

## Press release

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Thursday, 9<sup>th</sup> March 2023

# Royal IHC reached agreement on financial restructuring

- Royal IHC is and remains a major player in the Dutch maritime manufacturing industry. Like most companies in this sector, Royal IHC has recently had to deal with the effects of the international COVID crisis and geopolitical developments. Both have had a major impact on the markets for our products and has also led to high volatility in the commodity market and suppliers.
- Nevertheless, the market for the smaller projects is now back on track and our activities in the Dredging, Mining, Offshore Energy and Defence markets are showing growth and projects are profitable.
- To cope with this situation, Royal IHC implemented a major global restructuring and structurally reduced costs. In addition, a process has been underway for some time to strengthen Royal IHC's balance sheet through the sale of our wholly owned subsidiary IQIP. This will pay off existing debts, significantly improve equity and strengthen the cash position.
- Stakeholders around Royal IHC as well as a majority of Royal IHC's current bankers agreed to the proposed simplification of financing some time ago. A minority of banks prevented the required unanimity of votes. To convince all lenders of this plan, Royal IHC initiated WHOA proceedings (Homologation Private Agreement Act), supported by the majority of lenders. This private agreement was ratified (homologated) the court today.

Today, the court ratified Royal IHC's financial restructuring plan under the WHOA (Homologation Private Agreement Act) proceedings that had been initiated by Royal IHC early this year.

The financial restructuring plan that will now be brought to fruition involves the sale of the wholly owned subsidiary IQIP to HAL Investments which will allow the existing credit and guarantee lines with the existing bank consortium to be repaid largely in advance. In addition, with the remainder of the proceeds from the sale of IQIP, Royal IHC will have access to significant liquidity and a strong balance sheet with good solvency. The plan also provides for the continuation of existing guarantee lines from the bank consortium to enable new contracts to be entered into for building vessels and equipment in the markets in which Royal IHC operates.

The aim remains to play an important role in the Dutch shipbuilding industry and economy and as an international player with a specific focus on the dredging, offshore, mining and defence industries. All indications point to improving demand in the markets in which Royal IHC operates.

Royal IHC is very grateful to the Dutch Government and, by extension, to Atradius for their role in bringing the parties closer together. Royal IHC would also like to explicitly thank all other financial stakeholders who have

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agreed to this financial restructuring plan for their role in this process. We also wish to express our respect for the defence of parties who initially did not fully agree with the restructuring plan. We express our hope and expectation that with the homologation of the agreement, a new situation will emerge in which we jointly work towards a healthy future for Royal IHC. Even after the sale of IQIP, Royal IHC will have sufficient market potential with a strong flow business consisting of orders for smaller standard vessels and equipment. In addition, the company is well positioned to meet the increasing demand in Royal IHC's core markets (Dredging, Offshore Energy, Mining and Defence). Therefore, with a significantly strengthened balance sheet, Royal IHC expects to be able to once again obtain the necessary project financing to start winning the more complex contracts.

Note for the editors, not for publication:

### **Company profile**

Royal IHC is determined to play a leading role in making the maritime industry more efficient and sustainable.

Anchored in the rich Dutch maritime history, Royal IHC continues to expand its position as a leading supplier of maritime technology and craftsmanship. With the right expertise on board and driven by innovation, Royal IHC offers a clear competitive advantage to its global customers in the dredging, offshore, mining and defence industries.

With its equipment, vessels and services, Royal IHC provides reliable, integrated solutions to increase customers' operational efficiency and enable more sustainable solutions. In an ever-changing world, our goal remains to find the smartest and safest way forward for both our customers and Royal IHC employees.

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This press release can also be found on our website [www.royalihc.com](http://www.royalihc.com).