

Press Release

Creditor group responds to GZO scare tactics

Wetzikon, 23 October 2024 - A creditor group led by Clearway Capital GmbH (“the Creditor Group”) holding 6.56% of the defaulted GZO AG 1.875% June 2024 bonds (ISIN CH0240109618), provides clarity on its position in the run up to the upcoming bondholder meeting.

On October 14th, GZO posted an update on its financial status on its website in which it threatens to write down the value of its properties by up to CHF 127 million.

Not only has GZO not provided any explanation for this or clarity on which assets are to be written down refusing to answer our questions on the matter, but it also posted this relevant information without issuing a formal press release for the benefit of all stakeholders.

We believe this approach is a scare tactic aimed to intimidate creditors ahead of the meeting on October 25, 2024. We expect GZO to provide a detailed explanation on the matter and to outline what assumptions could possibly justify a write-down of up to 78% of the current property value. We expect the same of the trustee and the auditors, KPMG.

The valuation published by the Creditor Group which is available at <https://gzo-bondholder.ch/dokumente/> suggests a real-estate value well in excess of that implied by GZO. This valuation was carried out with the help of leading industry experts and takes into account the specifics of the situation, including the zoning and possible alternative uses for the properties. The Creditor Group remains confident that, in the event of liquidation, a sufficient value can be realized to compensate all creditors over time.

We therefore urge all bondholders to support the creditor group's proposals at the upcoming meeting.

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