer group.

Cost of debt

- The effective average cost of debt is calculated as interest expenses in relation to the average interest-bearing liabilities on a period-by-period basis.

WACC

- According to the period-specific capital structure of the valuation object, the period-specific WACC falls in a range from 4.8% to 4.9%.

UPC: Valuation analysis

Discounted cash flow: Derivation of enterprise value

Convergence & TV assumptions

- For valuation purposes, the Business Plan was extended by a technical convergence phase to ensure the transition into the Terminal Value. The Terminal Value assumes a condition of equilibrium or stability for the valuation object, during which the annual financial cash flows are assumed to increase at a constant rate.
- Considering the relatively saturated Swiss telecom and broadband market, revenue growth converges to the sustainable TV growth rate of 0.3%. This rate was derived based on UPC's revenue split and the market expectations for the revenue segments on the one hand and the macroeconomic outlook for UPC's business units on the other.
- As a result of the changing business mix, an EBITDA margin on peer group level is expected for the end of the planning period. Therefore, a sustainable EBITDA margin based on the last planning year was applied for UPC.
- CAPEX (adjusted for one-offs) remain stable and are in line with peer group levels.

Minority interests and special items

- Minority interests[1] were valued separately as a special item. The value of minorities amounts to CHF 76 m and must be deducted from the enterprise value.
- During the analysis and discussions, no further special items were identified.

Derivation of enterprise value (WACC approach)

in CHF m

Enterprise value as of December 31, 2018	**5,274**
Compound rate	1.03
Enterprise value as of September 9, 2019	**5,452**
- Minorities	-76
Adj. enterprise value as of September 9, 2019	**5,376**

Using the DCF method, the enterprise value of UPC amounts to CHF 5,376 m as of September 9, 2019.

Note: [1] Minority interests relate primarily to Sitel SA, Teledistal SA, Video2000 SA and Telelavaux SA.

UPC: Valuation analysis
Discounted cash flow: Simulation analysis (1/2)

Derivation of key value drivers

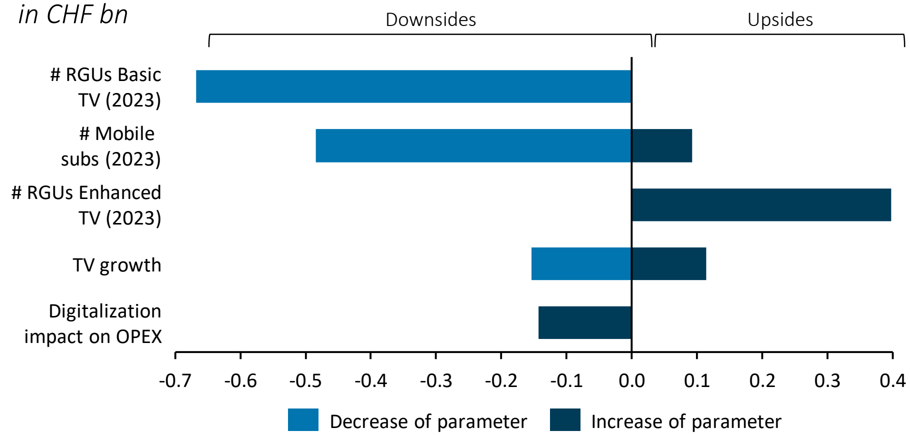
- In the course of our analyses and considering the due diligence results, certain Business Plan parameters were identified that bear downside and/or upside potentials.
- In a first step, the absolute ceteris paribus impact of each parameter on UPC's stand-alone enterprise value was assessed (see tornado chart). In a second step, a Monte Carlo simulation was performed to determine UPC's expected enterprise value considering all downsides and upsides.
- The following parameters were simulated:
  - As the Basic TV offering is a run-off product, the number of subscribers was simulated to decline twice as fast until 2023.
  - At the same time, it was assumed that the greater subscriber loss in Basic TV is partially counterbalanced by Basic TV customers switching to the Enhanced TV product. Nevertheless, the number of total TV subscribers was simulated to be lower than in the base case.
  - For the number of mobile subscribers it was assumed that there is a slight upside in to +7% of the base value by 2023. However, due to a possible slower ramp-up of mobile-to-fixed cross-selling and ambitious market share growth targets, the number of subscribers might decline by -30% by 2023 in a downside scenario.
  - In case the timing and implementation of the digital transformation plan is not accomplished as envisaged, there is the possibility of OPEX to increase in a downside scenario.
  - Based on the macroeconomic outlook and UPC's market environment, the sustainable growth rate might increase by 67% or decrease by -100% of the base value.

Assumptions regarding the underlying parameters

Parameter Distribution	Downside (in % of base)	Base	Upside (in % of base)	Unit
# RGUs Basic TV (2023) Even spread	-45%			# k
# RGUs Enhanced TV (2023) Even spread			+13%	# k
# Mobile subs[1] (2023) Triangular, peak selection	-30%		+7%	# k
Digitalization OPEX impact Triangular, peak selection	n.m.[2]			CHF m
TV growth Triangular, peak selection	-100%		+67%	%

Tornado chart: Input parameter impact on enterprise value

in CHF bn



Note: [1] Subs = subscribers. [2] Percentage specification is not meaningful as the base value is zero.
Source: ValueTrust analysis.

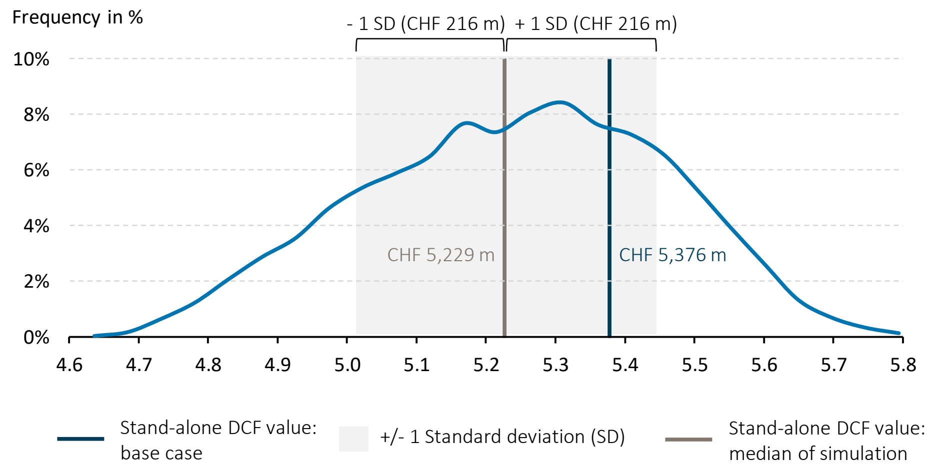
UPC: Valuation analysis

Discounted cash flow: Simulation analysis (2/2)

Simulation results of UPC's stand-alone enterprise value

- For the determination of UPC's expected stand-alone enterprise value, a Monte Carlo simulation was performed considering all Business Plan downsides and upsides (see p. 32).
- Even though the simulation considers both Business Plan upsides and downsides, the simulation result reflects a comparatively conservative view on UPC's stand-alone enterprise value as more downsides than upsides were considered.
- Based on the selected range of valuation parameters as illustrated on the previous slide, the median of the simulated stand-alone enterprise value[1)] amounts to approx. CHF 5,229 m. Considering the distribution of the stand-alone enterprise value, the standard deviation (SD) amounts to CHF 216 m. The resulting core range illustrated in the adjacent chart ranges from CHF 5,013 m (-1 SD) to CHF 5,445 m (+1 SD).

Relative probability distribution of stand-alone enterprise value: Simulation of Business Plan upsides/downsides



The simulation of UPC's stand-alone enterprise value results in a core value range between CHF 5,013 m and CHF 5,445 m.

Note: 1) No consideration of transaction cost.
Source: ValueTrust analysis.

UPC: Valuation analysis
Trading multiples

Trading multiples

- Trading multiples were derived from the peer group of comparable companies (see Appendix for a comprehensive list of peer group companies) to calculate the enterprise value of UPC. Companies in the telecommunications industry are usually capital-intensive with a large asset base, high fixed cost and an extensive need for CAPEX spending. Therefore, EBITDA and OpFCF multiples are ordinarily used in this industry to derive a bandwidth for the enterprise value.[2] Since the historical multiples of 2018 can be distorted by special effects, EBITDA and OpFCF multiples for the year 2019 were additionally applied, as these forward multiples are based on normalized estimates.
- To derive a bandwidth for the enterprise value of UPC, the average of peer group multiples was applied. Furthermore the long-term peer group average (2014-2018) was considered to equalize annual fluctuation within the peer group multiples. With respect to the underlying growth and margin profile of UPC, Liberty shows a particularly high level of congruency towards the valuation object and is therefore additionally used in the derivation of the enterprise value of UPC. A detailed description regarding the growth and margin profile of UPC as well as the considered peer group is presented in the Appendix.
- Valuations using the multiple method regularly take into account premiums (e.g. acquisition or financial control premiums) and discounts (e.g. liquidity discounts) on the value determined with trading multiples. For the purpose of this Fairness Opinion, it is assumed that financial control premiums and liquidity discounts cancel each other out.

Derivation of enterprise value based on trading multiples

in CHF m

	Selected multiple range				Value range	
Selected multiples	Average	Long-term average (2014-2018)	Best comparable Liberty	Reference value[1]	Min	Max
EBITDA multiple 2018	8.9x	9.4x	9.2x	698	6,214	6,562
EBITDA multiple 2019	8.3x	9.4x	10.7x	618	5,159	6,631
Enterprise value based on EBITDA multiple (Ø)					**5,686**	**6,596**
OpFCF multiple 2018	14.5x	15.4x	12.9x	391	5,060	6,018
OpFCF multiple 2019	15.7x	15.4x	15.2x	302	4,590	4,738
Enterprise value based on OpFCF multiple (Ø)					**4,825**	**5,378**
Enterprise value (Ø)					**5,256**	**5,987**
- Minorities					-76	-76
Adj. enterprise value					**5,180**	**5,911**

Based on trading multiples, the EV of UPC ranges from CHF 5,180 m to CHF 5,911 m as of the valuation date.

Note: Values calculated based on exact number. Rounding differences may occur. [1] For reasons of comparability corporate technology CAPEX was added to adjusted EBITDA. OpFCF was adjusted for CAPEX one-offs (digitalization and 1 Gbps roll out). [2] Operating Free Cash Flow ("OpFCF") is defined as EBITDA - CAPEX.

UPC: Valuation analysis
Transaction multiples

Transaction multiples

- For the valuation based on transaction multiples, EBITDA and OpFCF were considered as reference variables in the derivation of the enterprise value of UPC. Comparable transactions in the telecommunications industry since 2015 were assessed. The regional focus was specified on developed countries in Europe. A detailed list of the considered transactions is presented in the Appendix.
- Given the wide range of multiples as well as undisclosed and individual terms of the transactions, the value range was determined by the median and average of the EBITDA and OpFCF multiples.
- The resulting transactions present an EBITDA multiple range of 10.7x to 11.3x (median to average) and an OpFCF multiple range of 18.4x to 19.6x (average to median) respectively.
- Since the derivation of transaction multiples is mainly based on private targets and UPC as wholly owned subsidiary of Liberty likewise represents a private target, no liquidity discount to the bandwidth of UPC's enterprise value is applicable.
- Furthermore, only majority transactions are considered in the derivation of multiples.[2)] Therefore synergies expected from the Proposed Transaction are already considered in the presented multiples.
- Based on empirical market findings, approx. 54% of synergies are captured by the seller in precedent transactions.[3)]

Derivation of enterprise value based on transaction multiples

in CHF m

	Selected multiple range			Value range	
Selected multiples	Average	Median	Reference value (2018)[1)]	Min	Max
EBITDA multiple	11.3x	10.7x	698	7,432	7,893
OpFCF multiple	18.4x	19.6x	391	7,193	7,643
Enterprise value (Ø)				**7,313**	**7,768**
- Minorities				-76	-76
Adj. enterprise value				**7,237**	**7,692**

- This implies that 54% of the expected synergies are already reflected in the transaction multiples and therefore also in the derived enterprise value of UPC. Hence, the stand-alone enterprise value of UPC is calculated by subtracting 54% of synergies from the derived bandwidth based on transaction multiples.
- Since the prices paid in previous transactions are highly dependent on the specific interests of the parties involved, the implied valuations to some extent reflect subjective value attributions and therefore mitigate the explanatory power of transaction multiples in the derivation of the enterprise value of UPC.

Based on trading multiples, the enterprise value of UPC ranges from CHF 7,237 m to CHF 7,692 m (subtracting 54% of synergies leads to a bandwidth of CHF 5,788 m to CHF 5,937 m).

Note: Values calculated based on exact number. Rounding differences may occur. [1)] For reasons of comparability corporate technology CAPEX was added to adjusted EBITDA. OpFCF was adjusted for CAPEX one-offs (digitalization and 1 Gbps roll out). [2)] Excluding the JV of VodafoneZiggo. [3)] BCG study "Synergies take center stage" 2018.

