

SAirGroup AG
in debt restructuring liquidation

Circular No. 38

www.liquidator-swissair.ch

**Hotline SAirGroup AG
in debt restructuring liquidation**

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**Unofficial Translation
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To the creditors of SAirGroup AG
in debt restructuring liquidation

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Registered within the Bar Register

Küsnacht, April 2023

**SAirGroup AG in debt restructuring liquidation
Circular No. 38**

Dear Sir or Madam,

In the following, I will inform you on the current status of the debt restructuring liquidation of the SAirGroup and the planned further course of proceedings in the following months.

I. REPORT ON ACTIVITIES AS OF 31 DECEMBER 2022

After having been acknowledged and approved by the Creditors' Committee, the 20th Liquidator's report on activities in 2022 has been submitted to the debt restructuring judge at the District Court of Zurich on 28 February 2023. The report on activities is available for inspection by creditors at the offices of the Liquidator located at Seestrasse 39, Goldbach Center, 8700 Küsnacht, until 25 April 2023. If you wish to inspect the report, please call our hotline at +41 43 222 38 50.

The following pages summarise the report on activities, as far as the creditors have not already been informed with circular no. 37 of October 2022.

II. OVERVIEW OF THE LIQUIDATION PROCEEDINGS

1. ACTIVITIES OF THE LIQUIDATOR

My activities in 2022 focused on the dissolution of circular flows of dividends (see item IV.2. below), the settlement of the schedule of claims (see item III.4. below), as well as the supervision of the proceedings in Belgium in matters of the Belgian State and Sabena SA (see item V. below).

2. ACTIVITIES OF THE CREDITORS´ COMMITTEE

The Creditors´ Committee held one meeting in 2022. It passed resolutions by way of circulation on one proposal submitted by the Liquidator.

III. ASSET STATUS OF SAIRGROUP AS AT 31 DECEMBER 2022

1. PRELIMINARY REMARKS

Enclosed is a report on the liquidation status of SAirGroup as of 31 December 2022 (Annex 1). This status reflects the asset status of SAirGroup as of 31 December 2022 in accordance with the current state of knowledge.

2. ASSETS

Liquid funds: The liquid funds are mainly held at Zürcher Kantonalbank (“ZKB”). A negative interest of CHF 301,736 was charged from January to the end of September 2022. Since then, the credit balances at ZKB have been earning interest again.

Claims against third parties: The position “Claims against third parties” contains claims against Airline Management Partnership Kloten and SAirGroup Finance (NL) B.V. (hereinafter “FinBV”), both of which are in bankruptcy. I expect that final payments totalling around CHF 260,000 will still be received on these two claims.

3. DEBTS INCURRED IN THE COURSE OF THE LIQUIDATION PROCEEDINGS

Accounts payable: The accounts payable reported as of 31 December 2022 relate to costs incurred during debt restructuring liquidation.

Provisions for interim payments: In autumn 2022, the District Court of Zurich approved the deposit of the interim payments of CHF 5,915,622.73 on the claim of a creditor, although the identity of the payee for those payments is disputed. In addition, the suspended claim of Swissair Schweizerische Luftverkehr-Aktiengesellschaft in debt restructuring liquidation (hereinafter “Swissair”) was settled by way of comparison (see item V.4. below). Accordingly, the interim payments could continue to be paid out. SAirGroup’s liquidation status as at 31 December 2022 includes the following provisions for the six interim payments made to date:

Interim payment / type of provision	Missing payment instructions, etc. in CHF 1,000	Contingent claims in CHF 1,000	Total provisions in CHF 1,000
First interim payment	840	917	1,757
Second interim payment	1,287	363	1,650
Third interim payment	1,577	450	2,027
Fourth interim payment	1,236	346	1,582
Fifth interim payment	4,657	1,125	5,782
Sixth interim payment	3,727	675	4,402
Total provisions			17,200

These provisions ensure that the maximum amounts for the six interim payments with respect to all unsettled claims in the schedule of claims are secured.

4. CREDITORS’ CLAIMS; STATUS OF THE SCHEDULE OF CLAIMS PROCEEDINGS

In the summer of 2022, it was possible to settle Swissair's outstanding claim by way of comparison (see Circular No. 37, item I.). The SAirGroup’s schedule of claims is thus settled (see [Annex 2](#)).

