

**Unofficial Translation
of German Original**

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To the creditors of SAirLines AG
in debt restructuring liquidation

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SAirLines AG in debt restructuring liquidation; circular no. 28

Dear Sir or Madam,

This circular provides information on the current status of the SAirLines debt restructuring liquidation proceedings and the planned further course of the proceedings in the coming months.

I. REPORT ON ACTIVITIES AS AT 31 DECEMBER 2020

After having been acknowledged and approved by the Creditors' Committee, the 18th Liquidator's report on activities in 2020 has been submitted to the debt restructuring judge at the District Court of Zürich on 1 March 2020. The report on activities is available for inspection by creditors at the offices of the Co-Liquidator Karl Wüthrich, Wenger Plattner, Seestrasse 39, Goldbach Center, 8700 Küsnacht, until 10 May 2021. If you wish to inspect the report, please call the hotline at +41 43 222 38 50.

The following pages summarise the report on activities insofar as the creditors have not already been informed with circular no. 27 of December 2020.

II. OVERVIEW OF THE LIQUIDATION PROCEEDINGS

1. ACTIVITIES OF THE LIQUIDATOR

In the past year, the Liquidators' activities focused on the collection of claims against companies of the former Swissair Group (see items III.2. and IV.2. below), the settlement of responsibility claims by concluding an overall settlement agreement (see Circular no. 27, item I.) and the settlement of the outstanding distribution of the proceeds from the sale of the shares in Airline Financial Support Services (India) Private Ltd. (hereinafter "AFS") and from the liquidation of Swissair International II Ltd. (hereinafter "SIF II") by concluding an agreement (see item III.2. Below) between SAirLines, SAirGroup AG in debt restructuring liquidation (hereinafter "SAirGroup") and Swissair Schweizerische Luftverkehr-Aktiengesellschaft in debt restructuring liquidation (hereinafter "Swissair").

2. ACTIVITIES OF THE CREDITORS' COMMITTEE

The Creditors' Committee did not hold any meetings in 2020. It passed resolutions by way of circulation on two proposals submitted by the Liquidator.

III. ASSET STATUS OF SAIRLINES AS AT 31 DECEMBER 2020

1. PRELIMINARY REMARKS

Enclosed is a report on the liquidation status of SAirLines as at 31 December 2020 ([Annex 1](#)). It contains a statement of the assets of SAirLines as at 31 December 2020 in accordance with the information currently available.

2. ASSETS

Liquid funds: The liquid funds are mainly held at Zürcher Kantonalbank ("ZKB"). Negative interest of CHF 145,254 was charged in 2020. The average negative interest rate charged was slightly below 0.7 %.

Pending distribution of proceeds from sale of respective liquidations of AFS and SIF II: An agreement was reached with SAirGroup and Swissair on the distribution of the proceeds from the sale of AFS Private Ltd. An agreement was also reached with SAirGroup regarding the distribution of the proceeds from the liquidation of SIF II. Only the approval of the Creditors' Committee of SAirLines is still outstanding for both agreements. In the liquidation status, the value of the position has been adjusted to the new situation

Claims against third parties: The position “Claims against third parties” contains claims against various former Swissair Group companies (see item IV.2. below). This position has been assessed conservatively in accordance with the information currently available.

Participations: The liquidations of S Air Services Invest AG and SAirGroup Financière AG could be completed before the end of 2020. All that remains to be completed is the deletion of the companies from the commercial register.

3. DEBTS INCURRED IN THE COURSE OF THE LIQUIDATION PROCEEDINGS

Accounts payable: The accounts payable reported as at 31 December 2020 relate to invoices for liquidation costs.

Provisions for the first six interim payments: In the liquidation status of SAirLines as at 31 December 2020, provisions totalling CHF 15,563,048 have been set aside for the six interim payments made to date, for payments that have not been made due to missing payment instructions or for other reasons. These provisions secure the maximum amount of those amounts that could not yet be paid out.

4. ESTIMATED DIVIDEND

The schedule of claims proceedings for SAirLines has been settled. The claims have been definitively settled (Annex 2). The asset side of SAirLines' balance sheet has now largely been settled. With regard to the claims against group companies in insolvency proceedings in Switzerland and abroad, the next step is to await the receipt of the insolvency dividends on the recognised claims (see IV.2. below). (see item IV.2 below).

Based on the information currently available, the dividend is estimated to be approx. 41.2 %. With the first six interim payments to date, 40.2 % has already been paid out. Therefore, the dividend to be expected in the future will be 1%.

IV. REALISATION OF ASSETS

1. GENERAL

In 2020, the Liquidator was able to realise assets amounting to approx. CHF 2,932,535.