UPC: Valuation analysis

Benchmarking of ARPU and transaction value per RGU

Benchmarking of transaction value per RGU and ARPU of target in selected transactions

in CHF

- Additionally selected transactions are analyzed with regards to the transaction price per RGU as well as the ARPU of the target company.
- The transaction value per RGU of CHF 2,827 m for the Proposed Transaction is at the upper end of precedent transactions.
- However, at the same time, the acquired ARPU is the highest compared to precedent transactions.
- On a relative perspective, deriving a ratio of the transaction value per RGU and the ARPU of the respective target company, the Proposed Transaction generates a multiple of 39.5x. Comparing this multiple to precedent transactions, the Proposed Transaction is below the peer group average of 46.5x (vs. 39.5x for the Proposed Transaction).

Buyer / Target	Transaction value per RGU / ARPU	ARPU (CHF)	Implied EV / RGU (CHF)
Sunrise / upc Switzerland [1)]	39.5x	72	2,827
vodafone / Kabel Deutschland	61.6x	20	1,222
vodafone / ONO	25.2x	67	1,683
altice / SFR [2)]	19.6x	40	781
BT / EE	19.6x	28	548
telenet / BASE	23.1x	18	417
TELE2 / COM HEM	64.5x	40	2,589
Telia / Get TDC	111.6x	23	2,513
Average (excl. Sunrise/ UPC)	46.5x	34	1,393

Overall, the transaction value per RGU considering the high ARPU is competitive and within market.

Note: [1)] Based on cable consumer relationships in Q2'19. [2)] ARPU based on 12-month rolling Broadband Internet ARPU of retail market.

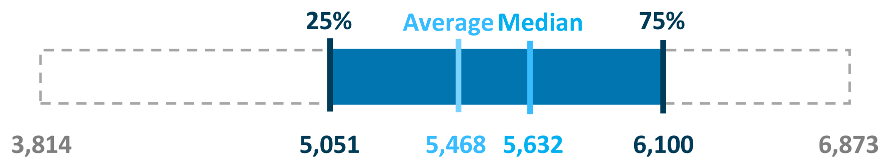
Source: Company information, press releases, ValueTrust analysis, Copyright © 2019, S&P Global Market Intelligence (and its affiliates, as applicable).

UPC: Valuation analysis

Broker estimates of UPC's enterprise value (stand-alone)

Derivation of applied bandwidth for the stand-alone enterprise value of UPC as presented in broker reports

- To derive a bandwidth for the stand-alone enterprise value of UPC based on broker estimates, the valuation of various relevant brokers was analyzed. Therefore, broker reports from before and after the official announcement of Sunrise to acquire UPC were taken into consideration since February 2019. Within this framework, various brokers have also estimated the enterprise value of UPC.
- Taking into account the estimates[1)] for UPC's enterprise value (stand-alone) excluding synergies and based on a statistical approach (25% and 75% percentile), a bandwidth between **CHF 5,051 m and CHF 6,100 m** was determined.



- For the conversion of USD to CHF, the spot rate as of the valuation date is applied. The arising enterprise value of UPC was not subject to any further verification and the brokers' assumptions regarding their valuations were adopted unchanged.

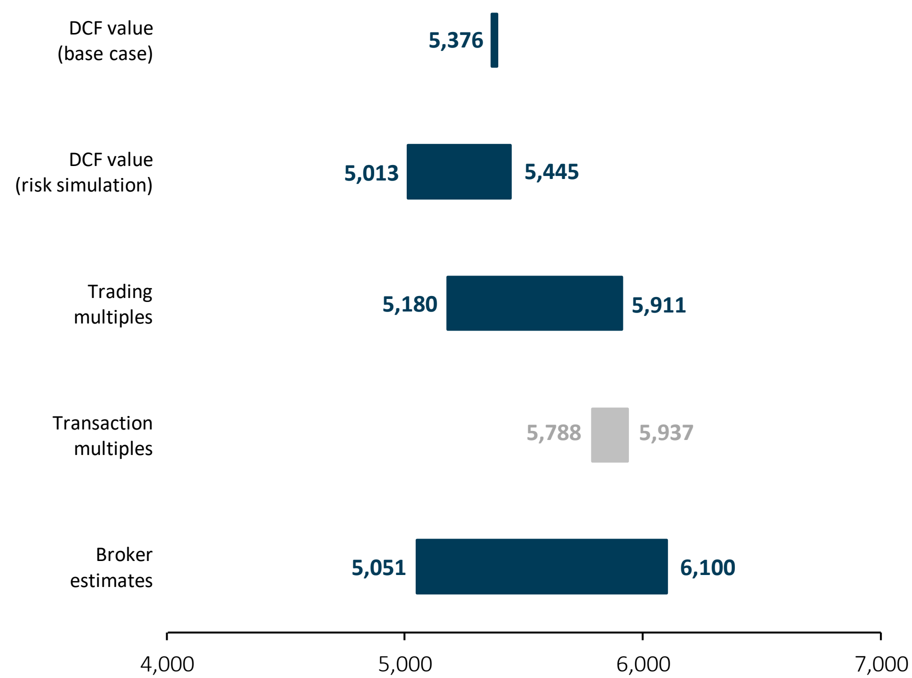
Based on the underlying analysis, the average and median of the 25% to 75% percentile bandwidth for the enterprise value of UPC is slightly above the determined DCF value and lies between **CHF 5,051 m and CHF 6,100 m** as of the valuation date.

Note: 1) Estimates of nine different broker reports were considered.
Source: Broker reports, ValueTrust analysis.

UPC: Valuation analysis
Valuation summary (stand-alone)

Overview of valuation results (stand-alone)
in CHF m

- Based on the DCF method, the stand-alone enterprise value of UPC amounts to CHF 5,376 m. Additionally, a simulation analysis was performed, reflecting a comparatively conservative view on UPC's stand-alone enterprise value as more downsides than upsides were taken into account. The simulation analysis shows a core bandwidth ranging from CHF 5,013 m to CHF 5,445 m.
- Furthermore, market-based valuation methods were used to benchmark the derived enterprise values. Based on trading multiples a value range of CHF 5,180 m to CHF 5,911 m was determined.
- The derivation of the enterprise value based on transaction multiples (subtracting 54% of synergies) results in a range from CHF 5,788 m to CHF 5,937 m. However, synergies in previous transactions are highly dependent on the specific interests of the parties involved.
- Therefore, the implied valuations to some extent reflect subjective value attributions and mitigate the explanatory power of transaction multiples in the derivation of the enterprise value of UPC.
- The bandwidth of broker estimates regarding the stand-alone enterprise value determines a value range of CHF 5,051 m to CHF 6,100 m.



The derived stand-alone enterprise value of UPC based on the DCF method is supported by valuation results based on market-oriented valuation methods such as the multiples method and broker estimates.

UPC: Valuation analysis

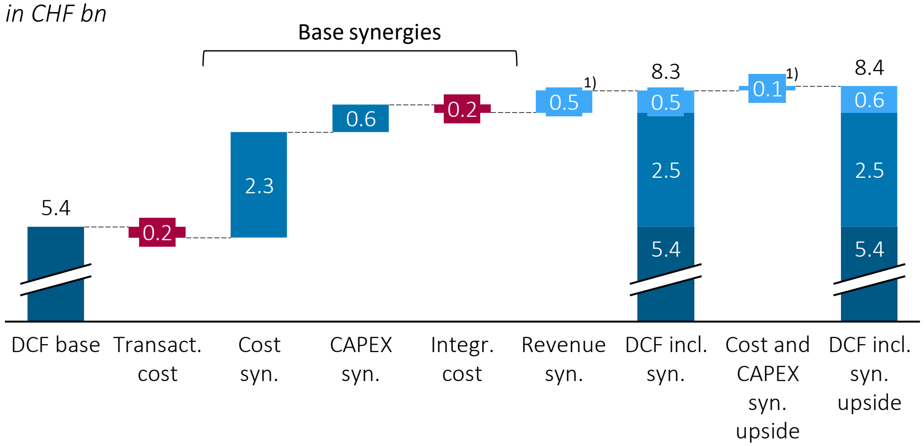
Synergy assessment

Assessment of synergies

- Projected synergies comprise cost, CAPEX and revenue synergies and are categorized in base synergies and further synergy potential. Furthermore, integration cost and transaction cost relating to the combination of UPC with the existing Sunrise business are considered in the synergy analysis.
- Cost synergies comprise savings on fixed network access, content, interconnection, roaming charges, marketing, customer care and MVNO cost, the removal of duplicated functions, the integration of IT systems, sales rationalization as well as savings from TSAs. CAPEX synergies include IT and network rationalization, procurement optimization and savings on fixed access network investments. Revenue synergies mainly result from B2C cross-selling and additional B2B opportunities.
- The net present value ("NPV") of synergies arising from the combination of UPC with the existing Sunrise business was determined by discounting the cash contributions from revenue, cost and additional synergies after taxes, as well as the cash contributions from CAPEX synergies at the corresponding cost of capital under consideration of an additional risk premium, resulting in a discount rate of 6.0%. The synergies bear a higher risk of realization than the operating business of the combined company and will only be realized within the corporate structure of Sunrise.
- Base synergies comprise cost and CAPEX synergies. To reflect a conservative value of cost and CAPEX synergies in the base case, a discount was applied to the run-rate as communicated to the market.

Net present value of synergies and transaction cost

in CHF bn



- In the base case cost synergies amount to CHF 2.3 bn, CAPEX synergies to CHF 0.6 bn and integration cost to CHF 0.2 bn as of the valuation date.
- Further synergy potential was identified on the one hand in form of revenue synergies. On the other hand, further synergy potential results from eliminating the synergy run-rate discount from the base case and applying the full run-rate of cost and CAPEX synergies as previously communicated to the market. Further synergy potential includes revenue synergies of CHF 0.5 bn and improved cost and CAPEX synergies amounting to CHF 0.1 bn as of the valuation date.

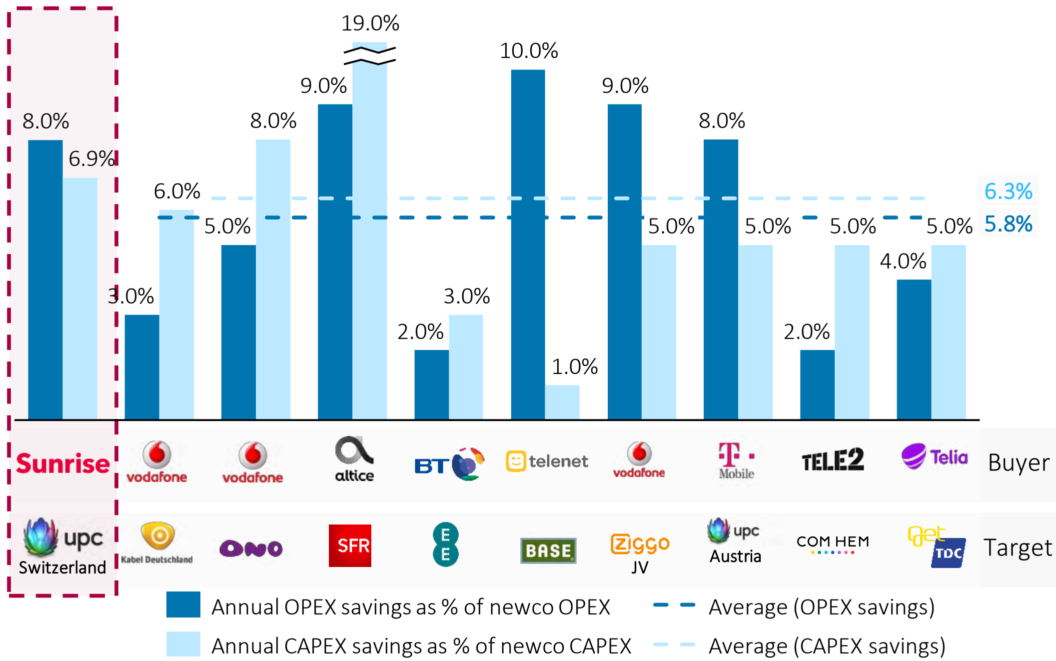
The aggregated NPV of base synergies after integration cost (net synergies) amounts to CHF 2.7 bn as of the valuation date. Further synergy potential including revenue synergies amounts to CHF 0.6 bn. This results in an enterprise value of UPC incl. base synergies and integration cost of CHF 7,827 m (CHF 8,394 m considering further synergy potential).

Note: [1] Further synergy potential with regards to revenue synergies as well as cost and CAPEX synergies was identified. Since synergies within the considered precedent transactions were repeatedly revised to a higher value than the originally announced synergies, additional synergy potential appears achievable.

