

**Unofficial Translation
of German Original**

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To the creditors of
Swissair Schweizerische Luftverkehr-AG in debt re-
structuring liquidation

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Swissair Schweizerische Luftverkehr-Aktiengesellschaft in debt restructuring liq- uidation; circular no. 31

Dear Sir or Madam,

This circular provides information on the current status of the Swissair Schweizerische Aktiengesellschaft ("Swissair") 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 Bülach on 5 March 2020. The report on activities is available for inspection by creditors at the offices of the Liquidator at Wenger Plattner, Seestrasse 39, Goldbach Center, 8700 Küsnacht, until 10 May 2021. 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 insofar as the creditors have not already been informed with circular no. 30 of December 2020.

II. OVERVIEW OF THE LIQUIDATION PROCEEDINGS

1. ACTIVITIES OF THE LIQUIDATOR AND DEPUTY LIQUIDATOR

In 2020, the Liquidator's and Deputy Liquidator's activities focused on conducting schedule of claims proceedings (see item V. below), asserting claims against Sabena SA in Belgium, distributing proceeds from the realisation of properties and stakes abroad by concluding settlements with SAirGroup AG in debt restructuring liquidation (hereinafter "SAirGroup") and SAirLines AG in debt restructuring liquidation (hereinafter "SAirLines"; see item III.2. below) and the settlement of the responsibility claims by concluding an overall settlement agreement (see circular no. 30, item I.). Finally, a number of assets have been realised (see item IV. below).

2. ACTIVITIES OF THE CREDITORS' COMMITTEE

In 2020, the Creditors' Committee held two meetings, one of which was conducted in the form of a video conference. It passed resolutions by way of circulation on two proposals submitted by the Liquidator or the Deputy Liquidator respectively.

III. ASSET STATUS OF SWISSAIR AS AT 31 DECEMBER 2020

1. PRELIMINARY REMARKS

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

2. ASSETS

Liquid funds: The liquid funds of Swissair are mainly held at Zürcher Kantonalbank ("ZKB"). Negative interest of CHF 201,422 was charged in 2020. The average negative interest rate charged was slightly below 0.7 %. As a result of making the fourth interim payment, the credit balances held at ZKB could be further reduced significantly. Accordingly, less negative interest had to be paid in 2020 compared to the previous year.

Claims against third parties: The position "Claims against third parties" now only contains Swissair's 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.

Real estate: After lengthy negotiations between SAirGroup and Swissair, an agreement on the distribution of the proceeds from the sale of properties in Singapore, Mumbai, Tel Aviv, Istanbul, Madrid, Sao Paolo and Rio de Janeiro was reached with SAirGroup. This agreement is still subject to approval by the Creditors' Committee.

Participations: An agreement was reached with SAirLines and SAirGroup on the distribution of the proceeds from the sale of Airline Financial Support Services (India) Private Ltd. Only the approval of the Creditors' Committee of SAirLines is still outstanding for this agreement. An agreement was also reached with SAirGroup for the distribution of the proceeds from the sale of Egyptian Aviation Services. Swissair's Creditors' Committee has already approved this settlement. The SAirGroup Creditors' Committee will pass a resolution on this transaction at its next meeting. In the liquidation status, the value of the position has been adjusted to the new situation.

Other **as-yet unrealised assets:** In addition to the aforementioned assets, a participation in Swissair Training Center AG in liquidation is also on the books. The as-yet unliquidated assets have been valued conservatively.

3. DEBTS INCURRED IN THE COURSE OF THE LIQUIDATION PROCEEDINGS

Accounts payable: The accounts payable reported as at 31 December 2020 relate to costs incurred during debt restructuring liquidation in 2020.

Provisions for the four interim payments made to date Swissair's liquidation status as at 31 December 2020 includes the following provisions for the four interim payments made to date:

Reason for provision	First interim payment in CHF	Second interim payment in CHF	Third interim payment in CHF	Fourth interim payment in CHF
Missing payment instructions or payments not made for other reasons	290,322	949,233	1,407,346	761,760

Reason for provision	First interim payment in CHF	Second interim payment in CHF	Third interim payment in CHF	Fourth interim payment in CHF
Contingent claims where conditions have not yet been met	532,853	1,625,202	2,237,984	719,352
Claims in pending schedule of claims proceedings	2,267,189	6,914,926	9,522,193	3,060,705
Total provision	3,090,364	9,489,361	13,167,523	4,541,817

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

4. CREDITORS' CLAIMS

The schedule of claims has been settled with the exception of the pending action to contest the schedule of claims of the ancillary debt restructuring liquidation assets of Sabena (hereinafter Sabena Ancillary Debt Restructuring Liquidation Assets", see item V below) and its precautionary registration of claims. The current status of the schedule of claims proceedings is shown in [Annex 2](#).

