

Sunrise

Extraordinary General Meeting 2019

Invitation for the Shareholders of Sunrise Communications Group AG

Wednesday, October 23, 2019, 10:30 a.m. (Admission from 09:30 a.m.)
Hallenstadion Zürich, Wallisellenstrasse 45, 8050 Zurich



Overview

Agenda Item and Proposal of the Board of Directors

- 1 Ordinary Capital Increase**

Agenda Items and Proposals of the Shareholder Axxion S.A.

- 2 Dismissal of the Chairman of the Board of Directors as Member and Chairman of the Board of Directors**
- 3 Dismissal of Members of the Board of Directors**

Message to Shareholders

Dear Shareholders,

On February 27, 2019, Sunrise announced that it had signed a binding agreement to acquire Swiss cable operator UPC Switzerland, a wholly-owned subsidiary of Liberty Global, for an enterprise value of CHF 6.3 billion.

The transaction has been approved by the Swiss Competition Commission without any conditions or stipulations being imposed, and we are inviting you to an Extraordinary General Meeting to be held on October 23, 2019, to vote on the capital increase required to finance the transaction.

The proposed transaction has a compelling strategic rationale and will improve Sunrise's position as the leading fully-integrated challenger in the Swiss telecommunications market, ultimately creating a stronger and more valuable company. Together with UPC Switzerland, we believe the New Sunrise will be able to leverage its combined infrastructure to offer customers the best broadband internet, TV and telecommunications services in Switzerland at very attractive terms, resulting in market share gains from both consumer and business customers. The contemplated transaction will create a superior next-generation internet, TV and telecommunications company and, we believe, will further fuel competition in the Swiss telecommunications market.

There are five important reasons why we think the acquisition of UPC Switzerland creates substantial long-term value for you as our shareholders.

1 The combination further reinforces Sunrise's leading challenger position in the Swiss telecommunications market

- The combination of Sunrise and UPC Switzerland is intended to successfully create the leading, fully-integrated and even stronger nationwide challenger across all elements of the 4P bundle, including fiber, cable, TV and mobile
- The combined Company is expected to have a broader combined customer base and market share
 - c.3.0m mobile postpaid and prepaid customers, excluding MVNOs (c.27% market share)
 - c.1.2m broadband customers (c.30% market share)
 - c.1.3m TV customers (c.31% market share)
- We believe the enlarged, combined scale will enable Sunrise to continue to drive innovation and investments in new services and pursue growth by providing innovative and competitively priced offers to customers

- The combined Company will continue to provide the superior network quality, leading customer experience and innovative products to the combined customer base, for which Sunrise is widely recognized

2 The transaction creates a superior next generation internet infrastructure company

- Sunrise's acquisition of UPC Switzerland represents a unique strategic opportunity to form one of the best and fastest next-generation digital infrastructures in Switzerland
- Sunrise's world-class 4G/4G+ and 5G mobile networks, attractive frequencies and network and fiber partnerships will be combined with UPC Switzerland's advanced cable network and 18,000km of fibre optic backbone
- By 2021, we expect to be able to cover 90% of Swiss households (excluding vacation homes) with high-speed internet access, including 5G at speeds of up to 1 Gigabit per second on our network, including in rural areas
- We believe the combined entity will further fuel competition in the Swiss telecommunications market and provide a superior customer experience

3 Ability to provide differentiated, fully convergent value proposition to both B2C and B2B customers

- Swiss customers will benefit from the combination of state-of-the-art communications, entertainment and business solutions
- Sunrise customers will benefit from attractive cross-selling bundled offers, including access to the industry-leading video platform and proprietary UPC Switzerland content
- UPC Switzerland customers will benefit from improved Sunrise mobile communications offers, including mobile Internet via 4G/4G+ and 5G at reduced bundle prices
- At the same time, UPC Switzerland's fixed business customers will enhance growth and add scale to Sunrise's rapidly growing and highly complementary B2B business, giving the combined Company the ability to cross-sell converged mobile and fixed products and deliver an exceptional customer experience across the full product range

4 CHF 3.1 billion of demonstrable value creation through clearly identified in-market synergies (post integration costs)

- The in-market combination of Sunrise and UPC Switzerland is expected to generate significant value for shareholders from cost, capital expenditure and revenue synergies
- After six months of detailed integration planning, we expect total annual run rate synergies of CHF 280 million, including CHF 230 million of cost and capital expenditure synergies and CHF 50 million of revenue synergies, to be achieved by 2023
- The total net present value of the synergies ('NPV') is estimated at CHF 3.1 billion after one-off integration costs of CHF 230-250 million
- The Sunrise management team has significant experience and a demonstrable track record of completing large scale transactions and achieving announced synergy targets