UPC: Valuation analysis
Synergy benchmarking

Benchmarking of OPEX and CAPEX synergies in proportion to the combined cost base within selected fixed-mobile transactions

- In order to benchmark projected OPEX and CAPEX synergies in proportion to the combined OPEX and CAPEX base, OPEX and CAPEX synergies from selected fixed-mobile transactions were compared to the synergies arising from the combination of UPC with the existing Sunrise business.
- Annual OPEX savings from comparable transactions amount on average to 5.8% of the combined cost base, whereas annual CAPEX savings amount on average to 6.3% of the combined CAPEX base.
- UPC's projected run-rate OPEX savings of 8.0% in relation to the combined OPEX base and UPC's run-rate CAPEX savings of 6.9% in relation to the combined CAPEX base are within the range of comparable precedent transactions as presented in the adjacent chart.
- Comparable precedent transactions mostly comprise acquisitions of (revenue-wise) smaller fixed/mobile companies by larger MNOs. Sunrise and UPC are about equally large but regardless of the differences in size highly comparable to the considered transactions. Therefore synergies of the Proposed Transaction are assumed to be slightly higher. One exemplary factor could be that UPC can utilize wholesale MVNO services of Sunrise, which currently must be leased from Swisscom.



With OPEX synergies amounting to 8.0% of newco OPEX and CAPEX synergies representing 6.9% of newco CAPEX, synergies generated in Sunrise's acquisition of UPC are in line with comparable precedent transactions.[1)] Since synergies within the considered precedent transactions were repeatedly revised to a higher value than the originally announced synergies, further value potential appears achievable.

Note: [1)] Percentage share of OPEX and CAPEX synergies within the Sunrise/UPC transaction is calculated as average value for the period 2020 until 2023.
Source: Company information, ValueTrust analysis,

UPC: Valuation analysis
Synergies: Simulation analysis (1/2)

Derivation of synergy upsides and downsides

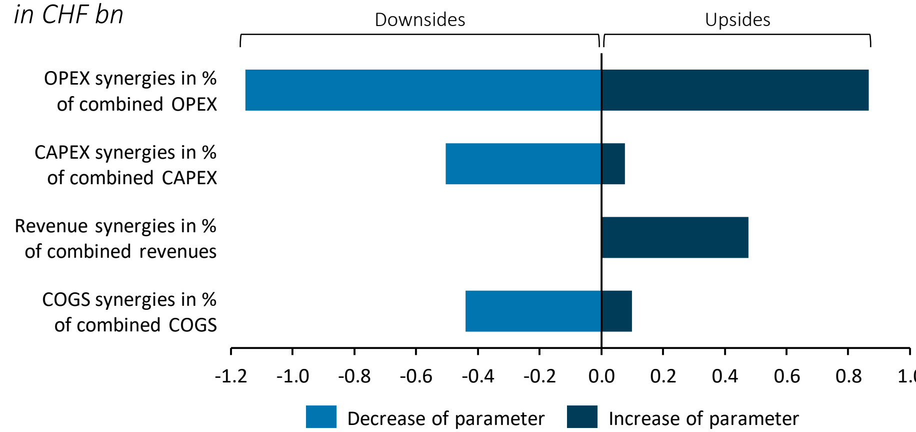
- In the course of our analyses (e.g. synergies benchmarking) and considering the commercial due diligence results, certain downsides and upsides with regard to the base synergies were identified. The upsides comprise the illustrated further synergy potential of CHF 0.6 bn (see p. 39) as well as additionally identified upsides.
- In a first step, the absolute ceteris paribus impact of each parameter on the NPV of base synergies was assessed (see tornado chart). In a second step, a Monte Carlo simulation was performed to determine the expected NPV of base synergies considering all downsides and upsides.
- The following ranges of base synergies (CAPEX, OPEX and COGS) and revenue synergies were simulated:
  - For CAPEX synergies, a range of run-rates between -86% of the base value (derived from the lower end of comparable fixed-mobile transactions) up to +13%[1] of the base value (upper end acc. to synergy analysis) of the combined[2] CAPEX base was applied.
  - For OPEX synergies, a range of run-rates between -75% of the base value (derived from the lower end of comparable fixed-mobile transactions) and +56%[1] of the base value (upper end acc. to synergy analysis) of the combined[2] OPEX base was applied.
  - For COGS synergies, a range of run-rates between -60% and +14%[1] of the base value (upper end acc. to synergy analysis) of the combined[2] COGS base was applied.
  - Furthermore, revenue synergies with a range of run-rates of up to +0.6pp[1][3] of the base value (reflecting an NPV of CHF 0.5 bn, see p. 39) of the combined revenue base were considered as an upside.

Assumptions regarding the underlying parameter

Parameter Distribution	Downside (in % of base)	Base	Upside (in % of base)	Unit
CAPEX synergies in % of combined CAPEX Triangular, peak selection	-86%		+13%	%
OPEX synergies in % of combined OPEX Triangular, peak selection	-75%		+56%	%
COGS synergies in % of combined COGS Triangular, peak selection	-60%		+14%	%
Revenue synergies in % of combined revenues Triangular, peak selection			+0.6pp[3]	%

Tornado chart: Input parameter impact on NPV of base synergies

in CHF bn



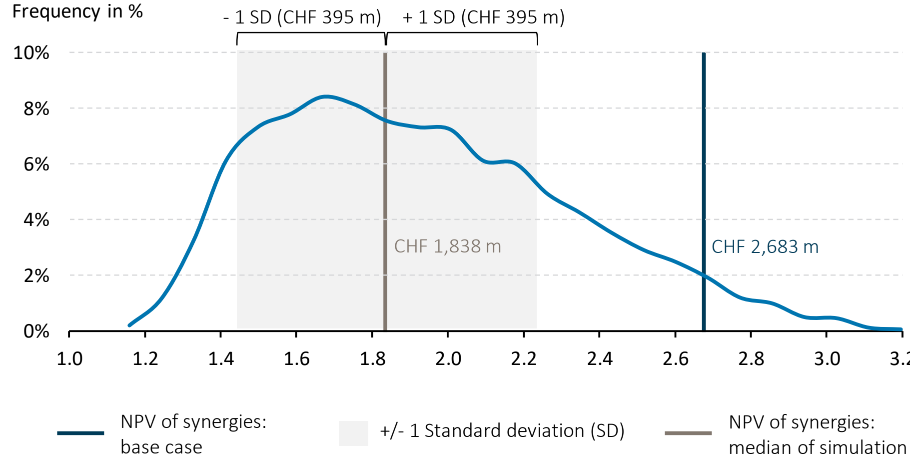
Note: [1] Calculated based on expected synergies 2020-2023 and expected combined base 2020-2023. [2] Refers to the combined CAPEX/OPEX/COGS/revenues of UPC and Sunrise after the Proposed Transaction. [3] pp = percentage Points. Deviating calculation of figure, since base value of the computation is zero. Source: ValueTrust analysis.

UPC: Valuation analysis
Synergies: Simulation analysis (2/2)

Simulation results of the NPV of base synergies

- For the determination of the expected synergy NPV, a Monte Carlo simulation was performed considering all downsides and upsides (see p. 41).
- Even though the simulation considers both upsides and downsides on base synergies, the simulation result reflects a comparatively conservative view on the NPV of base synergies as more downsides than upsides were taken into account.
- Based on the selected range of synergy parameters (see p. 41), the median of the simulated synergy NPV amounts to approx. CHF 1,838 m. Considering the distribution of the NPV of base synergies, the SD amounts to CHF 395 m. The resulting core range illustrated in the adjacent chart ranges from CHF 1,443 m (-1 SD) to CHF 2,233 m (+1 SD).

Relative probability distribution of NPV of base synergies: Simulation of synergies upsides/downsides



The simulation of the NPV of base synergies results in an expected NPV of CHF 1,838 m with a core value range between CHF 1,443 m and CHF 2,233 m (-1 SD/+1 SD).

Source: ValueTrust analysis.

UPC: Valuation analysis

Discounted cash flow & synergies: Simulation analysis under conservative assumptions (1/2)

Derivation of synergy upsides and downsides

- In addition to the separate simulations of the i) DCF base case (see p. 32-33) and the ii) base synergies (see p. 41-42), a combined simulation of the DCF base case including base synergies was performed. This Monte Carlo simulation was performed under consideration of a conservative set of assumptions (more downsides than upsides) in order to test the steadiness of UPC's enterprise value relative to the Consideration.
- Hence, all Business Plan and synergy upsides and downsides were considered in a combined Monte Carlo simulation in order to determine the probability of UPC's expected enterprise value (including synergies) to fall below the Consideration of CHF 6.3 bn.
- The same parameters with identical ranges as in the previous separate simulations of the DCF base case and the base synergies were simulated:
  - Number of RGUs for Basic TV
  - Number of RGUs for Enhanced TV
  - Number of mobile subscribers
  - Impact of the digital transformation plan on OPEX
  - Sustainable TV growth rate
  - CAPEX synergies in relation to the combined CAPEX base
  - OPEX synergies in relation to the combined OPEX base
  - COGS synergies in relation to the combined COGS base
  - Revenue synergies in relation to the combined revenue base

Assumptions regarding the underlying parameter

DCF parameters Distribution	Downside (in % of base)	Base	Upside (in % of base)	Unit
# RGUs Basic TV (2023) Even spread	-45%			# k
# RGUs Enhanced TV (2023) Even spread			+13%	# k
# Mobile subs[1)] (2023) Triangular, peak selection	-30%		+7%	# k
Digitalization OPEX impact Triangular, peak selection	n.m.[2)]			CHF m
TV growth Triangular, peak selection	-100%		+67%	%
Synergy parameters Distribution				
CAPEX synergies in % of combined CAPEX Triangular, peak selection	-86%		+13%	%
OPEX synergies in % of combined OPEX Triangular, peak selection	-75%		+56%	%
COGS synergies in % of combined COGS Triangular, peak selection	-60%		+14%	%
Revenue synergies in % of combined revenues Triangular, peak selection			+0.6pp[3)]	%

Note: 1) Calculated based on expected synergies 2020-2023 and expected combined base 2020-2023. 2) Refers to the combined CAPEX/OPEX/COGS/revenues of UPC and Sunrise after the Proposed Transaction.
2) Percentage specification is not meaningful as the base value is zero. 3) Deviating calculation of figure, since base value of the computation is zero.
Source: ValueTrust analysis.

UPC: Valuation analysis

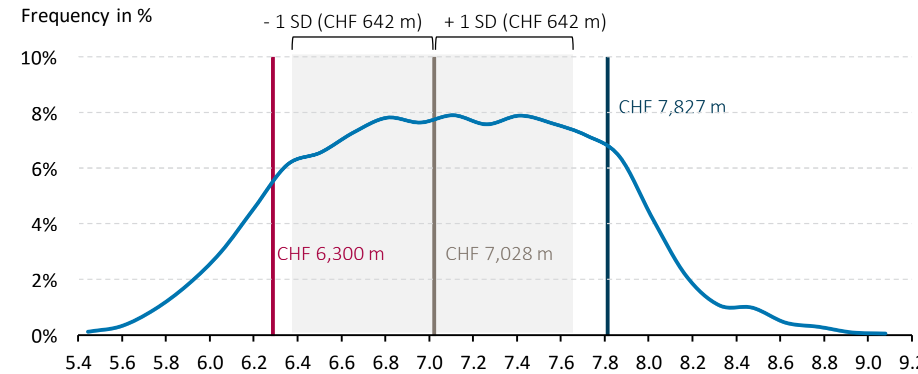
Discounted cash flow & synergies: Simulation analysis under conservative assumptions (2/2)

Combined simulation of UPC's enterprise value (including base synergies)

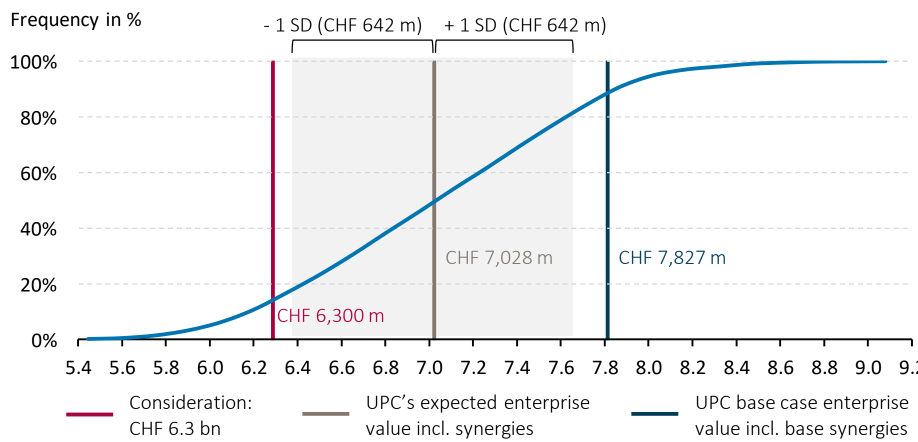
- The combined Monte Carlo simulation, which determines the probability of UPC's expected enterprise value (including synergies) to fall below the Consideration of CHF 6.3 bn, yields the following results:
  - Based on the selected range of parameters, the median of the simulated enterprise value amounts to approx. CHF 7,028 m which is above the Consideration of CHF 6.3 bn.
  - Considering the distribution of the simulated enterprise value, the standard deviation amounts to CHF 642 m. The resulting core range illustrated in the adjacent chart ranges from CHF 6,386 m (-1 SD) to CHF 7,670 m (+1 SD).
  - The probability of UPC's expected enterprise value including Business Plan upside and downside scenarios as well as synergy scenarios to fall below the Consideration of CHF 6.3 bn is 15%. Hence, the expected enterprise value of UPC is higher than the Consideration with a probability of 85%.
  - An exemplified explanation is presented on page 52 in the Appendix.

