

Press Release

PLUTA restructuring expert Meyer finds investor for furniture component supplier Karl W. Niemann

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Following the conclusion of a comprehensive company acquisition agreement back in mid-July 2020, all closing conditions have now been met and the sale can proceed. Mr Stefan Meyer from PLUTA Rechtsanwalts GmbH, the insolvency administrator appointed by the Local Court of Bielefeld, has thus succeeded in finding an investor for Karl W. Niemann GmbH & Co. KG based in Hedem in Preußisch Oldendorf.

Effective 16 August 2020, Emotion Holztechnik GmbH from Bremen has taken over the furniture component supplier's business operations. The parties have agreed not to disclose the purchase price or other details of the company acquisition agreement. The vast majority of jobs will be retained in the successor company, as the investor will absorb 70 employees. Ten employees had to be made redundant based on the acquisition concept. All other employees had already left the company at their own request. The insolvency administrator, together with the works council, has concluded a balance of interests agreement and social plan for the employees who were made redundant, taking into consideration the framework

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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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conditions under insolvency law.

Emotion Warenhandels GmbH, an affiliate of the buyer from the Emotion Group, has already acquired the business operations of Niemann Formholztechnik GmbH & Co. KG from Getmold, a Karl W. Niemann subsidiary, effective 1 July 2020. This has secured all jobs at the Getmold site.

Ever since the long-established company filed for insolvency in March 2020, restructuring expert Mr Stefan Meyer and his PLUTA team, which includes attorneys Mr Philip Konen and Mr Christoph Chrobok, have kept the business fully operational. A complete shutdown related to the COVID-19 pandemic was mandated just a few days after the application for insolvency was filed. This posed significant challenges with regard to maintaining business operations during the insolvency process. Apart from the need for hygiene measures in line with COVID-19 requirements, a great deal of creativity and commitment was necessary at all levels in order to keep the business going. Following a stabilisation phase, a sale process was then initiated with the involvement of Falkensteg Corporate Finance GmbH in Frankfurt. Negotiations were held with a series of interested parties; ultimately, the Emotion Group from Bremen prevailed. The creditors' committee has unanimously approved the transaction.

PLUTA attorney Mr Meyer expressed his relief: "After the Niemann family had ruled out a renewed engagement for them on personal grounds and owing to a successful and professional M&A process, we were able to follow up on the sale of Niemann Formholztechnik with a good solution that

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keeps the parent company in business as well. I am delighted – it was by no means a foregone conclusion that this long-standing furniture component supplier would continue operating given the very specific market conditions at this time. In spite of the enormous challenges posed by the coronavirus pandemic, we have been able to achieve a good result for the creditors and save 70 jobs in total. This positive outcome was only possible because of this company's fantastic team. From management through to administration and production employees, everybody showed great motivation in pulling together during this difficult period. Our dealings with the works council were also professional and always constructive. I would like to thank all involved for this and wish the successor company all the best for the future."

Purchaser Emotion Holztechnik GmbH is part of Emotion Warenhandels GmbH, which was founded in 2008 and has been manufacturing solely in Germany since 2012 – with sustainability playing a key role in this. With its Emotion-24 brand, the company is a successful manufacturer and online retailer of bathroom furniture, vanity units with washbasins, full-length and medicine cabinets and whirlpools. The Group employs a total of 213 people. 107 staff are employed in Bremen.

Emotion managing director Mr Dominik Entelmann said: "We're pleased that we've now been able to acquire the parent company as well. Karl W. Niemann is a specialist in series furniture production and the manufacture of moulded wood components. This means that we are successfully continuing to pursue our growth strategy. We

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can maximise synergies and position ourselves even more broadly in terms of our production capabilities.”

Karl W. Niemann is a leading manufacturer of high-quality, plastic-coated furniture components and composite materials. The family-run company produces fronts and panels for well-known major manufacturers of kitchen, bedroom, bathroom and office furniture in Germany and abroad. The company's origins date back to 1832, when Friedrich Wilhelm Wilcke started his joinery business. The company was then founded in 1954.

Due to massive liquidity problems, Karl W. Niemann GmbH & Co. KG had to file for insolvency on 6 March 2020 at the competent Local Court of Bielefeld. Attorney Mr Stefan Meyer was initially appointed provisional insolvency administrator and then insolvency administrator following the opening of the proceedings by order of the insolvency court on 1 May 2020. A creditors' committee was appointed for the proceedings, made up of a representative for the financial institutions involved, a supplier representative (commercial credit insurer) and a representative of the Federal Employment Agency based in Bielefeld.

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