5 Progressive dividend policy supported by a prudent capital structure and strong cash flow generation

- Since its IPO, Sunrise has remained committed to a prudent capital structure, a clear deleveraging path and a progressive dividend policy, paid out of tax-free capital reserves, with a guidance of increasing its dividend per share
- The Company expects to maintain a progressive dividend policy following the transaction, continuing to make Sunrise one of the most attractive dividend yield stocks in the Swiss market
- We believe the combined Company will have a prudent capital structure, with a clear deleveraging path supported by synergies and strong cash flow conversion underpinning its progressive dividend policy

In summary, the Board of Directors and management team of Sunrise believe that the combination with UPC Switzerland represents a highly compelling strategic opportunity that is in the best interest of all shareholders. We expect that the combination will create a stronger and more valuable Sunrise, further reinforcing our ability to deliver continued strong operational and financial performance and shareholder value creation going forward.

For detailed information regarding the planned acquisition as well as for further up-to-date information and news, please see the shareholder information document which is available on the Company's website www.sunrise.ch/egm.



Peter Kurer
Chairman of the Board



Olaf Swantee
Chief Executive Officer

Agenda Item and Proposal of the Board of Directors

1 Ordinary Capital Increase

Proposal: The Board of Directors proposes an ordinary capital increase for the purpose of partially financing the planned acquisition of Liberty Global Europe Financing B.V.

The proposed capital increase shall be conducted by way of a rights offering to existing shareholders and pursuant to the following conditions:

1. Increase of share capital in an amount yet to be determined, but not exceeding a maximum amount of CHF 2,800,000,000¹, by issuing no more than 2,800,000,000¹ registered shares of the Company to be fully paid up with a nominal value of CHF 1.00 each for an issue amount of CHF 1.00 each. The Board of Directors is obliged to carry out the capital increase in the full extent of the subscribed capital.
2. The Board of Directors is authorized to set the subscription price per share.
3. The rights attached to the newly issued registered shares (in particular, dividend entitlement and voting rights) shall be established upon entry of the ordinary capital increase in the commercial register or upon entry of the respective shareholder or nominee in the share register, respectively.
4. The contributions for the shares to be issued must be paid in cash.
5. No contributions in kind (nor any planned acquisitions of assets) are contemplated.
6. The shares to be issued shall not have any preferential rights, and no special privileges shall be granted.
7. The shares to be issued are subject to the registration restrictions pursuant to Article 5 of the Articles of Incorporation.

¹ The exact amount by which the share capital is to be increased and the exact number of new registered shares to be issued are expected to be determined by the Board of Directors on the day before the General Meeting and announced to the Shareholders in the morning of October 23, 2019. The capital increase is intended to generate gross proceeds for the Company of no more than CHF 2.8 billion. The exact amount by which the share capital shall be increased and the exact number of new registered shares to be issued will be determined, inter alia, depending on market conditions and the availability of other sources of financing. This specification of the Board of Directors' proposal does neither constitute an amendment to the proposal contained in this invitation nor a new proposal.

8. The subscription rights of the shareholders shall be indirectly granted (subject to any legal restrictions in foreign jurisdictions) by a banking syndicate which subscribes to the shares. The subscription rights are tradeable. The Board of Directors is authorized to set the additional terms for exercising the subscription rights. Shares for which the rights were granted but not exercised, shall be sold to new investors or the banking syndicate at the conditions of the offering.

The increase of the ordinary share capital must be performed by the Board of Directors within three months (Art. 650 (1) Code of Obligations (CO)). If the capital increase is not entered into the commercial register within this period, the resolution of the General Meeting shall lapse (Art. 650 (3) CO).

Explanation: The Board of Directors proposes to execute a capital increase and rights offering with expected gross proceeds of no more than CHF 2.8 billion. The proceeds are intended to be used for the partial financing of the planned acquisition of Liberty Global Europe Financing B.V. (see Message to Shareholders).

Each shareholder shall receive rights to subscribe to new shares at the subscription price in proportion to the ratio of the shares held by such shareholder.

The Board of Directors will set the subscription price for the new shares at an amount which will be lower than the market price of the shares immediately prior to the General Meeting (rights issue with a discount on the market price). The subscription price for the new shares will be announced before the start of trading on the day of the General Meeting. The proposed number of shares to be issued will be announced at the same time; the Board of Directors shall set the number so that, based on the subscription price, gross proceeds of no more than CHF 2.8 billion are generated.