> The combined simulation of DCF key value drivers, base and revenue synergies results in UPC's expected enterprise value of CHF 7,028 m. Even in this conservative downside analysis a probability of 85% prevails that UPC's expected enterprise value including base synergies will not fall short of the Consideration of CHF 6.3 bn.

Relative probability distribution of enterprise value (including base synergies): Simulation of Business Plan upsides/downsides, synergies upsides/downsides



Cumulative probability of enterprise value (including base synergies): Simulation of Business Plan upsides/downsides, synergies upsides/downsides

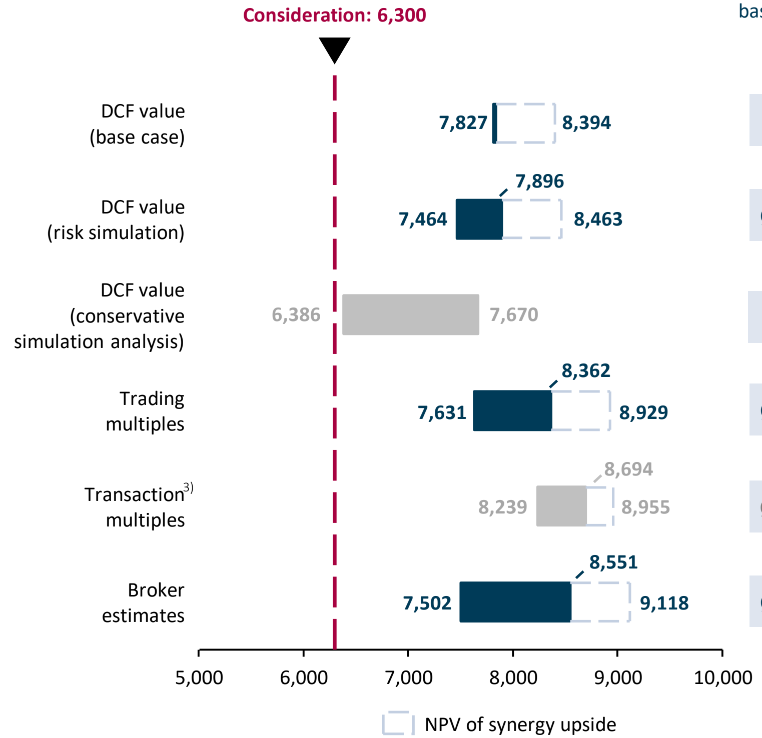


Source: ValueTrust analysis.

UPC: Valuation analysis
Fairness conclusion

Overview of valuation results
in CHF m

- The fairness of the Proposed Transaction was assessed by analyzing the value of UPC on a stand-alone basis and including expected synergies and transaction cost, arising from the combination of UPC with the existing Sunrise business.
- Given the Consideration of CHF 6,300 m and based on the DCF base case, 38% of synergies are paid away. Considering further synergy potential, 31% of synergies are paid away.
- Based on empirical market findings, sellers on average retain 54% of the synergy value.[1)] Therefore, the Proposed Transaction is competitive compared to market-based findings. Likewise in the consideration of industry specific fixed-mobile transactions, paid synergies are competitive compared to prior transactions.
- Results from the simulation of the DCF stand-alone value support the DCF base case. Even if a conservative set of assumptions is applied in the simulation (simulation analysis under conservative assumptions), the probability of attaining a value above consideration prevails significantly.
- Further valuation analyses based on the multiple method and broker estimates support the derived value range based on the DCF method.



Synergies paid away in % of

	base syn.[2)]	total syn.[2)]
DCF value (base case)	38%	31%
DCF value (risk simulation)	Ø 44%	Ø 35%
DCF value (conservative simulation analysis)	n.m.	n.m.
Trading multiples	Ø 31%	Ø 25%
Transaction multiples	Ø 18%	Ø 14%
Broker estimates	Ø 30%	Ø 24%

The Consideration of CHF 6.3 bn, consisting of the Cash Consideration of 2.7 bn to be paid by Sunrise to Liberty and acquired debt of ca. 3.6 bn, in connection with the acquisition of UPC is fair from a financial point of view as of September 16, 2019.

Note: [1)] BCG "Synergies take center stage" 2018. [2)] Average based on lower and upper boundary of the derived bandwidth for the enterprise value of UPC. [3)] 46% of synergies are allocated to the derived enterprise value from transaction multiples as empirical market findings suggest that buyers in previous transactions on average retained about 46% of the synergy value (see note 1). Nevertheless, the explanatory power of transaction multiples in this analysis is mitigated.

5 Appendix

Appendix
Beta

Beta derivation

- UPC is not a listed entity and thus a beta for UPC cannot be empirically observed. Therefore, peer companies were selected based on their comparability to UPC in terms of business model, geographical footprint, statistical significance/availability of capital market data and overall financial risk profile.
- The determination of UPC's beta is based on a two-year observation period with weekly data points. Betas were derived using a regression against the broadest local market index of the respective peer group company. In order to consider the specific financing structure of the valuation object, the historically observed beta factors for the peer group companies were converted into unlevered beta factors.
- As of the valuation date an unlevered beta of 0.60 was applied.

		Beta levered[1)]	**Leverage**	**Beta unlevered**
Company	Index	2-year 2019-2018 weekly	2-year 2019-2018 weekly	2-year 2019-2018 weekly
Liberty Global Plc	FTSE 100 Index	1.05	1.6x	0.70
Tele2 AB (publ)	OMX Stockholm 30 Index	n.a.	n.a.	n.a.
Telenet Group Holding NV	Brussels BEL 20 Index	n.a.	n.a.	n.a.
Swisscom AG	Swiss Performance Index (Total Return)	0.70	0.5x	0.54
NOS, S.G.P.S., S.A.	PSI All-Share Index	0.83	0.5x	0.66
Euskaltel, S.A.	Madrid Ibex 35 Index	0.74	1.1x	0.60
Sunrise Communications Group AG	Swiss Performance Index (Total Return)	0.65	0.5x	0.59
Tele Columbus AG	CDAX Index (Total Return)	n.a.	n.a.	n.a.
Min		0.65	0.5x	0.54
Median		**0.74**	**0.5x**	**0.60**
Average		0.79	0.8x	0.62
Max		1.05	1.6x	0.70

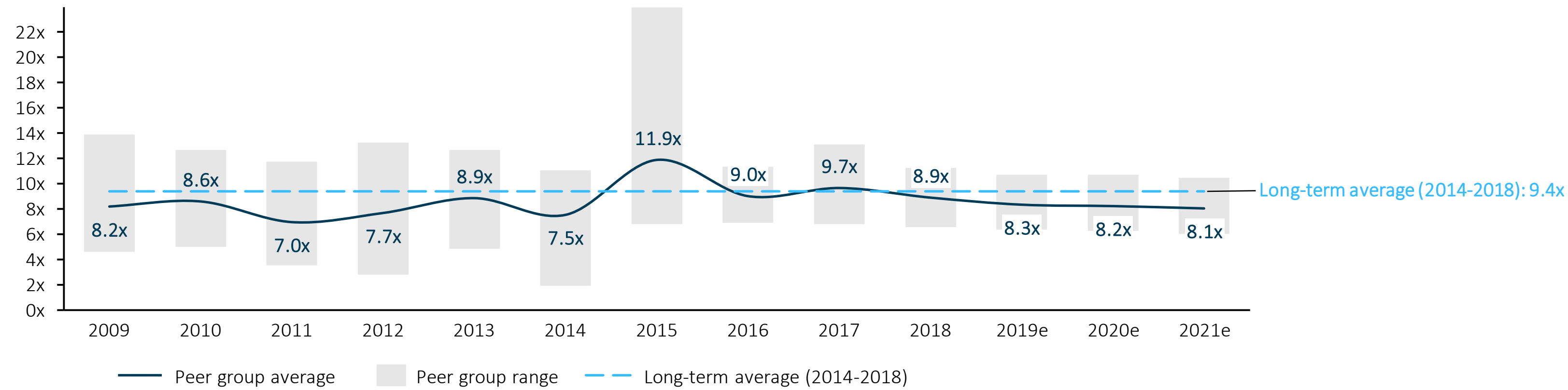
Note: 1) Statistically not significant betas (t-test, confidence interval: 95%) are not being considered.
Source: ValueTrust analysis, Copyright © 2019, S&P Global Market Intelligence (and its affiliates, as applicable).

Appendix
Historical and forward EBITDA trading multiples

Historical LTM and forward EBITDA multiples

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019e	2020e	2021e
Liberty Global Plc [1)]	13.9x	11.1x	11.7x	13.3x	12.7x	10.8x	10.3x	11.3x	13.1x	9.2x	10.7x	10.7x	10.5x
Tele2 AB (publ)	4.6x	5.0x	5.6x	8.1x	5.4x	6.4x	7.3x	6.9x	7.4x	11.2x	10.6x	10.3x	9.9x
Telenet Group Holding NV	7.7x	9.2x	9.4x	11.2x	11.6x	11.0x	11.2x	11.1x	12.5x	9.5x	7.6x	7.6x	7.6x
Swisscom AG	6.5x	6.7x	6.4x	7.3x	8.4x	9.1x	9.5x	8.8x	9.4x	9.0x	8.0x	8.1x	8.0x
NOS, S.G.P.S., S.A.	8.3x	7.0x	6.3x	6.4x	10.3x	7.3x	8.8x	7.1x	6.8x	6.6x	6.4x	6.2x	6.0x
Euskaltel, S.A.	n.a.	n.a.	3.5x	2.8x	n.a.	1.9x	24.0x	10.0x	10.0x	9.1x	8.6x	8.5x	8.3x
Sunrise Communications Group AG [1)]	n.a.	12.7x	5.8x	4.9x	4.9x	4.5x	6.8x	7.4x	8.6x	8.8x	7.5x	7.6x	7.4x
Tele Columbus AG	n.a.	n.a.	n.a.	n.a.	n.a.	9.2x	17.2x	9.5x	9.5x	7.9x	7.4x	7.0x	6.7x
Average	**8.2x**	**8.6x**	**7.0x**	**7.7x**	**8.9x**	**7.5x**	**11.9x**	**9.0x**	**9.7x**	**8.9x**	**8.3x**	**8.2x**	**8.1x**
Median	**7.7x**	**8.1x**	**6.3x**	**7.3x**	**9.3x**	**8.2x**	**9.9x**	**9.2x**	**9.4x**	**9.0x**	**7.8x**	**7.8x**	**7.8x**

EBITDA multiple development



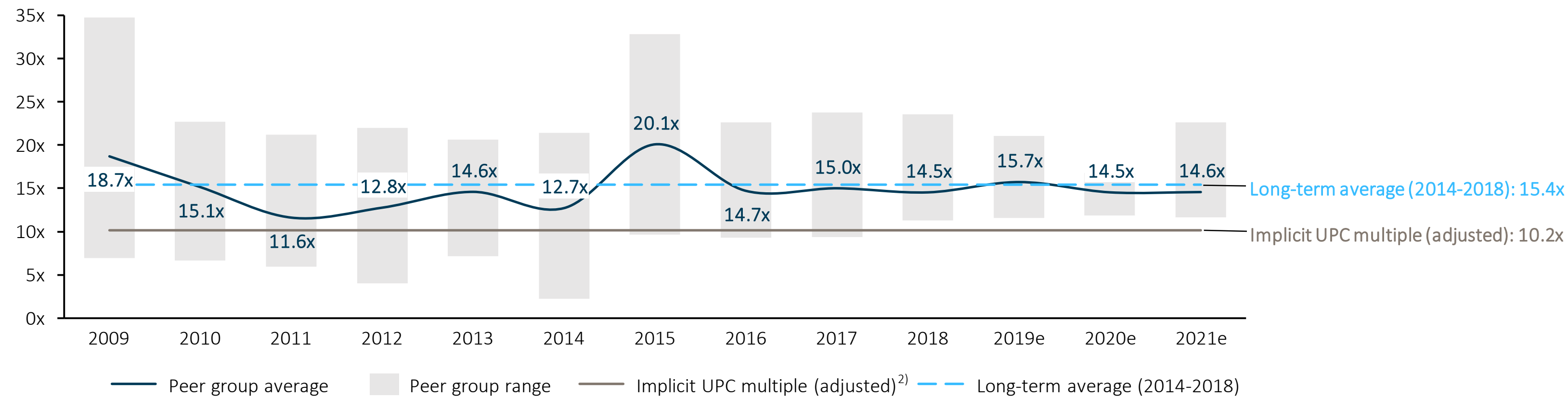
Note: [1)] Illustrated forward figures (2019-2021) for Liberty and Sunrise are solely based on broker estimates and do not comprise any internal business plan information.
Source: ValueTrust analysis, Copyright © 2019, S&P Global Market Intelligence (and its affiliates, as applicable).

