GZO Creditor Group

Press Release

Creditor group publishes valuation of GZO AG's assets, sends letter to bondholders and demands extension of bonds' maturity

- **GZO AG's assets exceed liabilities by a substantial margin of up to CHF 125 million**
- **Creditors unlikely to support haircut**
- **Moratorium process unnecessary for GZO and will likely result in liquidation of the hospital**

Wetzikon, 26 August 2024 – A group of creditors of GZO AG, representing 6.56% of the total nominal value of the defaulted GZO AG 1.875% June 2024 bonds (ISIN CH0240109618), has published a **valuation of GZO's assets** and has sent a **letter to fellow bondholders**. The corresponding presentation and letter are available at **www.gzo-bondholder.ch/documents/**.

The market value of GZO's assets exceeds the amounts due to creditors by a substantial margin. GZO owns assets that include CHF 75 million of real estate, an operating business that could be worth up to CHF128 million, CHF 67 million of liquid assets and a new (albeit incomplete) building that the company itself claims to be worth CHF 95 million.

The market value of these assets exceeds the outstanding debt of CHF 240 million. Considering this significant asset backing, it is unlikely that creditors will be willing to accept a haircut, as many alternative options exist to achieve repayment in full. Due to the high requirements for an agreement to be accepted (two-thirds of creditors by value and one half of creditors by number that must vote in favor), the company will not reach the necessary thresholds to achieve its goal of a haircut. Therefore, the composition moratorium is likely to fail and the result will be a liquidation of the hospital.

We believe the Board of Directors of GZO AG has chosen the wrong approach. In a liquidation, creditors are likely to receive 100% of their money back over time. However, liquidation is a terrible outcome for the hospital, for the 65,000 patients that are treated annually, for the 900+ employees, for the shareholders and for the local communities.

For this reason, we are proposing as an alternative to extend the bond's maturity by three years giving the board time to come up with a permanent refinancing and restructuring plan. The adoption of our proposals will ensure that the hospital continues to operate which is in the best interest of all stakeholders.

For inquiries:
GZO Creditor Group
c/o Dynamics Group, Andreas Durisch
079 358 87 32
contact@gzo-bondholder.ch
www.gzo-bondholder.ch