The trading of subscription rights is expected to occur between October 30, 2019, and November 5, 2019. During this time, shareholders may sell their subscription rights or purchase additional subscription rights. The shareholders will be informed in due course by their custodian bank about the rights issue and are requested to proceed in accordance with the instructions provided by their respective custodian bank.

For detailed information regarding the planned acquisition, please see the Message to Shareholders as well as the shareholder information document, which is available on the Company's website www.sunrise.ch/egm.

Agenda Items and Proposals of the Shareholder Axxion S.A.

2 Dismissal of the Chairman of the Board of Directors as Member and Chairman of the Board of Directors

Shareholder Axxion S.A. proposes the following: "Dismissal of Dr. Peter Kurer as Member and Chairman of the Board of Directors".

Recommendation of the Board of Directors: The Board of Directors recommends that the proposal be rejected.

3 Dismissal of Members of the Board of Directors

Shareholder Axxion S.A. proposes the following: "Dismissal of Mr. Jens Jesper Ovesen as Member of the Board of Directors and as Chairman of the Audit Committee of the Board of Directors".

Recommendation of the Board of Directors: The Board of Directors recommends that the proposal be rejected.

Organizational Notes

Shareholder Information Document

For detailed information regarding the planned acquisition, please see the shareholder information document, which is available on the Company's website www.sunrise.ch/egm.

Voting Rights

This invitation to the Extraordinary General Meeting will be sent directly to shareholders with voting rights who are entered into the share register by October 17, 2019. No entries will be made to the share register between October 18, 2019, and October 23, 2019. Holders of registered shares who sell their shares prior to the Extraordinary General Meeting are no longer eligible to vote.

Documents and Admission Cards

Admission cards and voting documents can be ordered upon registration with the enclosed reply form or electronically via the shareholder platform Indirect Voting System. Admission cards will be mailed starting on October 9, 2019. If you do not receive the documents in due time, you may obtain your admission card in person on-site at the information desk before the start of the Extraordinary General Meeting by presenting proof of identity. If the disposition of a shareholder's shares and the recording of this disposition in the share register take place after the issuance of the shareholder's admission card to the 2019 Extraordinary General Meeting, this admission card is no longer valid.

Representation and Proxy

Shareholders who do not participate in the Extraordinary General Meeting in person can be represented by proxy as follows:

- a) by another shareholder who has voting rights; or
- b) by the Independent Proxy, Anwaltskanzlei Keller KLG, 8055 Zurich.

Electronically: You may exercise your voting rights electronically on the shareholder platform Indirect Voting System. The reply form sent to you contains your personal access details. Proxy and voting instructions may be given or changed at any time up until 12:00 p.m. (noon) CET on October 21, 2019.

In hard copy: You may exercise your voting rights in writing by completing, signing and returning the reply form sent to you with the enclosed reply envelope.

By signing the reply form, the Independent Proxy is being authorized to vote in favor of the proposals of the Board of Directors insofar as no written instructions to the contrary are given. This also applies in case of any votes taken at the Extraordinary General Meeting in relation to proposals which were not included in the invitation.

Executive body and deposit proxies are not permissible.

No Translation Service

The Extraordinary General Meeting will be held in German.

Speaker's Desk

Shareholders who wish to speak during the Extraordinary General Meeting are kindly asked to notify the speaker's desk (*Wortmeldeschalter*) located in the main hall.

Shareholder Proposals

Shareholder proposals on agenda items can only be made and submitted to the Extraordinary General Meeting by a shareholder or by an individual proxy acting on a shareholder's behalf. The Independent Proxy will not act as an individual proxy for this purpose.

Location

The Extraordinary General Meeting will take place at Hallenstadion Zürich, Wallisellenstrasse 45, 8050 Zurich.

Arrival by Train

From the Zurich main train station, take the S2, S6, S7, S8, S9, S14, S15, S16, S19 or S24 to train station Oerlikon, or from Zurich airport take the S4, S16 or S24 to train station Oerlikon.

Arrival by Tram

From the train station Oerlikon, take tram number 10 or 14 to Sternen Oerlikon or tram number 11 to Messe/Hallenstadion.

Arrival by car

Hallenstadion Zürich can be reached by car from the north and south via A1 and from the east and west via A3.

Parking

The Messe Zurich parking garage has parking spaces and is a two-minute walk away from the Hallenstadion Zürich.

Contact

For information on the Extraordinary General Meeting:

Phone: +41 (0)58 777 99 99

E-mail: egm@sunrise.net

www.sunrise.ch/ir

Zurich, September 30, 2019

For the Board of Directors

A handwritten signature in black ink, appearing to read 'P. Kurer'.

Peter Kurer
Chairman of the Board

Sunrise Communications Group AG

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www.sunrise.ch