Appendix
Historical and forward OpFCF trading multiples

Historical LTM and forward OpFCF multiples

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019e	2020e	2021e
Liberty Global Plc [1)]	27.9x	19.4x	21.2x	22.0x	20.6x	15.8x	14.4x	15.3x	17.7x	12.9x	15.2x	14.3x	22.7x
Tele2 AB (publ)	6.9x	6.6x	8.5x	13.5x	8.5x	10.9x	14.0x	12.2x	10.4x	15.0x	15.2x	14.2x	13.4x
Telenet Group Holding NV	12.8x	12.9x	13.8x	16.8x	17.4x	14.8x	15.6x	15.9x	18.3x	12.2x	11.5x	11.8x	11.6x
Swisscom AG	11.0x	10.9x	11.7x	17.4x	20.2x	21.4x	23.7x	22.6x	23.8x	23.5x	17.0x	16.5x	16.4x
NOS, S.G.P.S., S.A.	34.8x	18.1x	12.9x	8.9x	13.7x	12.3x	18.1x	12.4x	9.4x	11.3x	14.0x	16.0x	12.1x
Euskaltel, S.A.	n.a.	n.a.	6.0x	4.0x	n.m.	2.3x	32.3x	13.2x	13.3x	13.0x	14.3x	13.5x	13.0x
Sunrise Communications Group AG [1)]	n.a.	22.7x	7.2x	6.7x	7.2x	7.0x	9.6x	9.3x	12.6x	12.2x	17.3x	12.9x	12.4x
Tele Columbus AG	n.a.	n.a.	n.a.	n.a.	n.a.	17.2x	32.8x	16.5x	14.5x	15.9x	21.1x	16.8x	14.8x
Average	18.7x	15.1x	11.6x	12.8x	14.6x	12.7x	20.1x	14.7x	15.0x	14.5x	15.7x	14.5x	14.6x
Median	12.8x	15.5x	11.7x	13.5x	15.5x	13.5x	16.9x	14.2x	13.9x	13.0x	15.2x	14.3x	13.2x

OpFCF multiple development



Note: [1)] Illustrated forward figures (2019-2021) for Liberty and Sunrise are solely based on broker estimates and do not comprise any internal business plan information.
[2)] For reasons of comparability, OpFCF (2018) used in the calculation of the implicit multiple (based on an EV of CHF 6.3 bn) was adjusted for run-rate synergies.
Source: ValueTrust analysis, Copyright © 2019, S&P Global Market Intelligence (and its affiliates, as applicable).

Appendix
EBITDA and OpFCF trading multiples

EBITDA multiples

	Revenue growth yoy			Revenue CAGR		EBITDA margin			EBITDA multiple	
	2020	2021	2022	19-'21	'19-'22	2020	2021	2022	2018	2019
Liberty Global Plc [1]	-0.5%	0.4%	2.3%	-0.1%	0.7%	42.7%	43.5%	46.6%	9.2x	10.7x
NOS, S.G.P.S., S.A.	1.4%	1.5%	1.0%	1.4%	1.3%	42.2%	43.1%	42.4%	6.6x	6.4x
Telenet Group Holding NV	-1.0%	0.5%	5.4%	-0.2%	1.6%	55.4%	55.3%	55.3%	9.5x	7.6x
Euskaltel, S.A.	2.6%	1.8%	2.1%	2.2%	2.1%	50.9%	51.0%	50.6%	9.1x	8.6x
Sunrise Communications Group AG [1]	0.9%	0.5%	-0.1%	0.7%	0.4%	36.9%	37.5%	37.6%	8.8x	7.5x
Tele Columbus AG	2.1%	1.6%	2.1%	1.8%	1.9%	50.8%	51.9%	51.3%	7.9x	7.4x
Swisscom AG	-0.5%	-0.2%	-0.6%	-0.3%	-0.4%	39.7%	40.0%	41.2%	9.0x	8.0x
Tele2 AB (publ)	0.5%	1.4%	-2.4%	0.9%	-0.2%	43.1%	44.2%	44.4%	11.2x	10.6x
Average	0.7%	0.9%	1.2%	0.8%	0.9%	45.2%	45.8%	46.2%	8.9x	8.3x
Median	0.7%	1.0%	1.5%	0.8%	1.0%	42.9%	43.8%	45.5%	9.0x	7.8x

OpFCF multiples

	Revenue growth yoy			EBITDA CAGR		EBITDA margin			OpFCF multiple	
	2020	2021	2022	19-'21	'19-'22	2020	2021	2022	2018	2019
Liberty Global Plc [1]	-0.5%	0.4%	2.3%	1.3%	4.0%	42.7%	43.5%	46.6%	12.9x	15.2x
NOS, S.G.P.S., S.A.	1.4%	1.5%	1.0%	2.8%	1.6%	42.2%	43.1%	42.4%	11.3x	14.0x
Telenet Group Holding NV	-1.0%	0.5%	5.4%	0.2%	1.9%	55.4%	55.3%	55.3%	12.2x	11.5x
Euskaltel, S.A.	2.6%	1.8%	2.1%	2.0%	1.7%	50.9%	51.0%	50.6%	13.0x	14.3x
Sunrise Communications Group AG [1]	0.9%	0.5%	-0.1%	0.3%	0.3%	36.9%	37.5%	37.6%	12.2x	17.3x
Tele Columbus AG	2.1%	1.6%	2.1%	4.5%	3.3%	50.8%	51.9%	51.3%	15.9x	21.1x
Swisscom AG	-0.5%	-0.2%	-0.6%	0.0%	0.8%	39.7%	40.0%	41.2%	23.5x	17.0x
Tele2 AB (publ)	0.5%	1.4%	-2.4%	3.5%	1.7%	43.1%	44.2%	44.4%	15.0x	15.2x
Average	0.7%	0.9%	1.2%	1.8%	1.9%	45.2%	45.8%	46.2%	14.5x	15.7x
Median	0.7%	1.0%	1.5%	1.6%	1.7%	42.9%	43.8%	45.5%	13.0x	15.2x

Selected values for the derivation of the respective multiple

Note: [1] Illustrated figures for Liberty and Sunrise are solely based on broker estimates and do not comprise any internal business plan information.
Source: ValueTrust analysis, Copyright © 2019, S&P Global Market Intelligence (and its affiliates, as applicable).

Multiple selection

- To derive a bandwidth of the enterprise value of UPC with trading multiples, EBITDA and OpFCF multiples were used.
- Since the historical multiples of 2018 can be distorted by special effects, EBITDA and OpFCF multiples for the year 2019 were additionally applied, as these forward multiples are based on normalized estimates.
- The valuation object as well as the identified peer group companies were analyzed with regards to their respective growth, margin and CAPEX profile. Based on the analysis the peer group average shows high comparability to UPC with regards to the underlying margin profile. To equalize annual fluctuation within the peer group multiples the long-term peer group average (2014-2018) was considered additionally.
- Furthermore, Liberty emerges as best comparable company for UPC with regards to business fit and overall comparability based on our scoring model (presented on p. 17) as well as congruency with regards to the underlying growth and margin profile.

Appendix
Transaction multiples

Transaction multiples UPC

Transaction Details						Selected Multiples[1]		
Buyer	Target	Country	Closing	Implied Enterprise Value (CHF)	Stake Acquired	EV / Revenue	EV / EBITDA	EV / OpFCF
Vodafone	Unitymedia	Germany	2019	21,903	100%	6.29x	11.2x	20.0x
Tele2 AB (publ)	Com Hem Holding AB (publ)	Sweden	2018	4,328	100%	5.08x	12.7x	19.8x
Telia Company AB (publ)	Get ASA/TDC Norway AS	Norway	2018	2,581	100%	5.25x	12.4x	23.9x
T-Mobile Austria GmbH	UPC Austria GmbH	Austria	2018	2,228	100%	n.a.	10.0x	14.6x
Euskaltel, S.A.	TeleCable de Asturias S.A.U.	Spain	2017	758	100%	5.01x	10.7x	n.a.
Vodafone	VodafoneZiggo (JV)	Netherlands	2016	n.a.	50%	n.a.	8.1x	n.a.
Telenet Group Holding NV	BASE Company NV	Belgium	2016	1,361	100%	1.92x	7.7x	n.m.
BT Group plc	EE Limited	United Kingdom	2016	17,262	100%	1.80x	8.2x	12.8x
Tele Columbus AG	pepcom GmbH	Germany	2015	670	100%	4.81x	10.6x	n.a.
Euskaltel, S.A.	R Cable y Telecomunicaciones Galicia, S.A.	Spain	2015	1,298	100%	5.00x	n.a.	n.a.
Tele Columbus AG	PrimaCom Holding GmbH	Germany	2015	740	100%	5.39x	12.9x	19.3x
Orange S.A.	Orange Spain, Limited	United Kingdom	2015	4,606	100%	3.39x	20.0x	n.m.
Average (since 2015)						4.39x	11.3x	18.4x
Median (since 2015)						5.00x	10.7x	19.6x

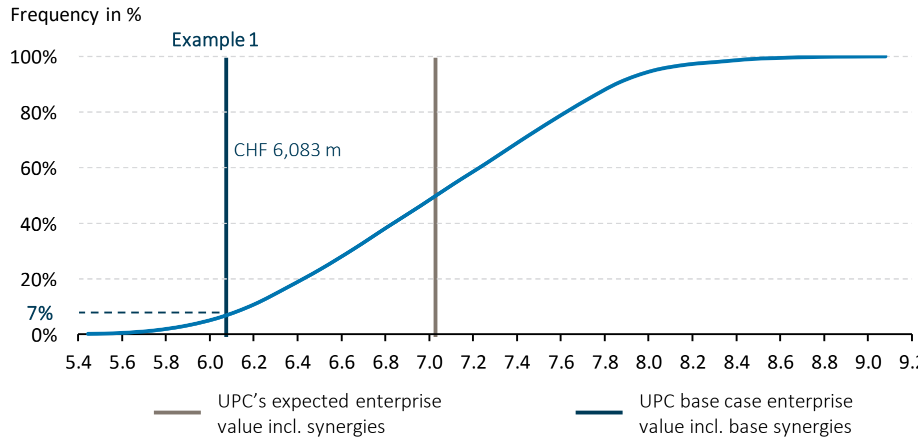
Note: [1] Presented EBITDA multiples are based on S&P Capital IQ data (excl. T-Mobile/UPC Austria and VodafongeZiggo (JV)).
Source: ValueTrust analysis, Copyright © 2019, S&P Global Market Intelligence (and its affiliates, as applicable).

Appendix
Synergies: Simulation analysis – illustrative example

Illustrative description of simulation results

- **Example 1**: There is a 7% probability that the expected simulation result is below CHF 6,083 m. For a simulation result of CHF 6,083 m, an infinite number of potential combinations of simulated parameters could occur. One potential combination of simulated parameters, among many, could be:
  - The run-rate of CAPEX synergies decreases by 57% compared to the base value
  - The run-rate of OPEX synergies decreases by 62% compared to the base value
  - The run-rate of COGS synergies decreases by 60% compared to the base value
  - The run-rate of revenue synergies decreases compared to the base value
  - The number of Basic TV subscribers decreases by 47% compared to the base value
  - The number of Enhanced TV subscribers increases by 2% compared to the base value
  - The number of mobile subscribers decreases by 16% compared to the base value
  - OPEX increase from 2021 onwards
  - The sustainable growth rate decreases by 50% compared to the base value

Cumulative probability distribution of simulation results



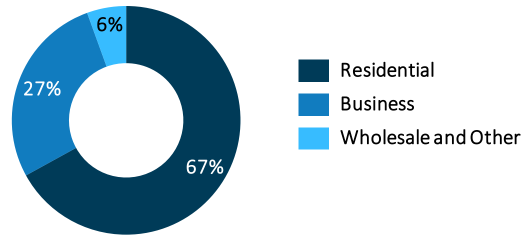
Source: ValueTrust analysis.

Appendix
Peer group

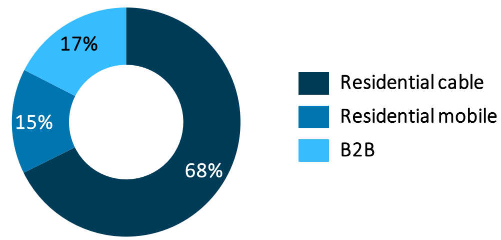
Company description

- **Euskaltel, S.A.** renders, manages, installs, operates, markets, and sells telecommunications networks and services in the north of Spain.
- The company offers fixed line and mobile telecommunication services, broadband access, and pay-TV, as well as other added-value services through its fiber optic network and the virtual mobile operator agreements to residential customers.
- The company was incorporated in 1995 and is headquartered in Derio, Spain.

