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## RASCHKE VON KNOBELSDORFF HEISER Dienstleistungsgesellschaft mbH runs for office as common representative of the bondholders of Rickmers Holding AG

(WKN: A1TNA3/ISIN: DE000A1TNA39)

25 April 2017

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- **Candidacy for the office as common representative (*gemeinsamer Vertreter*)**
- **Vote without meeting (*Abstimmung ohne Versammlung*) from 8 to 10 May 2017**
- **Informational telephone conference on 4 May 2017**

The Management Board of Rickmers Holding AG has asked the Hamburg-based RASCHKE VON KNOBELSDORFF HEISER Dienstleistungsgesellschaft mbH („RKH Dienstleistung GmbH“), a subsidiary of the German corporate boutique Raschke von Knobelsdorff Heiser Partnerschaft von Rechtsanwälten mbB, to run for office as common representative and to represent the collective interests of the bondholders of Rickmers Holding AG regarding the planned restructuring of the 8,875 % corporate bond 2013/2018 (WKN: A1TNA3/ISIN: DE000A1TNA39).

RKH Dienstleistung GmbH runs for office as common representative in the course of the vote without meeting beginning on Monday, 8 May 2017 at 0:00 hours (CEST) and ending on Wednesday, 10 May 2017 at 24:00 hours (CEST). Rickmers Holding AG published a respective request for vote 21 April 2017.

According to Rickmers Holding AG a restructuring of the corporate bond is required due to the ongoing shipping industry crisis. The development of market conditions in the shipping industry has led to declining revenues in all business segments of Rickmers Group, whereby the revenue decline seen in the 2016 financial year has even accelerated compared with previous years.

In order to counteract the challenging market conditions the Management Board of Rickmers Holding AG launched a bundle of operative and financial restructuring measures which aim to strengthen the liquidity and earnings position of Rickmers Group and to reconfigure its debt side. The planned financial restructuring comprises contributions by the shareholder of Rickmers Holding AG, Mr. Bertram R. C. Rickmers, as well as by the financial creditors of Rickmers Group, i.e. the company's banks, a shipyard and the bondholders.

With regard to the bondholders the restructuring concept provides for a payment of the bond interest on 11 June 2017 for the interest period until 10 June 2017 (8,875 %) which is subject to the condition that a common representative is appointed and the restructuring concept gets approval by the bondholders' meeting. All further liabilities of Rickmers Holding AG under the corporate bond shall – amongst proportionate liabilities towards HSH Nordbank AG and a possible further creditor of Rickmers Holding AG – be assumed in the course of an assumption of debt by a corporate vehicle yet to be founded and registered in Luxembourg, i.e. in the legal form of a limited liability company (S.à r.l.) or public limited company (S.A.) („LuxCo“). Rickmers Holding AG would hereby be replaced by LuxCo as issuer of the corporate bond and debtor of the other liabilities incurred by Rickmers Holding AG.

Further, as part of an increase in the shareholders' capital of Rickmers Holding AG, LuxCo is expected to acquire 75.1% of the shareholders' capital of Rickmers Holding AG and the the bondholders' payment claims against LuxCo under the corporate bonds shall be satisfied by an envisaged sale of these shares. Following deduction of costs, fees and taxes the remaining proceeds to be paid by LuxCo will probably be distributed proportionally to the bondholders, HSH Nordbank AG and the possible further creditor as follows:

- bondholders: minimum 57.6 %
- HSH Nordbank AG: minimum 36.1 %
- possible further creditor: maximum 6.3 %

The proportional distribution described above could still change, as the fundamental planning data and calculations for the value recovery based on restructuring contributions still requires final approval and verification.

The new shares of Rickmers Holding AG to be held by LuxCo shall be sold to an investor who is willing to contribute upfront – in addition to the purchase price for the shares – fresh money to Rickmers Holding AG in the amount of USD 54.1 million (or, with the prior written consent of HSH Nordbank AG, any lower amount) which shall solely be used for payments to HSH Nordbank AG, inter alia, repayment of deferred repayment instalments, interest and restricted cash.