5. ESTIMATED DIVIDEND

The value of the assets that have not yet been realised can change marginally at most (see item III.2. above). This is expected to result in an estate dividend of 23.47%. Of this, 22.4 % has already been paid out by 31 December 2022. A residual dividend of 1.07% should therefore still accrue.

IV. REALISATION OF ASSETS

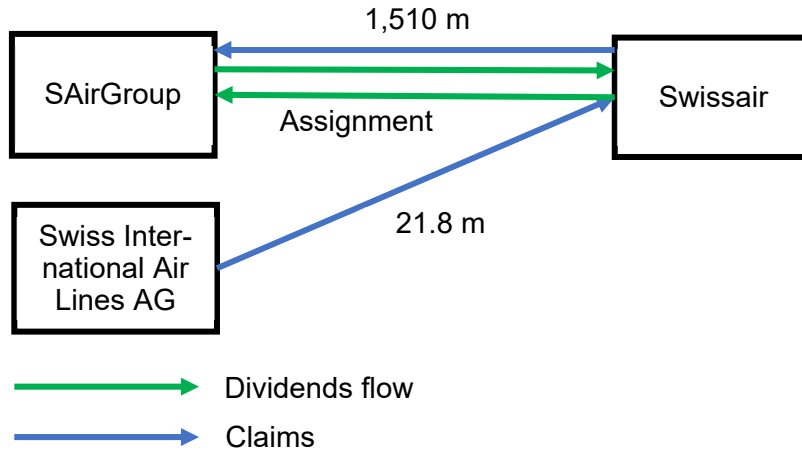
1. GENERAL

On the assets side of the SAirGroup, claims against companies of the former Swissair Group were mainly still outstanding at the end of 2021. Last year, assets of CHF 13,838,659 were realised. In particular, the final dividends of Atrib Group AG in bankruptcy, SAirLines AG in debt restructuring liquidation (hereinafter "SAirLines") and Swisscargo AG in debt restructuring liquidation were received, as well as a further interim payment from FinBV.

2. DIVIDEND CLAIM ASSIGNED BY SWISS INTERNATIONAL AIR LINES LTD. AGAINST SWISSAIR SCHWEIZERISCHE LUFTVERKEHR-AKTIENGESELLSCHAFT IN DEBT RESTRUCTURING LIQUIDATION

By an agreement dated 22/27 May 2009, SAirGroup transferred the "Swissair" brand to Swiss International Air Lines AG (hereinafter "Swiss"). In return, Swiss waived its claim recognised by final judgement in SAirGroup's schedule of claims and assigned the accruing dividends on the claims recognised by final judgement at SAirLines and Swissair to SAirGroup. In the case of Swissair, only the share of the dividend exceeding 8% was assigned (hereinafter "Swiss dividend claim"). Swiss' claim recognised by final judgment and registered against Swissair amounts to a total of CHF 21,788,384.30. In the meantime, more than 8% of interim payments have been made by Swissair. The final dividend for Swiss claims therefore falls to SAirGroup.

Swissair is registered according to final judgment within the SAirGroup's schedule of claims in the 3rd class with claims of CHF 1.5 billion and CHF 10 million. Accordingly, the Swiss dividend claim has created a circular flow of dividends as shown below:



The debt restructuring liquidation for Swissair has essentially been completed. The dispute with Sabena SA in bankruptcy or its auxiliary bankruptcy estate in Switzerland (hereinafter referred to collectively as “Sabena”) is still pending. It is currently not foreseeable when the legal proceedings pending in Switzerland and Belgium between Swissair and Sabena will be completed.

For the valuation of the Swiss dividend claim, the opportunities and risks of Swissair in the “Sabena” complex were adequately considered. Swissair's expected final dividend was set at 2.07%. This results in a value of the Swiss dividend claim of CHF 451,000.

The easiest way to break up the circular flow of dividends between SAirGroup and Swissair was to sell Swissair's dividend claim to Swissair. Swissair therefore bought the Swiss dividend claim from SAirGroup at a price of CHF 451,000 with the approval of the two creditors' committees. This allowed the asset to be realised for SAirGroup. It is now not necessary to wait until the dispute between Swissair and Sabena has been settled before concluding the debt structuring liquidation for the SAirGroup.