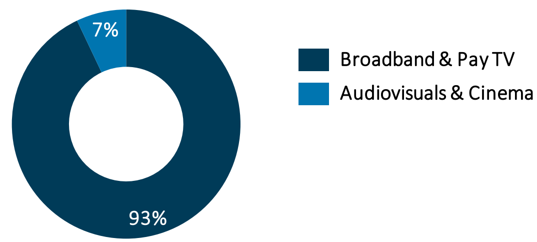
Revenue segmentation



- **Liberty Global plc,** an international television and broadband company, provides video, broadband internet, fixed line telephony, mobile, and other communications services to residential customers and businesses in Europe.
- The company has consolidated operations in 10 European countries serving 21.2 million customers (2018) under several brands.
- Liberty Global is based in Denver, USA.



- **NOS, S.G.P.S., S.A.** offers integrated telecommunications services worldwide, operating through the segments Telco and Audiovisuals.
- The company offers fixed and mobile solutions, internet, voice, and data for residential, personal, business, and wholesale markets, as well as pay-TV, broadband, cinema distribution and exhibition services.
- The company also engages in the commercialization of cable TV content, movie exhibition and advertising.
- NOS was founded in 1999 and is headquartered in Lisbon, Portugal.

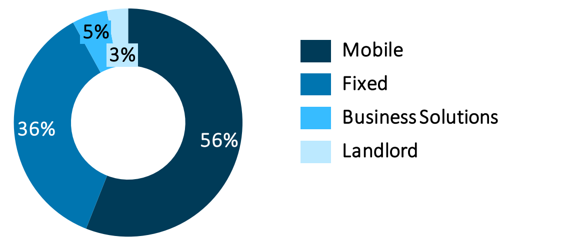


Appendix
Peer group

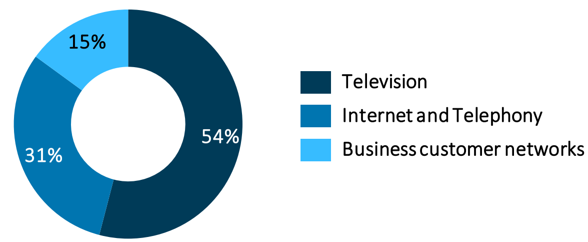
Company description

- **Tele2 AB**, a telecom operator, provides telecommunication services for residential and business customers.
- The company offers mobile voice telephony, handset data, messaging, and value-added services as well as mobile broadband service, fixed voice and broadband, TV, fixed and mobile telephony services.
- In 2018, Tele2 acquired Com Hem Holding, a communications company providing digital TV, fixed telephony and broadband services.
- Tele2 was founded in 1993 and is headquartered in Stockholm, Sweden.

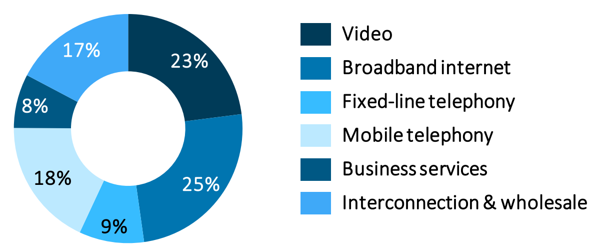
Revenue segmentation



- **Tele Columbus AG** operates broadband cable networks in Germany.
- The company operates through two segments: TV, and Internet and Telephony. The TV segment offers analogue, digital TV and radio services as well as premium TV packages that comprise approx. 75 additional digital TV programs. The Internet and Telephony segment provides bundle internet and telephony services as well as mobile telephony services.
- Tele Columbus was founded in 1972 and is headquartered in Berlin, Germany.



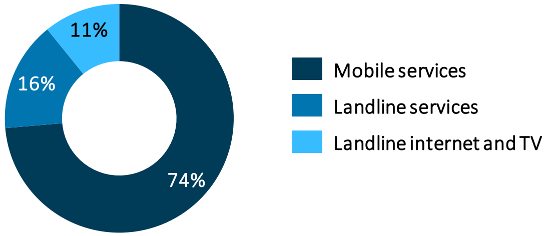
- **Telenet Group Holding NV** provides basic and enhanced video services to residential and business customers in Belgium, incl. basic cable television services.
- The company also offers broadband internet services, fixed line and mobile telephony voice and data services as well as interconnection services, value-added services (such as hosting and cloud services).
- Telenet was founded in 1996, is headquartered in Woluwe-Saint-Lambert, Belgium, and a subsidiary of Liberty Global.



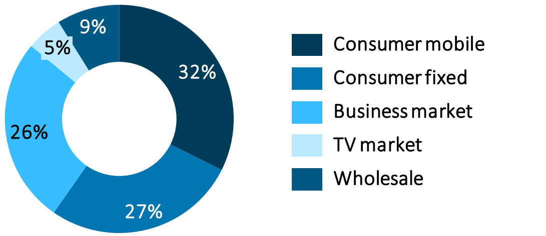
Appendix
Peer group

Company description	Revenue segmentation

- **Sunrise Communications Group AG** provides telecommunications services to consumer and business customers as well as other carriers in Switzerland.
- The company offers mobile voice and data on postpaid and prepaid basis, landline voice and internet, as well as internet protocol television services, system integration and managed services; and voice hubbing services based on the landline network.
- The company is headquartered in Opfikon, Switzerland, and was established in 2015 as holding company for the existing structure (e.g. Sunrise Communications AG) in the IPO of Sunrise Communications Group AG.



- **Swisscom AG** is the incumbent Swiss market leader for mobile telecommunications, fixed line telephony and television.
- The company also occupies a leading market position in a wide range of IT business segments and network services.
- The subsidiary Fastweb is a leading alternative provider for both retail and business customers in the Italian fixed line market.
- Swisscom was founded in 1998 and is headquartered in Bern, Switzerland.



Appendix
Macroeconomic outlook

Percentage change in real gross domestic product (GDP)

- On a worldwide perspective, GDP growth peaked in 2017 with a growth rate of 3.8%. For 2023 an increase of 3.6% is expected.
- In the Euro area, the economy recovered significantly following the effects of the European sovereign debt crisis in 2012. GDP showed a real growth of 2.4% in 2017 and is expected to grow by 1.4% in 2023. This slowdown is partly due to the after-effects of the European sovereign debt crisis and the unfavorable demographic development in Euro states.
- Switzerland showed stable GDP growth rates between 1.3% and 1.7% in the period between 2015 and 2017. For 2023 a GDP growth of 1.6% is expected.

Percentage change in the consumer price index (CPI) (Inflation)

- Worldwide, prices increased by 3.2% in 2017. In 2015 and 2016 inflation rates remained stable, amounting to 2.8%. For 2023 a worldwide inflation rate of 3.4% is expected.
- Due to the current accommodative fiscal policy of the European Central Bank, prices increased by 1.5% in the Euro area in 2017. The International Monetary Fund expects an inflation rate of 1.9% in the Euro area in 2023.
- Prices within Switzerland rose by 0.5% in 2017 and are expected to increase by 1.0% in 2023.

Percentage change in real gross domestic product

				Estimates		
	2015	2016	2017	2018	[...]	2023
World	3.4	3.4	3.8	3.6	[...]	3.6
Euro area	2.1	2.0	2.4	1.8	[...]	1.4
Switzerland	1.3	1.6	1.7	2.5	[...]	1.6

Percentage change in consumer price index

				Estimates		
	2015	2016	2017	2018	[...]	2023
World	2.8	2.8	3.2	3.6	[...]	3.4
Euro area	0.2	0.2	1.5	1.8	[...]	1.9
Switzerland	-1.1	-0.4	0.5	0.9	[...]	1.0

Taking into account

i. current and future market trends as outlined before, such as the overall saturation of the fixed line market, e.g. growing competition especially from OTT platforms in the television segment as well as the sharp decline in fixed telephony,

ii. the overall macroeconomic outlook,

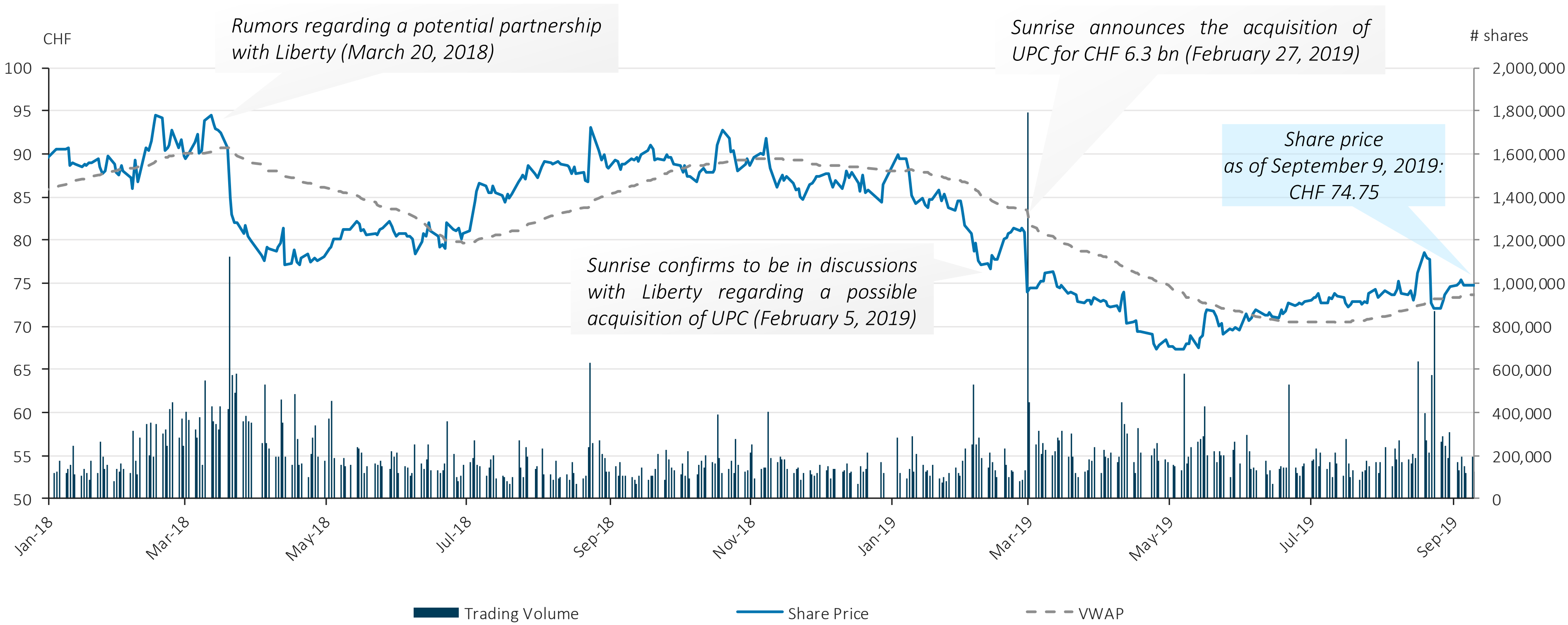
iii. and the sustainable revenue distribution of the business units of UPC

a conservative, growth rate of 0.3% was determined to be appropriate for UPC.

Source: International Monetary Fund, World Economic Outlook, April 2019.

Appendix
Sunrise share price analysis

Sunrise's share price development since 2018



After Sunrise announced the intention to acquire UPC for CHF 6.3 bn on February 27, 2019, the share price declined by approx. 8.5%.
As of the valuation date, the share price of Sunrise amounts to CHF 74.75, showing an upwards trend over the last four months.

Source: ValueTrust analysis, Copyright © 2019, S&P Global Market Intelligence (and its affiliates, as applicable).

Appendix
Glossary

Information basis

- ValueTrust's assessment is based, amongst others, on the following:
  - Publicly available information on Sunrise. This includes the audited annual reports 2016, 2017 and 2018
  - Broker reports from various investment banks
  - Internal information on Sunrise and UPC that was considered relevant for the analysis. This includes:
    - "2019.02.17_Charlie O.M & Synergies_vF" dated February 17, 2019
    - "2019.08.10_Charlie O.M - Financing model & Synergies_vF (unlinked)" dated August 10, 2019
    - "2019.02.27_Pjt Panda_Board materials" dated February 27, 2019
    - "2019.08.07_revised BP synergies" dated August 7, 2019
    - "Project Panda - Draft Report 20190220 2200 (clean)" dated February 20, 2019
    - "Panda - Industry Overview_25286936_6_0" received on August 2, 2019
    - "2019.03.04_Charlie O.M. - Financing model & Synergies_vF (unlinked)" dated March 4, 2019, received on August 4, 2019
    - "20190222 Panda C-DD Report vF") dated February 22, 2019, received on August 7, 2019
    - "BusinessCase_FVO_Access_2019-08-08" dated August 8, 2019
    - "2019.01.31_Pjt Panda_Board (Charlie Group Bond portfolio)" dated January 31, 2019, received on August 29, 2019
- The information and considerations contained in this document relate to the date of preparation of this document and may therefore be subject to change.

