

Press Release

PLUTA attorney Frank Brachwitz finds investor for Internet start-ups Natural Mojo & Skingood Garden

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Restructuring expert Mr Frank Brachwitz from PLUTA Rechtsanwalts GmbH had good news today regarding insolvent Berlin-based Internet start-ups Natural Mojo and Skingood Garden. A company of the renowned GÖDE Group is set to acquire the start-ups' business operations effective 1 April 2023 by way of an asset deal and will keep on the entire workforce.

Mr Frank Brachwitz of PLUTA said, "The investor solution represents a very good outcome. The funding landscape is not favourable for Internet start-ups at this time. Rising interest rates and uncertainty in the capital market have spooked many investors. I am therefore all the more pleased that we have found a financially strong investor after having kept the business running for five months." Despite the difficult conditions in the market for tech company transactions, the PLUTA attorney has been able to achieve the best possible solution for the start-ups and creditors.

Sale of food supplements via online shops and social media channels

Natural Mojo GmbH, Skingood Garden UG (haftungsbeschränkt) and sister company IB Group

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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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Services GmbH had to file for insolvency in November 2022 due to liquidity problems. The three companies form a group that is part of the food division of Internet company Invincible Brands and sell high-quality food supplements and nutricosmetics ('beauty food') via the Internet to end consumers under the Natural Mojo and Skingood Garden brands. It uses its own online shops and social media channels for this as well as newsletters and influencer marketing. The primary sales markets are Germany, France, Italy and Poland. In 2021, group sales reached around 13.9 million euros. The business has been in deficit recently.

After out-of-court restructuring efforts failed, the Local Court of Charlottenburg ordered provisional insolvency proceedings in November 2022 and appointed Mr Frank Brachwitz from PLUTA Rechtsanwalts GmbH as provisional administrator. The insolvency proceedings for the group as a whole were opened on 1 February 2023. "At the time of my appointment, the company had completely ceased operating. Customers could no longer place orders in the online shops and the logistics service provider had stopped its activities," said attorney Mr Brachwitz, explaining the difficult situation. However, the administrator and his team quickly succeeded in getting the business up and running again. The PLUTA attorney organised pre-financing of the substitute benefits provided under German insolvency law for the employees, drew up liquidity plans for all three companies and held discussions with the logistics service provider so that the online shops could begin accepting new orders again. Given the initially low cash position, a decision was taken

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to postpone new marketing measures with influencers. Instead, a newsletter was prepared and emailed to over a hundred thousand customers, which generated a significant amount of new orders in the beginning in particular.

In parallel to this, Mr Brachwitz launched a structured process of finding an investor. The administrator commissioned Lange Corporate Finance GmbH, an M&A consulting firm that specialises in restructuring, for this. More than 200 potential investors in Germany and abroad were approached during the M&A process. Over a dozen investors expressed an interest in a takeover and were given access to a virtual data room to conduct due diligence.

All staff to be kept on

Mr Brachwitz was able to successfully conclude the process of finding an investor in recent days. The purchase agreement has already been signed. The parties involved have agreed not to disclose the contractual terms. The new owner will keep on all of the employees within the international start-up team.

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