5. ESTIMATED DIVIDEND

The disposable assets reported in the liquidation status as at 31 December 2020 give a maximum dividend of 21.1 % for third-class claims. However, should the pending action to contest the schedule of claims be recognised, the minimum dividend would be 20.7%. With the four interim payments to date, 19.2 % have already been paid out. The future dividend that may be expected is, thus, between 1.5% and 1.9 %.

IV. REALISATION OF ASSETS

1. GENERAL

In 2020, the Liquidator was able to realise assets amounting to approx. CHF 2,351,179.

2. CLAIMS AGAINST FORMER 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. 29, 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. SETTLEMENT OF LIABILITIES (SCHEDULE OF CLAIMS)

In 2020, no progress was made in the action to contest the schedule of claims (see circular no. 29, item V.) brought by the Swiss Ancillary Debt Restructuring Liquidation Assets of Sabena SA regarding a third-class claim for CHF 113,359,441. In December 2020, the parties were requested by the Federal Supreme Court to comment on the complaint of the respective opposing party. The deadline for commenting expired at the end of January 2021. The parties have complied with this deadline. It can be assumed that the Federal Supreme Court will issue a judgement in 2021.

VI. PLANNED NEXT STEPS IN THE PROCEEDINGS

In the coming months, the agreements entered into with SAirGroup and SAirLines on how to distribute the proceeds from the sale of properties and the liquidation of stakes abroad (see item III.2 above) should be wound up. Furthermore, the claims against former Swissair Group companies (see item III.2. above) should be collected to the extent possible.

Depending on the course of the proceedings, the creditors will be informed of important events in 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,

Swissair Schweizerische Luftverkehr-AG in debt restructuring liquidation
The Liquidator:

Karl Wüthrich

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**Hotline Swissair Swiss Air Transport Company Ltd
in debt restructuring liquidation**

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

LIQUIDATION STATUS AS OF 31 DECEMBER 2020

	31.12.2020 CHF	31.12.2019 CHF	Change CHF
ASSETS			
Liquid funds			
ZKB CHF	2'557'214	3'124'012	-566'797
ZKB EUR	1'506'872	1'489'289	17'584
ZKB USD	36'217	41'085	-4'868
ZKB Money Market Time CHF	45'000'000	45'000'000	0
Total liquid funds	49'100'303	49'654'386	-554'082
Liquidation positions			
Banks/cash abroad	2'095	2'095	0
Accounts receivable by the estate	0	7'384	-7'384
Receivables from third parties	19'353'340	16'802'000	2'551'340
Prepaid court expenses	35'000	255'000	-220'000
Deposits/Guarantees	0	0	0
Claims from proceeds of sale of operating equipment	2	2	0
Real estate (part of revenues)	13'000'000	11'500'000	1'500'000
Participations	2'600'000	900'001	1'699'999
Responsibility claims	500'000	p.m.	500'000
Total liquidation positions	35'490'437	29'466'482	6'023'955
TOTAL ASSETS	84'590'740	79'120'868	5'469'873
LIABILITIES			
Debts of the estate			
Accounts payable to the estate	154'688	406'772	-252'084
Provision, 1st interim payment	3'090'364	3'090'406	-43
Provision, 2nd interim payment	9'489'361	9'751'887	-262'526
Provision, 3rd interim payment	13'167'523	13'362'464	-194'941
Provision, 4th interim payment	4'541'817	4'567'270	-25'453
Prepayment for final payment	-753'260	0	-753'260
Provisions for liquidation costs	2'000'000	5'000'000	-3'000'000
Provisions for outstanding statements	0	0	0
Total debts of the estate	31'690'493	36'178'799	-4'488'306
TOTAL DISPOSABLE ASSETS	52'900'247	42'942'068	9'958'179

Overview of the schedule of claims proceedings

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		Total		
							minimal	maximal	minimal	maximal	
Secured by right of lien	4'758'963.80	1'074'339.35	-	-	3'684'624.45	-	-	-	-	-	-
First Class	902'655'767.50	17'975'081.90	-	-	884'680'685.60	100%	-	-	100%	100%	100%
Second Class	939'006.50	936'075.09	-	-	2'931.41	100%	-	-	100%	100%	100%
Third Class	27'062'407'411.15	3'349'501'565.63	113'359'440.90	-	23'599'546'404.62	19.2%	1.5%	1.9%	20.7%	21.1%	21.1%
Total	27'970'761'148.95	3'369'487'061.97	113'359'440.90	-	24'487'914'646.08						