Appendix
List of abbreviations

%	Percentage
Ø	Average
5G	Fifth generation
AG	Aktiengesellschaft (Stock corporation)
Approx.	approximately
ARPU	Average revenue per user
B2B	Business-to-Business
bn	Billion
BoD	Board of Directors
c./ca.	Circa
CAGR	Compound annual growth rate
CAPEX	Capital expenditure
CAPM	Capital asset pricing model
CHF	Swiss Franc
CMTS	Cable modem termination system
cont'd	Continued
CPI	Customer price index
D&A	Depreciation and amortization
DACH	Germany, Austria and Switzerland
DCF	Discounted cash flow
DPS	Dividend per share
e.g.	For example
EBIT	Earnings before interest and taxes
EBITDA	Earnings before interest, taxes, depreciation and amortization
ECM	Equity capital markets
EGM	Extraordinary General Meeting
EoP	End of Period
EPS	Earnings per share
EqFCF	Free cash flow to equity
EU	European Union
EV	Enterprise Value
FCF	Free cash flow
FtD	Flow to debt
FTE	Full time equivalent
FtE	Flow to equity
FttH	Fiber to the home
FY	Fiscal year
GDP	Gross domestic product
HFC	Hybrid fiber coax
HY	Half-year
Incl.	including
ICT	Information and communication technology
IP	Internet protocol
IT	Information technology
JV	Joint venture
KPI	Key performance indicator
LTM	Last twelve months
m	Million
max	Maximum
min	Minimum
M&A	Mergers and acquisitions
MRP	Market risk premium
MNO	Mobile network operator

Appendix
List of abbreviations (cont'd)

MVNO	Mobile virtual network operator
newco	New company
NOPLAT	Net operating profit less adjusted taxes
NOSH	Number of shares outstanding
NPS	Net promoter score
NPV	Net present value
NWC	Net working capital
OECD	Organisation for Economic Co-operation and Development
OPEX	Operating expenses
OpFCF	Operating free cash flow
OTT	Over-the-top content
p.	Page
p.a.	Per annum
pp	Percentage point
P&L	Profit and loss statement
RGU	Revenue Generating Unit
SD	Standard deviation
SFA	Securities and Futures Authority
TOB	Swiss Takeover Board
T&I	Technology and Innovation
TSA	Transition Service Agreement
TV	Terminal Value
US	United States
VoIP	Voice over internet protocol
VWAP	Volume weighted average price
WACC	Weighted average cost of capital
y-o-y	Year-on-year
YTD	Year to date

General terms and conditions of engagement (1/4)

GENERAL TERMS AND CONDITIONS

OF

ENGAGEMENT

The following general terms and conditions (**"TERMS AND CONDITIONS"**) set out the provisions, under which ValueTrust is engaged by the Client (**"ENGAGEMENT"**) and apply to any engagement, including but not limited to advice, information, explanations and services to be provided by ValueTrust in oral or written form, including any form of reports, opinions or models (each a **"DELIVERABLE"** or together the **"DELIVERABLES"**) in the respective scope as defined by the individual engagement letter between ValueTrust and the Client (**"ENGAGEMENT LETTER"**). Capitalized terms used in these TERMS AND CONDITIONS but not defined herein have the meanings ascribed thereto in the ENGAGEMENT LETTER to which these TERMS AND CONDITIONS are attached (ENGAGEMENT LETTER and TERMS AND CONDITIONS together the **"AGREEMENT"**).

1. Fees / Invoices

1.1 Payment: The invoices of ValueTrust are payable upon receipt. If payment of any invoice is not received within forty-five (45) calendar days of the invoice date, ValueTrust is entitled – without prejudice to any other rights that ValueTrust may have – to suspend provision of the DELIVERABLES until all sums due are paid in full.

1.2 Interest: If any amounts payable hereunder are not paid within thirty (30) calendar days when due, such amounts shall accrue interest at a rate of 9 percentage points (*Prozentpunkte*) above the from time to time prevailing minimum interest rate (*Basiszinssatz*) within the meaning of Sections 288 and 247 German Civil Code (*Bürgerliches Gesetzbuch*). The right to claim higher damages shall be reserved.

2. Co-Operation and Scope of Rendered Services

2.1 Scope of work: **All DELIVERABLES rendered by ValueTrust are inherently subjective in nature. ValueTrust points out that other professionals or individuals reviewing the same information can reach different conclusions. This particularly applies to the provision of reports, opinions and/or models of any kind. An ENGAGEMENT does not imply that a report, opinion and/or model provide the result as expected by the Client and does not consider whether a specific result may be beneficial and/or otherwise favorable by the Client.**

2.2 Decision Process on Client Side: The ultimate decision regarding all further steps based on the DELIVERABLES must be made by the Client and will need to take into account factors unrelated to Deliverables provided by and/or unknown to ValueTrust. The DELIVERABLES may specifically set forth additional limitations. To the extent that any of the assumptions or any of the facts on which the DELIVERABLES are based prove to be untrue in any respect – the DELIVERABLES should not be relied upon. Particularly in case the DELIVERABLES assume certain future factors / events to happen, the Client acknowledges that there will usually be differences between estimated and actual results because events and circumstances frequently do not occur as expected, and such differences can be material for the Client.

2.3 Drafts: Any and all DELIVERABLES, whether oral or written, provided to the Client are non-binding and drafts only and may not be relied upon, irrespective of whether a labelling as 'draft' was explicitly made, solely except those DELIVERABLES that are signed and/or otherwise labelled as 'final'.

2.4 Internal Usage Only: Any DELIVERABLES, irrespective of whether final or draft, provided by ValueTrust are solely provided for the Client's internal usage only irrespective of whether a labelling as such was explicitly made. Any DELIVERABLE shall only be made available to third parties (including but not limited to any target company) (i) with the prior written consent of ValueTrust and (ii) upon the execution of a release letter (to be supplied by ValueTrust) prior to such disclosure.

2.5 Usage for limited Purpose only: In case ValueTrust is engaged to provide an opinion for (i) assisting the Client in assessing the company value of a target company and in determining the appropriate compensation payment in the role of a financial advisor to the Client with respect to the preparation of a domination AGREEMENT according to section 293 of the German Stock Corporation Act (*Aktiengesetz*) after a public takeover or (ii) assisting the Client in assessing the company value of a target company and in determining the appropriate compensation payment in the role of a financial advisor to the Client with respect to the request of a squeeze-out according to section 327a of the German Stock Corporation Act or (iii) assisting the Client in assessing the company value of a target company and in determining the appropriate compensation payment in the role of a financial advisor to the Client with respect to a squeeze-out in connection with measures according to the German Transformation Act (*Umwandlungsgesetz*) or (iv) a merger (*Verschmelzung*) according to the German Transformation Act, such opinion will not address any related transactions, will not address the prices at which a company's common stock may trade following the consummation of the contemplated transaction, and will not constitute a recommendation as to how the Client or any stockholder should vote or act with respect to any matters relating to the contemplated transaction or any related transactions.

2.6 Determination of Price: In case ValueTrust`s DELIVERABLES include the determination of the price that may be paid and/or accepted in an acquisition, such determination will require consideration of factors beyond the information ValueTrust will review or provide. Hence, ValueTrust does not consider or make any such determination. The price at which an actual transaction might be concluded will depend upon the specific circumstances of the transaction and the knowledge and motivations of the respective buyers and sellers at the time the final terms of the transaction are negotiated. The DELIVERABLES of ValueTrust shall not constitute any advice or any opinion in this respect.

2.7 No Third Party Responsibility: **ValueTrust assumes no responsibility whatsoever to any party other than the Client to which any DELIVERABLE is disclosed or otherwise made available.**

2.8 Duties of Client: The preparation of the DELIVERABLES is dependent upon the Client and/or target company providing ValueTrust with accurate and timely information and assistance. The Client shall use best professional practice, skill, care and attention to ensure that any and all information ValueTrust may request is provided on a timely basis, free of charge, and any and all information provided is accurate and complete.

The Client shall notify ValueTrust if it subsequently learns that the provided information is incorrect or incomplete or should otherwise not be relied upon.

2.9 Consequences Duties Client: If and to the extent ValueTrust is not supplied with accurate and timely information and assistance this may (i) delay completion of the DELIVERABLES and (ii) increase fees if the delay and/or inaccurate information leads to additionally required work on side of ValueTrust. The price increase shall be borne by the Client applying the agreed hourly rates.

In rendering the DELIVERABLES, ValueTrust will not verify and therefore assumes no responsibility for the accuracy or completeness of any information, data, advice, opinions or representations, whether obtained by or on behalf of the Client and / or any involved target company or from public or private sources. ValueTrust will solely perform a general plausibility check of the sources where information is obtained from by ValueTrust.

2.10 No Inspection by ValueTrust. The DELIVERABLES will be based solely upon the information provided by the Client and/or at the instigation of the Client. ValueTrust will not (i) evaluate, appraise or physically inspect any company's solvency or of any company's specific assets or liabilities (contingent or otherwise), (ii) investigate any legal matters or (iii) consider any

General terms and conditions of engagement (2/4)

circumstances outside of the scope of ENGAGEMENT.

The DELIVERABLES will be based upon ValueTrust's assessment of general economic, financial, and market conditions as they existed and were evaluated by ValueTrust as of the date of the DELIVERABLES.

2.11 No financial agent / broker: ValueTrust will not act as financial agent or broker to any person. ValueTrust will not solicit the purchase or sale of any securities.

3. Work Product and Subsequent Events

3.1 Draft Report: In case our DELIVERABLES include the preparation of any form of report, ValueTrust will - at the conclusion of the ENGAGEMENT - first prepare a draft report detailing the valuation procedures and the results of the work. The draft report may include a narrative description of the methodologies used to estimate the valuation analysis. Prior to the finalization of the report, ValueTrust may confirm facts with the Client and/or the target company in the form of a management representation letter. Once Value Trust has received comments on the draft report, ValueTrust may issue a final report bearing the signature of ValueTrust.

3.2 Final DELIVERABLES: The scope of ValueTrust`s final DELIVERABLES will be limited to the scope as described in the ENGAGEMENT LETTER as well as by these TERMS AND CONDITIONS.

3.3 No Solvency or Fairness Opinion: None of the DELIVERABLES shall constitute a solvency opinion or fairness opinion, except where explicitly agreed by ValueTrust in the ENGAGEMENT LETTER.

3.4 Ownership: ValueTrust grants to Client an exclusive, worldwide and unlimited license to use the final DELIVERABLES of ValueTrust resulting from this ENGAGEMENT.. This is without prejudice to ValueTrust retaining any and all rights, particularly intellectual property rights, know-how and property (including, without limitation, any hardware or software) in connection with the ENGAGEMENT, which ValueTrust generally utilizes for ValueTrust's engagements. Such property shall remain the property of ValueTrust, and the Client shall not acquire any right or interest in such property or in any partially completed DELIVERABLES. ValueTrust shall grant to Client a non-exclusive license to use such property if, to the extent and as long as needed for the utilization of the final DELIVERABLES by Client. ValueTrust shall have ownership (including, without limitation, copyright ownership) and all rights to use and disclose its ideas, concepts, know-how, methods, techniques, processes and skills, and adaptations thereof in conducting its business (collectively "**Know-How**") regardless of whether such Know-How is incorporated in any way in the final DELIVERABLES.

3.5 No-Update: ValueTrust has no responsibility to update any of its DELIVERABLES, analysis or other documents relating to the ENGAGEMENT for any events or circumstances occurring subsequent to the date of such DELIVERABLES, analysis or other documents. Any such subsequent consultation or work shall be subject to arrangements and fees at the then applicable rates of ValueTrust upon a separate engagement to be negotiated.

3.6 Amendment: The Client may request changes to the services rendered by ValueTrust. ValueTrust shall work with the Client to consider and, if appropriate, to vary any aspect of the ENGAGEMENT, subject to payment of reasonable additional fees and a reasonable additional time to provide any additional services. Any variation to the ENGAGEMENT, including any variation to fees, services, or time for performance of the services, shall be set forth in an addendum to the ENGAGEMENT.

4. Use of DELIVERABLES and References

4.1 Benefit / Purpose / Third Party Responsibility: Any DELIVERABLE provided by ValueTrust under this AGREEMENT is solely for the benefit and information of the Client and may not be used for any other purpose without the prior written consent of ValueTrust. In particular, the Client may not modify, copy, transfer, or otherwise distribute any DELIVERABLE, particularly report, opinion or model in any way which suggests that it has been developed by, is approved by, or is endorsed by ValueTrust. ValueTrust assumes no responsibility in any event to any third party to which any DELIVERABLE is disclosed or otherwise made available. This means, any DELIVERABLE provided by ValueTrust is solely provided for the Client's internal use and may only be made available to third parties (including any target company) (i) with the prior written consent of ValueTrust and (ii) upon the execution of a release letter (to be supplied by ValueTrust, see Clause 2.4 above) with such third party.

