



SCHIRP NEUSEL & PARTNER
Rechtsanwälte mbB

Press Release

Rickmers Holding AG: Bondholders Criticize Proposed Restructuring Scheme

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The financially troubled Rickmers Holding AG tries to convince its creditors to consent to an extensive restructuring scheme in order to save the group from potential insolvency. Bondholders (WKN: A1TNA3/ISIN: DE000A1TNA39) are requested to participate in a voting without meeting about this scheme from May 8, 0:00 until May 10, 24:00.

Unfortunately, many aspects of the proposed reconstruction scheme remain uncertain or proof to be a disadvantage, especially for bondholders.

Key Aspects for Bondholders of Rickmers Holding AG

- Rickmers Holding AG intends to pay interests of 8.875% due June 11 – but only if bondholders consent to the proposed restructuring scheme.
- All other claims of bondholders – especially the claim for repaying the capital – will be transferred by Rickmers Holding AG to a Luxembourgian corporation (LuxCo), which will be founded for this purpose only. LuxCo will then be the sole contracting party and the bondholders' only debtor.
- In return LuxCo will acquire 75.1% of the shares in Rickmers Holding AG. Therefore Rickmers Holding AG will increase its capital. LuxCo is supposed to sell the acquired shares within three years. Of the proceeds it will repay bondholders (after paying other costs, taxes etc.) As there are other creditors besides the bondholders (e.g. HSH Nordbank), bondholders will get only 57.6% of the proceeds.

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Provisional Evaluation of Rickmers' Restructuring Scheme

It is a positive sign that Rickmers Holding AG intends to pay interests of 8.875% in June. On the downside, this intention is under the condition that bondholders consent to the restructuring scheme.

It is very unlikely that LuxCo will be able to sell all acquired shares for a price that enables it to completely satisfy all bondholders and even Rickmers doesn't believe in it.

The ideal selling price required can be calculated as follows:

Rickmers Holding AG owes a repayment of €275M. If Rickmers Holding AG increases its capital from 10 to about €40M and LuxCo acquires 75.1% of it, it will have acquired shares of about nominal €30M. That means LuxCo has to sell those shares for at least €500M.

In addition, the bond will be prolonged until 2027 and all interests will be due at the end of this term. That means in fact, that bondholders won't get any more interests at all (except for this year's payment in June).

Furthermore, HSH Nordbank (another creditor) will be entitled to 36.1% of the sold shares' proceeds. But this refers only to the debts previously acquired by the LuxCo. There are more claims by HSH Nordbank that will not be transferred to LuxCo but will remain with Rickmers Holding AG. First of all, an investor that intends to buy shares from LuxCo has to commit to pay \$54.1M to Rickmers Holding AG. This amount will be exclusively used to repay claims of HSH Nordbank. So HSH Nordbank gets \$54.1M before bondholders get the first Cent.

Also, in case of insolvency proceedings, LuxCo might raise another problem: While it may be possible to find an investor for an insolvent Rickmers Holding AG so that bondholders, as debtors of Rickmers Holding AG, could participate in a dividend, it is very unlikely that there will be an investor for an insolvent LuxCo. In that case, bondholders won't get one Cent.

Julia Breier-Struß, Schirp Neusel & Partner:

„Bondholders can't be certain that Rickmers Holding AG really pays the interests of 8.875% in June. It may very well be the intention of Rickmers Holding AG, but bondholders are supposed to advance their trust. Especially because the restructuring scheme is not bound to the condition that interests will really be paid, even though it would be easy to declare that.”

Election of Joint Representative and Accreditation

A joint representative of bondholders should not be nominated by the issuer as he is obliged to exclusively represent their interests and has to analyze the concept critically before joining negotiations. It is also advantageous to choose somebody who is well experienced and has filled this position before. With the candidates presented so far, that is not the case. Therefore we have been asked by bondholders to candidate as well and counter motions have been submitted referring to our candidature.

But the joint representative should not be empowered to decide all by himself whether he, as the bondholders' representation, consents to the scheme or not. Instead, the bondholders'



meeting should vote on the final scheme and give voting instructions to the joint representative.

Julia Breier-Struß, Schirp Neusel & Partner:

„At present, bondholders do not have enough information to come to a well informed decision regarding the proposed restructuring scheme. Therefore we call on the issuer to provide more information. Until this will have been effected, we do not suggest to consent.“

In the event that the voting without meeting lacks the quorum of at least 50% of participating bondholders, a second voting is to be called where bondholders will be able to meet in person. Right now, this would be the most favorable option.

For further information please contact:

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