

## Press Release

# **AWO OWL in-court debtor-in-possession and restructuring proceedings ended and district association in a financially solid position**

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Area: Insolvency Administration

With an overwhelming majority of the creditors' assembly (almost 100% across all groups, specifically 99.9%) having approved the insolvency plan presented by workers' welfare district association AWO Bezirksverband Ostwestfalen-Lippe e.V. (AWO OWL) at the discussion and voting meeting before the Local Court of Bielefeld on 3 July 2024, the insolvency and restructuring plan has now obtained legal force.

Following this, AWO OWL, through its general agent, attorney and restructuring expert Mr Andreas Budnik (AndresPartner), fulfilled and demonstrated all conditions required for the termination of the proceedings. Attorney Mr Stefan Meyer (PLUTA Rechtsanwalts GmbH), as insolvency monitor, made a comprehensive statement on this and confirmed that the requirements for the termination of the proceedings had been met. This meant the insolvency court (Local Court of Bielefeld) could then take the final step in the in-court proceedings. With the termination order from the court dated 29 July 2024, the debtor-in-possession proceedings have been ended as

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#### **About PLUTA**

PLUTA assists companies facing legal and financial challenges. The firm provides support for reorganisations and transactions and helps companies to restructure and maintain their operations in crisis and insolvency situations. If necessary, PLUTA restructuring experts may also assume leadership roles in other businesses. Since the company was founded in 1982, PLUTA has constantly grown and today has a staff of approximately 500 employees in Germany, Spain and Italy. More than 290 business and management experts, attorneys, business lawyers, tax consultants, public auditors, certified accountants, economists, banking and bookkeeping experts, engineers and insolvency administration specialists, many with multiple qualifications, ensure practicable and economically sound solutions. PLUTA is one of the top restructuring companies, as demonstrated by rankings and awards from INDat, JUVE, The Legal 500, Who's Who Legal, brand eins, Wirtschaftswoche and Focus. Further information is available at [www.pluta.net](http://www.pluta.net).

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planned effective 1 August 2024. The AWO OWL bodies are now in a position to independently and freely shape the workers' welfare district association's future without the limitations of court proceedings or the approval of an insolvency monitor. As a result, the vast majority of the formerly some 200 facilities, offerings and services that come under the umbrella of AWO OWL can be preserved and maintained going forward. For by far the most part of the facilities that will no longer be run by district association AWO OWL, new providers have been found that will maintain the respective operations. This outcome also means that AWO OWL's more than 4,000 employees will keep their jobs.

Restructuring expert and attorney Mr Stefan Meyer, whom the court had appointed insolvency monitor, said about the termination of the proceedings, "I am delighted that it has been possible to quickly and successfully end the in-court debtor-in-possession and restructuring proceedings within just ten months of them having been opened. I wish to thank the insolvency court, the discerning but always exceptionally constructive members of the creditors' committee and the board as well as attorney Mr Budnik as general agent for the excellent cooperation. Despite the different roles of all involved, the professionalism and trust shown during the collaboration have led to today's outcome. In particular, however, I would like to express my gratitude to the AWO OWL employees. In this uncertain and therefore exceptionally difficult time for them, they have done a tremendous job and demonstrated their great loyalty to the district association. Such commitment is not always a given, so it is important that I take this

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opportunity to again state my sincere thanks. It would not have been possible to achieve this outcome without that teamwork."

Mr Thomas Euler, chief executive of AWO OWL, and Mr Christoph Lützenkirchen, chief financial officer, also expressed their relief that it has been possible to terminate the in-court restructuring proceedings: "We, too, would like to especially thank our exceptionally motivated staff. With a remarkable effort, they have consistently stood with us in solidarity over these months and supported the restructuring process. We must also mention the creditors and financing partners during these proceedings. With their overwhelming approval of the insolvency and restructuring plan and associated waiver of claims, they have in the first place made it possible for us to pursue this successful restructuring solution that will preserve the association. Therefore, we naturally wish to express our sincere thanks to the creditors and financing partners as well."

"With the statutory instruments of the German Insolvency Code and the enormous effort shown, it has been possible to restructure and realign AWO OWL within a short space of time. This will ensure that it is well equipped for the challenges that lie ahead. The entire process has been the result of exceptional teamwork. I, too, would like to sincerely thank all of the stakeholders already mentioned for this," said Mr Andreas Budnik in summary.

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