4.2 References: Notwithstanding Clause 2.4 the Client shall be eligible to disclose the DELIVERABLES if such specific disclosure is required to be executed by the managing board and / or supervisory board of the Client under applicable mandatory laws. In this case, the DELIVERABLES shall be published only in their entirety, including in particular the terms regarding the liability of ValueTrust and its scope of services. The same applies in case that any other document required by law or regulations makes such reference. In any case, the DELIVERABLES disclosed shall be explicitly marked with the reference that (i) these were written for internal use only and (ii) ValueTrust does not accept a responsibility regarding the DELIVERABLES towards any third party other than the Client, whereas the wording of such reference shall be used which is stipulated by ValueTrust in writing. The Client shall inform ValueTrust prior to any such disclosure that such disclosure will be done including all relevant details of the disclosure and including the form in which the stipulations of this paragraph are provided for.

4.3 Quotes: Except as described above and / or required by mandatory law, the DELIVERABLES may not be quoted from, provided as such, or referred to – in whole or in part – in any written document or used for any other purpose, without the prior written consent of ValueTrust. DELIVERABLES may not be provided to the Client's independent auditors without ValueTrust's prior written consent except where DELIVERABLES were explicitly provided to the Client to be disclosed to auditors.

5. Termination

5.1 Material Breach: Either party may terminate the AGREEMENT at any time, by written termination notice, in the event that (i) a filing for the opening of an insolvency proceeding regarding the other party was filed for, or (ii) the other party has otherwise given material reason (*wichtiger Grund*) to do so.

5.2 Consequences of material breach: Upon termination of the AGREEMENT (i) ValueTrust will no longer be obligated to render any further services, and the Client will only be liable for paying ValueTrust for its professional time in excess of the retainer and reimbursing ValueTrust for expenses incurred through the date of termination, and (ii) each party shall, upon written request from the other party, either return all documents of the other party that are in its possession or – in case of not readily, i.e. only with disproportional efforts, returnable documents – confirm their destruction / deletion (except that ValueTrust shall be entitled to retain one copy of such documents in order to maintain a professional record of its involvement in the ENGAGEMENT, subject to its continuing confidentiality obligations under the AGREEMENT).

5.3 Survival: Clauses 1, 2, 3, 4, 6, 7, 8, 9, and 15 of the TERMS AND CONDITIONS shall survive any termination or expiration, for whatever legal reason, of the AGREEMENT.

6. Coordination and Legal Matters

Other Advice: For ValueTrust to be effective, it will need the cooperation of the Client and its other advisors. ValueTrust may rely upon the fact that the Client has been advised by legal and tax counsels and by auditors as to legal, tax and auditing matters and may further rely on any advice given to the Client by such counsel. ValueTrust will not make, and assumes no responsibility to make, any representation, or render any opinion, as to any legal, tax or auditing matter.

General terms and conditions of engagement (3/4)

7. Confidentiality and Marketing

7.1 Non-Disclosure: The Client shall not disclose to any third party without the prior written consent of ValueTrust any information which is received from ValueTrust, particularly information which is provided for the purposes of preparing or receiving the DELIVERABLES and/or the DELIVERABLES themselves (**"CONFIDENTIAL INFORMATION"**), irrespective of whether such information (i) – if disclosed in taconfidentialngible form – is marked confidential, or (ii) – if disclosed otherwise – is confirmed in writing as being confidential, or (iii) – if disclosed in tangible form or otherwise – are manifestly confidential.

7.2 Non-Confidentiality: These restrictions will not apply to any information which (i) is or becomes generally available to the public other than as a result of a breach of an obligation by the receiving party, (ii) is acquired from a third party who owes no obligation of confidence with respect to the information, or (iii) is or has been independently developed by the Client.

7.3 Exceptions: Notwithstanding the foregoing, the Client will be entitled to disclose CONFIDENTIAL INFORMATION (i) to its insurers or legal advisors, (ii) to a third party to the extent that this specific information is required by any court of competent jurisdiction, by a governmental or regulatory authority and/or based on mandatory legal obligation, duty or requirement for disclosure –, provided that prior written notice is first given to ValueTrust and section 4 above is complied with.

7.4 Marketing: ValueTrust has the right to place advertisements in financial and other newspapers and journals at its own expense describing its services to the Client hereunder, or to describe such services in ValueTrust's marketing and promotional materials, upon the conclusion of the ENGAGEMENT.

8. Defects

8.1 Defects: In case of defects (*Mängel*) or delay (*Verzug*) of the provision of the DELIVERABLES, the Client shall first be required to set a reasonable notice period to demand subsequent performance (*Nacherfüllung*), except in cases of delay where a fixed delivery time was explicitly agreed. If (i) subsequent performance fails or (ii) further subsequent performance is unreasonable for the Client or (iii) ValueTrust refuses subsequent performance, the Client is entitled to reduce the price (*Minderung*) or to terminate the AGREEMENT and/or to claim damages pursuant to the conditions set forth in clause 9.

8.2 Exercise: The Client shall assert any defect of the DELIVERABLES without undue delay (*unverzüglich*) in writing.

8.3 Statutes of Limitation: The agreed statutory warranty period (*Gewährleistungsfrist*), including any claims according to Clause 8.1 and 8.2, lapses one (1) year following delivery of the DELIVERABLES or, where an approval by the Client is required, following the approval. This statute of limitation does not apply on claims for damages based on (i) the violation of life, body or health or (ii) grossly negligent or intentional breaches of duties of ValueTrust or its vicarious agents (*Erfüllungsgehilfen*), which are time-barred according to statutory provisions.

9. Limitation of Liability and Statutes of Limitation

9.1 Limitation: The liability of ValueTrust for claims for damages, irrespective of its legal basis, particularly based on impossibility of fulfilment, delay, defects, breach of duties in any respect, including breach of duties pre-contractually and/or based on tort, is, as far as such claims are based on simple negligent actions (*leicht fahrlässige Handlungen*), limited according to this Clause 9.

9.2 Negligence: ValueTrust is not liable in cases of simple negligent actions (*leicht fahrlässige Handlungen*) of any of its representatives, bodies, statutory representatives, employees or otherwise persons acting for or on behalf of ValueTrust, except where the liability concerns a breach of fundamental contractual duties (*wesentliche Vertragspflichten*). Fundamental contractual duties particularly are (i) the duty to deliver in-time the DELIVERABLES, (ii) the absence of such defects, which impair the DELIVERABLES usage or function more than insignificantly, (iii) such advisory, protective, custodial and duty of care obligations, which are intended to enable the Client to make use of the DELIVERABLES in a way as agreed or to protect lives and health of the Client's personnel or of its property against major damages.

9.3 Damages: As far as ValueTrust is liable according to Clauses 9.1 and 9.2, such liability is limited to the typical, foreseeable losses (*vertragstypischen, vorhersehbaren Schäden*). Indirect damages are and consequential damages as result of defects shall be excluded as far as such damages are not typically to be expected by the intended purpose (*bestimmungsgemäße Verwendung*) of the DELIVERABLES.

9.4 Insurance: In cases of simple negligence (*einfache Fahrlässigkeit*), the obligation to indemnify for damages and resulting loss of profits is limited to an aggregate maximum amount of EUR 1 Mio. per case of damage, even if the claims are based on a breach of fundamental contractual duties, which is the amount covered by ValueTrust's liability insurance. In case of risks of higher losses, the Client shall notify ValueTrust about such risk, in which case a specific insurance may be obtainable.

9.5 Employees: If and to the extent the liability is excluded or limited under this Clause 9, this shall also be valid for the personal liability of the directors, officers, employees, (statutory / vicarious) agents, shareholders, or controlling persons of ValueTrust (**"EMPLOYEES"**).

9.6 Indemnification: The Client indemnifies ValueTrust against any third party claim brought against ValueTrust in respect of any injury, damage or loss caused by the Client's or a third party's use or application – without the explicit written approval of ValueTrust – of the DELIVERABLES, regardless of whether any such third party claim is brought against ValueTrust based on contract, tort, negligence or otherwise.

9.7 Descriptions: Any statements made by ValueTrust with respect to performance within the provision of the services of ValueTrust shall serve as a description only and shall not constitute any guarantees, warranties or any agreed specifications or quality.

10. Subcontracting

10.1 Subcontracting: To minimize costs and expenses while also maintaining an efficient work process, ValueTrust may draw on the additional expertise of third parties in carrying out the ENGAGEMENT, which may especially include the involvement of and subcontracting with independent auditing companies (**"SUBCONTRACTORS"**). However, as stipulated by Clause 6, ValueTrust does not perform any legal, tax or auditing matters.

10.2 Disclosure: ValueTrust will be allowed to disclose to any SUBCONTRACTOR any information and documents that are provided by either side provided that the SUBCONTRACTOR agrees to comply with confidentiality provisions applicable for the respective ENGAGEMENT.

10.3 DELIVERABLES: The SUBCONTRACTOR may be named in the DELIVERABLES, sign the Report (or portions thereof), and / or make use of the rights under Clause 7.4.

10.4 Cross Reference: Any SUBCONTRACTOR customarily needs to receive similar access to, and base similar reliance in certain provided information as well as documents and supplies (within the scope of the subcontract) essentially the same services as ValueTrust. Hence, Clauses 2 through 4, 6 through 9, and 13 and 16 shall apply *mutatis mutandis* to any SUBCONTRACTOR.

11. Potential Conflicts

Conflicts: ValueTrust undertakes a customary and in light of the ENGAGEMENT reasonable review of its records to determine ValueTrust's professional relationship with the Client and/or the target company, and other parties of interest to potentially identified relevant relationships that would preclude it from accepting the ENGAGEMENT.

General terms and conditions of engagement (4/4)

12. **Corporate Obligation**

12.1 Corporate Obligation: The obligations of ValueTrust are solely corporate obligations. None of its EMPLOYEES will individually be subject to any liability to the Client or anyone else, and the Client will not assert any such claim unless otherwise provided for by mandatory law.

12.2 Cross Reference: Clause 9.6 shall apply *mutatis mutandis* in case of third party claims being asserted against EMPLOYEES.

13. **Electronic Communications**

During the performance of the ENGAGEMENT, ValueTrust may communicate with the Client (and with others for the purpose of the ENGAGEMENT), electronically. The Client accepts that the electronic transmission of information cannot be guaranteed to be secure or free from error and it remains your responsibility to carry out virus checks of any attachments before launching any document (howsoever received). ValueTrust shall not have any liability to the Client on any basis, whether in contract, tort (including negligence) or otherwise in respect of any error or omission arising from or in connection with the electronic communication of information to the Client.

14. **Other Services**

Other Services: In connection with ValueTrust's ENGAGEMENT by the Client, ValueTrust may also be engaged to act for the Client in one or more additional capacities, and the terms of any such additional ENGAGEMENT may be embodied in one or more separate written letters or AGREEMENTS.

15. **Final Terms and Provisions**

15.1 Entire AGREEMENT: The ENGAGEMENT LETTER including the TERMS AND CONDITIONS constitutes the entire AGREEMENT between the Parties hereto regarding the subject matter hereof and supersedes any prior AGREEMENT(S) (whether written or oral) between the parties regarding the subject matter hereof. The ENGAGEMENT LETTER may be executed in any number of counterparts each of which shall be an original, but all of which together shall constitute one and the same instrument.

15.2 Written Form: Changes, additions, or the termination of the AGREEMENT as well as the waiver of any claims arising under the AGREEMENT shall be made in writing in order to be effective. This shall also apply to this written-form clause.

15.3 Governing Law: This AGREEMENT between ValueTrust and the Client and any and all aspects thereof shall be governed by and interpreted in accordance with the laws of the Federal Republic of Germany, excluding (i) the principles of conflicts of laws and (ii) the UN-Convention on Contracts for the International Sale of Goods (CISG).

15.4 Munich (Landgericht München I) shall be the exclusive place of jurisdiction for all disputes arising out of or in connection with this AGREEMENT.

15.5 Partial Invalidity: If any provisions of this AGREEMENT should be or become partly or wholly invalid or unenforceable, the validity and enforceability of the remaining provisions hereof shall remain unaffected thereby. The parties shall replace any invalid or unenforceable provision by such a legally valid or enforceable arrangement which comes as close as possible to the commercial intent and purpose of the invalid or unenforceable provision. The same shall apply *mutatis mutandis* in case of any contractual gap.

Disclaimer
S&P Global Market Intelligence

“Reproduction of any information, data or material, including ratings (“Content”) in any form is prohibited except with the prior written permission of the relevant party. Such party, its affiliates and suppliers (“Content Providers”) do not guarantee the accuracy, adequacy, completeness, timeliness or availability of any Content and are not responsible for any errors or omissions (negligent or otherwise), regardless of the cause, or for the results obtained from the use of such Content. In no event shall Content Providers be liable for any damages, costs, expenses, legal fees, or losses (including lost income or lost profit and opportunity costs) in connection with any use of the Content. A reference to a particular investment or security, a rating or any observation concerning an investment that is part of the Content is not a recommendation to buy, sell or hold such investment or security, does not address the suitability of an investment or security and should not be relied on as investment advice. Credit ratings are statements of opinions and are not statements of fact.”

ValueTrust

Follow us: