

## **Creditor group responds to GZO's incorrect statements**

Wetzikon, 8 October 2024 - On October 8th 2024, GZO AG ("GZO" or "the Company") released a statement regarding the proposals that a creditor group led by Clearway Capital GmbH ("the Creditor Group") is bringing before bondholders at the upcoming meeting on October 25th, 2024 of the GZO AG 1.87% 2024 bonds (ISIN CH0240109618).

The statement contains numerous factual inaccuracies that have already been discussed in the Creditor Group's public announcements, presentations, and on the website, particularly the FAQ section, which can be accessed here <https://gzo-bondholder.ch/fragen/>. Notwithstanding, the Creditor Group reiterates the following:

- **The Creditor Group's proposals ensure that all creditors are treated equally.** The proposals have been drafted in such way to ensure that the necessary legal conditions are met to allow their implementation by GZO. Any claim to the contrary is incorrect. More specifically, the extension of the maturity, the higher interest rate and the improved security shall also apply to other unsecured creditors. Thus far, GZO has not explained why the proposals would result in unequal treatment of creditors.
- **GZO will not be able to ignore the outcome of the bondholder meeting.** Contrary to the Company's claim, the conditions for an extension of the provisional moratorium into a definitive moratorium will not be met if the company is solvent. If bondholders approve the extension, it is unlikely that the judge will allow the Company to enter a definitive moratorium. The Company may refuse the conditions and enter bankruptcy, however this would open the board up to personal liability.
- **The Creditor Group stands by its valuation.** The valuation conducted by Clearway Capital GmbH ("Clearway") was done so with the outside opinion of leading industry experts and accounts for the specificities of the situation, including zoning laws and possible alternative use cases for the real estate. The Company has thus far rejected Clearway's valuation without justification despite having signed off on the accounts as recently as June 2024, where these assets' carrying values are well in excess of Clearway's estimates. GZO's board has rejected the Creditor Group's valuations but has yet to provide its own. It remains unclear why GZO believes that creditors should accept a haircut without providing any indication of the Company's asset values and any evidence of the work done to monetize such assets.

The Creditor Group strongly believes that the moratorium is not the correct process for GZO and that the Company must rather seek to monetize its extensive asset base as opposed to continuing to pursue its expansionary ambitions at the expense of creditors. GZO fails to account for the fact that two-thirds of creditors must accept any proposed composition agreement: a highly unlikely possibility given that there are multiple ways to ensure full repayment to all creditors.

We strongly urge all bondholders to support the Creditor Group's proposals at the upcoming meeting.

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