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Press Release

Restructuring of Bagel Bakery making Progress

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• PLUTA attorney Dr Thiemann appointed as insolvency monitor
• Customers and suppliers are supporting the restructuring course

The Local Court of Halle (Saale) opened the insolvency proceedings for the assets of Bagel Bakery GmbH on 1 July 2018. The proceedings will continue to be pursued under debtor-in-possession management. The initial steps for reorienting the company have already been identified and were implemented during the application process. This means that considerable progress is being made in restructuring the producer of American bakery products. The measures taken are based on a comprehensive restructuring concept, which has been developed and is being implementing by the managing directors of the company together with the Berlin-based business consultancy Buchalik Brömmekamp. Business operations will be continued without any changes or restrictions, even after the proceedings have been opened.

Bagel Bakery GmbH produces American bakery products for the gastronomy sector, bakery business and trade. Approximately 180 employees produce bagels, muffins, brownies and cookies at the production site in Gutenborn. The main restructuring approach aims at optimising and

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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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planning production more efficiently. Furthermore, the financing structure is to be adapted so that the high credit costs arising from the investment in a production line can be reduced.

Bagel Bakery had filed for debtor-in-possession proceedings with the Local Court of Halle (Saale) at the beginning of April this year. "Our customers and suppliers stayed onboard and are supporting the course we have taken. Therefore, we have been able to continue production and business operations since we filed for insolvency," explained Mr Christian Kiefer, Managing Director.

"Thanks to debtor-in-possession management, we have been able to pursue our goal of turning the company around on a sustained basis and restructuring it so that it is once more competitive. Continued high appreciation among our customers shows us that Bagel Bakery creates the right products. That is an important requirement for continuing business," commented Mr Nils Averbeck, restructuring expert from Buchalik Brömmekamp, who is giving support to the company's management board. Buchalik Brömmekamp is also providing the producer of baked goods with advice on legal issues involved in the debtor-in-possession proceedings and is implementing both business and operational restructuring measures.

As a debtor in possession, Bagel Bakery is taking advantage of the new opportunities offered by the insolvency law reform, which took effect in March 2012. In such proceedings, the managing directors remain in charge and, while being protected under the status of

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insolvency, are in a position to develop their own restructuring measures, which can be subsequently translated into an insolvency plan. This plan sets out how a company's debts can be reduced and how the business can be continued. Following a judicial review, the insolvency plan then has to be approved by the creditors involved. During the debtor-in-possession proceedings, the company is under the sole supervision of an insolvency monitor appointed by the Local Court of Halle (Saale). Dr Stephan Thiemann from PLUTA Rechtsanwalts GmbH was appointed to this role. He had already been active as the provisional insolvency monitor in these proceedings.

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