LuxCo shall only be authorized to sell the new shares of Rickmers Holding AG to an investor if the consideration for the shares is equal or exceeding the value of such shares (considering also a potential control premium) as determined by an independent and qualified expert as set out in a valuation report provided by such expert to LuxCo. The sale of the new shares of Rickmers Holding AG is due to be closed by the end of the first quarter of 2020. If the sale will not be closed by then and the common representative, HSH Nordbank AG as well as the other participating creditor (if any) do not unanimously agree on an extension of time they shall be entitled to realise the equity value of all the new shares of Rickmers Holding AG by means of a forced sale (based on their security rights over those shares).

Each of the common representative and HSH Nordbank AG shall be entitled to individually exercise certain veto rights as regards, for example, (i) the selection of any M&A advisor with respect to the sale of the new shares of Rickmers Holding AG, (ii) the selection of the expert for the valuation of such shares in connection with a sale to an investor and (iii) the sale of such shares to a specific investor.

As things stand today, it is to be expected that the proceeds from the sale of the new shares of Rickmers Holding AG due to the bondholders will not reach the nominal value of the bondholders' claims.

In order to implement the restructuring concept Rickmers Holding AG intends in the course of a vote without meeting to have a common representative instructed, authorised and empowered to finally negotiate the concept for the restructuring of the corporate bond in accordance with the main features and key points as described in the request for vote published in the German Federal Gazette on 21 April 2017 (including the Bond Restructuring Term Sheet attached thereto as Schedule 1), to decide in its own discretion about the implementation of the restructuring concept and to represent the bondholders in connection with all matters, acts or declarations which are required or useful for the implementation of the restructuring concept.

With respect to the vote without meeting any resolution of the bondholders requires a quorum of bondholders representing at least 50 percent of the outstanding bonds by value. In case the vote without meeting lacks of quorum, Rickmers Holding AG intends to invite to a so-called second meeting (*zweite Versammlung*). In such second meeting, the resolution on the authorisation and empowerment of the common representative to implement the bond restructuring could already be passed if participating bondholders represent at least 25% of the outstanding bonds by value. The resolution on the appointment of the common representative could even be passed by the second meeting without any quorum at all.

Should the bondholders not consent to the proposed appointment and authorisation of the common representative or should there be a lack of quorum regarding the second meeting, this would presumably result in the prompt insolvency of Rickmers Holding AG. The payment of the bond interest as of 11 June 2017 could not be expected in this case. According to a present expert opinion on the liquidation value which is currently being updated the insolvency dividend to be expected by the bondholders would not even reach the amount of the intended payment of the bond interest due 11 June 2017.

RKH Dienstleistung GmbH has been involved by Rickmers Holding AG in individual rounds of negotiations with the other financial creditors as "designated common representative" to contribute suggestions from the point of view of the bondholders.

**RKH Dienstleistung GmbH invites all bondholders of Rickmers Holding AG to an informational telephone conference on 4 May 2017, to inform more detailed on back-**

**grounds and further steps. The telephone conference will take place in the time between 11.00 am and 12.30 pm in German and between 1.00 pm and 2.30 pm in English.**

Bondholders who wish to attend such telephone conference and who wish to be informed on the further developments are kindly asked register **until 3 May 2017** at the latest by contacting RKH Dienstleistung GmbH **via e-mail or mail** as stated below and sending an up-to-date (not older than three weeks) deposit statement (*Depotauszug*) which evidences their corporate bond holdings. The dial-in data required to enter the telephone conference will be provided to the registered bondholders until 3 May 2017.

Further information and accompanying documentation regarding the vote without meeting can be obtained from the homepage of Rickmers Holding AG: [www.rickmers.com/investors](http://www.rickmers.com/investors).

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## Contact

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## Background

RKH Dienstleistung GmbH located in Hamburg, registered in the commercial register of the local court of Hamburg under HRB 145610, is a service provider which was founded to act as common representative of bondholders pursuant to the German Act on Issues of Debt Securities (*Schuldverschreibungsgesetz*). Managing director of RKH Dienstleistung GmbH is lawyer (*Rechtsanwalt*) Dr. Kristian J. Heiser, LL.M. Sole shareholder of RKH Dienstleistung GmbH is the Hamburg-based Raschke von Knobelsdorff Heiser Partnerschaft von Rechtsanwälten mbB („RKH“) which is one of the leading German corporate/M&A boutiques. RKH was established in 2005 as spin-off of its founding partners from *Freshfields Bruckhaus Deringer*. RKH is focused on legal high-end advice to German and international industrial and commercial clients, private equity companies as well as banks and other financial service providers in the areas M&A/private equity, corporate law as well as banking and capital market law.