2. CLAIMS AGAINST FORMER SWISSAIR GROUP COMPANIES; DISSOLUTION OF CIRCULAR FLOW OF DIVIDENDS

The agreement on the dissolution of circular dividend flows between various former Swissair Group companies (see circular no. 26, item IV.2.) has come into force. It is now being wound up. The debt restructuring liquidation assets of Balair/CTA Leisure AG have in the meantime paid out the final dividend to its creditors. The other companies will follow in the next few months. As a result, the outstanding claims against intra-group companies will be collected to the extent possible.

V. PLANNED NEXT STEPS IN THE PROCEEDINGS

In the SAirLines debt restructuring liquidation, the only remaining activity is to collect the claims against former Swissair Group companies (see item IV.2. above) to the extent possible. In this context, it is necessary to wait for the conclusion of the pending insolvency proceedings in Switzerland and abroad.

Depending on the course of the proceedings, the creditors will be informed about important events with further circulars. A report on the course of the liquidation in the current year will be issued in spring 2022 at the latest.

Kind regards,

SAirLines AG in debt restructuring liquidation
The Liquidators:

Karl Wüthrich

Roger Giroud

- Annexes: 1. Liquidation status of SAirLines as at 31 December 2020
2. Overview of the schedule of claims proceedings of SAirLines

LIQUIDATION STATUS AS OF 31 December 2020

	31.12.2020	31.12.2019	Change
	CHF	CHF	CHF
ASSETS			
Liquid funds			
ZKB CHF	5'422'055	29'498'255	-24'076'200
ZKB Fixed Term Deposits	20'000'000	-	20'000'000
Total liquid funds	25'422'055	29'498'255	-4'076'200
Liquidation positions			
Accounts receivable	-	-	-
Open apportionment of proceeds from the sale resp. liquidation of AFS and SIF II	5'500'000	5'206'179	293'821
Receivables from third parties	2'862'000	1'045'000	1'817'000
Shareholdings, securities	-	4'200'000	-4'200'000
Liability claims	150'000	p.m.	150'000
Total liquidation positions	8'512'000	10'451'179	-1'939'179
TOTAL ASSETS	33'934'055	39'949'435	-6'015'380
LIABILITIES			
Debts of the estate			
Accounts payable	26'990	3'578	23'413
Provision for liquidation costs	1'000'000	5'000'000	-4'000'000
Provision, 1st interim payment	33'445	2'636'564	-2'603'119
Provision, 2nd interim payment	29'607	1'439'630	-1'410'023
Provision, 3rd interim payment	24'387	1'922'494	-1'898'108
Provision, 4th interim payment	1'124'316	1'922'494	-798'178
Provision, 5th interim payment	12'738'163	12'738'163	-
Provision, 6th interim payment	1'613'130	1'613'130	-
Prepayment for final payment	-22'760	-	-22'760
Total debts of the estate	16'590'038	25'662'923	-10'686'015
TOTAL DISPOSABLE ASSETS	17'344'017	14'286'511	4'670'636

Overview of the schedule of claims proceedings of SAirLines

Category	Registered Amount in CHF	Schedule of claims					Dividend		
		Recognized Amount in CHF	Appeal lodged Amount in CHF	Decision suspended Amount in CHF	Rejected Amount in CHF	interim payments	Future Dividend est.	Total est.	
		Amount in CHF	Amount in CHF	Amount in CHF	Amount in CHF	est.	est.	est.	
Secured by right of lien	-	-	-	-	-	-	-	-	
Preferential rights to the corporate assets of S Air Logistics AG	83'602'175.69	50'362'601.33	-	-	33'239'574.36	100%	-	100%	
Preferential rights to the corporate assets of S Air Relations AG	242'520'007.10	74'292'146.45	-	-	168'227'860.65	100%	-	100%	
Preferential rights to the corporate assets of S Air Services AG	44'790'677.88	34'439'788.42	-	-	10'350'889.46	100%	-	100%	
Preferential rights to the corporate assets of Roscor AG	39'732'844.00	-	-	-	39'732'844.00	-	-	-	
First class	91'709'000.29	-	-	-	91'709'000.29	-	-	-	
Second Class	6'767.50	6'767.50	-	-	-	100%	-	100%	
Third Class	65'373'494'764.64	1'702'670'454.74	-	-	63'670'824'309.90	40.2%	1.0%	41.2%	
Total	65'875'856'237.10	1'861'771'758.44	-	-	64'014'084'478.66				

www.liquidator-swissair.ch

Hotline SAirLines AG in debt restructuring liquidation

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