V. CIVIL PROCEEDINGS IN BELGIUM

The civil proceedings in Belgium (see Circular No. 19, item VI.1. and Circular No. 33, item V.2.) are still suspended. I assume that these proceedings will

have no influence on the outcome of the debt restructuring liquidation for SAir-Group.

VI. PLANNED NEXT STEPS IN THE PROCEEDINGS

The SAirGroup's schedule of claims is settled. When realising the assets, only the final payments from the bankruptcy proceedings of Airline Management Partnership Kloten and FinBV must be expected. These payments should be received by mid-2023.

The works for the completion of the proceedings (final account, final distribution list, etc.) are already well advanced. The purpose is that the final account and the final distribution list can be issued quickly after receipt of the said final payments. I expect that this circulation can take place in autumn 2023 at the latest.

The creditors will be informed with another circular as soon as the final payment can be carried out.

Kind regards,

SAirGroup AG in debt restructuring liquidation
The Liquidator:

Karl Wüthrich

- Annexes: 1. Liquidation status of SAirGroup as at 31 December 2022
2. Overview of the schedule of claims proceedings of SAirGroup

LIQUIDATION STATUS as at 31 December 2022

	31.12.2022	31.12.2021	Change
	CHF	CHF	CHF
ASSETS			
Liquid funds			
ZKB CHF	14'753'534	601'881	14'151'653
ZKB Fixed term deposit	120'000'000	130'000'000	-10'000'000
Total liquid funds	134'753'534	130'601'881	4'151'653
Liquidation positions:			
Accounts receivable	543'486	2'331	541'155
Receivables from third parties	322'000	12'656'000	-12'334'000
Open apportionment of proceeds on sale/liquidation of foreign assets	0	114'800	-114'800
Shareholdings, securities	p.m.	p.m.	0
Total liquidation positions	865'486	12'773'131	-11'907'645
TOTAL ASSETS	135'619'020	143'375'012	-7'755'992
LIABILITIES			
Debts of the estate			
Accounts payable	389'346	41'530	347'816
Provision, 1st interim payment	1'756'968	12'123'404	-10'366'436
Provision, 2nd interim payment	1'650'247	5'757'703	-4'107'456
Provision, 3rd interim payment	2'026'917	7'180'399	-5'153'481
Provision, 4th interim payment	1'582'086	5'847'250	-4'265'164
Provision, 5th interim payment	5'782'080	22'454'968	-16'672'889
Provision, 6th interim payment	4'402'227	14'458'572	-10'056'345
Prepayment for final payment	-3'824'600	-3'824'600	0
Provisions for liquidation costs	2'000'000	5'000'000	-3'000'000
Total debts of the estate	15'765'272	69'039'227	-53'273'955
TOTAL DISPOSABLE ASSETS	119'853'748	74'335'785	45'517'963

Overview of the schedule of claims proceedings of SAirGroup

Category	Registered		Schedule of claims					Dividend			
	Amount in CHF		Recognized	Admitted subject to conditions	Schedule of claims appeal pending	Suspended / New registration	Rejected	Future dividend		Total	
			Amount in CHF	Amount in CHF	Amount in CHF	Amount in CHF	Amount in CHF	minimal	maximal	minimal	maximal
Secured by right of lien	-		-	-	-	-	-	-	-	-	-
First class	368'483'558.54		78'322'252.34	-	-	-	290'161'306.20	100%	-	100%	100%
Second class	862'982.92		759'141.05	-	-	-	103'841.87	100%	-	100%	100%
Third class ^{1) 2) 3)}	48'366'215'769.09		11'176'402'157.31	17'308'811.14	-	-	37'172'504'800.64	22.4%	1.07%	23.47%	23.47%
Total creditors' claims	48'735'562'310.55		11'255'483'550.70	17'308'811.14	-	-	37'462'769'948.71				

1) The minimal dividend calculation factors in 100% of conditional claims.

2) The maximum dividend calculation factors in 20% of suspended third-class claims and 0% of conditional claims.

3) From the total of the recognized claims the following registered claims which have in the meantime received full payment through dividend and third party payments have been deducted:

- Bank of America 81'064'375.50
 - USD-Bond 539'953'749.75

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