

Press Release

Bagel Bakery to be turned around in Debtor-in-Possession Proceedings

11 April 2018 · Gutenborn, Germany · Business
Area: Insolvency Administration

- PLUTA attorney Dr Thiemann appointed as the provisional insolvency monitor
- Production and business operations being continued without any changes

Gutenborn, Germany. 11 April 2018. Bagel Bakery GmbH is facing a liquidity shortage which has been caused by promised orders that finally have not been awarded and by the high financing costs incurred for acquiring their new production line. For this reason, the managing director Mr Christian Kiefer has now filed for debtor-in-possession proceedings with the Local Court of Halle. The court has approved this application and has ordered the proceedings to be conducted by the company as a debtor in possession. The producer of American bakery products intends to get back on track and to become fit for the future as part of these restructuring proceedings. Bagel Bakery will be supported during the proceedings by the restructuring consultancy firm Buchalik Brömmekamp (based in Berlin).

“Production and business operations will be continued without any changes. We will complete all existing orders, accept new ones and continue to deliver products in the quality that customers are used to,” stated the managing director Mr Kiefer. The roughly 180 employees of the

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Further information about PLUTA and the contents of these Press information you will find under www.pluta.net

About PLUTA

PLUTA helps companies in legally and economically difficult situations. Since the company was founded in 1982, PLUTA has constantly grown. Today PLUTA has a staff of about 500 employees in Germany, Spain and Italy including more than 290 graduates in business economics and business management, attorneys, business lawyers, tax consultants, public auditors, certified accountants, economists, bankers, bookkeepers, engineers and insolvency administration specialists. Many of them own multiple qualifications what ensures practicable and economically sensible solutions. In particular, PLUTA provides support in restructuring companies affected by a crisis or insolvency and in continuing business operations, if necessary by involving restructuring experts in a responsible role. PLUTA is one of the top enterprises specialising in restructuring and turning around companies, as demonstrated by rankings and awards from INDat, JUVE, The Legal 500, Who's Who Legal, brandeins, and Focus. Further information at www.pluta.net

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company have been informed of the steps to be taken in the proceedings. Their wages and salaries will continue to be paid in due time and without any restrictions. In the first three months, these payments will be guaranteed by the so-called insolvency substitute benefits; after this time, responsibility for pay will pass back to the company. No redundancies are planned.

Together with Buchalik Brömmekamp, the management team is now going to prepare a feasible long-term restructuring concept, which will be implemented during the next few months. This concept, which is subject to approval by the creditors, will define the measures to be taken in order to maintain the company's business operations and to achieve debt relief. "In terms of products, Bagel Bakery is very well positioned. Now the task is to bring the company back in calm waters and to optimise some processes. We are going to gain a precise overview of the economic situation as quickly as possible and to assess all options available for restructuring," said the restructuring expert Mr Nils Averbek, who will provide the company with on-site support during the proceedings.

Debtor-in-possession proceedings, as provided by the German Insolvency Statute, aim at preserving the company on a long-term basis. The management team continues to hold the rudder in their hands and is allowed to develop and implement the restructuring measures on their own. Instead of an administrator, a provisional insolvency monitor is appointed whose main task is to assess the debtor's economic situation and to supervise the managerial activities. The Local Court of Halle has

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appointed Dr Stephan Thiemann from PLUTA
Rechtsanwalts GmbH as the provisional insolvency monitor
for Bagel Bakery.

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