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Press Release:

EVAN GROUP PLC Insolvency Proceedings

Swiss Merchant Group AG ("SMG") announces that it questions the legal grounds for the insolvency application submitted by EVAN GROUP PLC ("EVAN") of Malta on 06/06/2023, citing over-indebtedness. SMG is prepared to take necessary legal action, if required, to challenge this application.

Background information reveals that on 17/11/2017, SMG issued a press release announcing its investment in EVAN Bonds with the ISIN: DE000A19L426. This followed a signed DCM Bond-Purchase Agreement on 18/07/2017 between SMG and EVAN, granting Swiss Merchant Group an exclusive investment and purchase agreement for all EVAN bonds with the ISIN: DE000A19L426. It should be noted that this agreement explicitly referred to the paid-in equity of EVAN, amounting to EUR 100 million.

Recent findings indicate that the EUR 100 million equity was activated in the EVAN opening balance sheet in 2017 (as reported by RSM Malta in June 2017, as part of the PPM), and was presented to SMG, other institutional bondholders, and the capital market in the EU Private Placement Memorandum and EVAN's opening balance sheet. However, upon receiving the bond funds from investors, EVAN proceeded to remove and sell parts of the assets associated with EVAN Group PLC, which were initially activated in the opening balance sheet according to the Deloitte capital increase report, without reflecting these transactions on the EVAN balance sheet (off-balance sales).

During a period spanning from 2018 to 2022, three properties or their German subsidiaries, owned by EVAN, were affected by these off-balance sales, totalling approximately EUR 75 million gross proceeds. It is important to note that some of these properties were unencumbered and had low levels of external (senior-) financing. The resulting monetary gains from these sales should have rightfully benefited EVAN.

A notable example was publicly disclosed in an article published by the German real estate newspaper Immobilien Zeitung on Monday, 05/09/2022, which mentioned the UNIMO Group as the seller of the Büdingen Fachmarkt Zentrum instead of Evan Group PLC. The Büdingen Fachmarkt Zentrum was included in the EVAN's DE000A19L426 Bond Private Placement Memorandum.

EVAN is a registered company domiciled in Malta. The operational management and decision-making processes of EVAN were carried out in both Xanten, Germany, and Zug, Switzerland. The company's accountant (company secretary) is based in Germany. All economically significant decisions related to EVAN's capital increase contributions, booking activations, capital reductions, and off-balance sheet property sales were made by responsible individuals and members of the Gerstner family in Germany and Switzerland.

The surplus funds generated from the off-balance sheet property sales were predominantly transferred to Gerstner Vermögensverwaltung (asset management), the in-house entity, and

Quadro Vermögensverwaltungs- und Beteiligungsgesellschaft m.b.H. in Xanten. These funds were accumulated and distributed to individual family members.

Therefore, Swiss Merchant Group AG demands the Gerstner inheritance community and the affiliated Quadro Vermögensverwaltungs- und Beteiligungsgesellschaft m.b.H. to:

A) Immediately withdraw the insolvency proceedings of EVAN GROUP PLC.

B) The immediate retransfer of all monetary surpluses arising from off-balance-sheet sales in the years 2018-2022 to EVAN GROUP PLC, as well as the entire outstanding EVAN bond amount of EUR 23.95 million and the accrued interest from the last two years, to be paid out to the EVAN bondholders, ISIN DE000A19L426, with immediate effect.

The addressed points have been repeatedly communicated to the management of EVAN, their legal advisors, as well as the Gerstner Heirs Community through letters and emails, without any response or reaction received.

It remains open to interested EVAN Group bondholders to register on the homepage www.evanguard-proxy.com of a certain EVAN Group PLC bond investor.

Luke Heatley, Investment Officer of Swiss Merchant Group, stated, "We have extensive documentation on the case of Evan and Quadro Vermögensverwaltungs- und Beteiligungsgesellschaft m.b.H., and we believe that we can achieve a 100% recovery rate for the EVAN bondholders in the near future. Naturally, to prevent further harm to the bondholders, we will concentrate all our efforts on informing the financial supervisory and law enforcement authorities in the five countries and preparing and filing various liability claims."

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Swiss Merchant Group AG
Villa "Krämerstein"
St. Niklausenstrasse 59
CH-6047 Kastanienbaum
Central Desk + 41 41 511 37 00
info@swissmerchantgroup.com
www.swissmerchantgroup.com