

## Bonaverde files for Insolvency

### Dear Bonaverde Community,

It is with regret, reluctance and sadness we, Bonaverde GmbH, have had to officially file for voluntary insolvency under the German Insolvency Act.

Above everything, we understand and acknowledge the frustration coming from the crowdsourcing community. We have always felt very fortunate to have such a wide-ranging community which supported Bonaverde and its mission, and we're sorry to have let you down so.

We would like to make it clear, our intention has always been to bring our mission & vision to reality. After 4 years of development and during the subsequent 2 years the Berlin was in the market, it was always our imperative that inventory was balanced between outstanding backers pledge rewards and new sales in order to try to keep the company afloat. We have constantly evolved the product itself as much as the surrounding services and the digital products, but the lessons we had to learn from development came with a high cost associated. Step forwards in manufacturing of hardware would always be challenging to a bottom line. Eventually this dynamic, coupled with the large financial need for undertaking an upcoming recall has proved financially impossible for us as a start-up.

From 2013 on, crowdsourced financing was invested into bringing the hardware of the world-first-Berlin to life after having failed with a similar idea earlier on a previous project "Kaffee Toro". The Berlin made it to the market in 2017 as an MVP (minimum viable product). This really was a huge milestone for us, however, it still took almost all of the operating capital and the crowdfunding resources at the time, so that for the last two years, we have had to rely on support from our amazing business angels.

To give you an idea of what's involved in creating hardware alone, we are talking about: development, prototyping, gaining food safety and electrical compliancy for a first-of-its-kind product, several hundred iterations of alpha, beta and gamma test-machines, manufacturing tooling, connectivity development, logistical setup in more than three continents with international fulfilment and warehousing, coffee sourcing across international borders, single-serving packaging and boxing, back-end development, conventions, fundraising, design, marketing, legal requirements and thousands and thousands of general overhead topics. On top of this was trying to continue momentum with building out an in-house tech team, marketing team and customer experience team to ensure that the work we had done would continue and scale onwards. It has all taken its financial toll and the challenges of opening up the market for coffee roasters based on a first generation MVP product in the end has proven too much of a challenge for us.

### Recall of Berlins

We have been notified by our manufacturer of a specific production batch issue, which was as a result of them using a material part, against Bonaverde specifications, in a bid to save costs. We have been informed this can lead to condensation in rare circumstances in this particular assembly batch and can cause a short-circuit in the electronics controlling the operations.

This can potentially lead to the roaster turning on while bypassing the security software, and unless turned off, can result in overheating if there is coffee beans inside the roaster at that time.

This is not acceptable in your home for a number of reasons, unfortunately we have been unable to reach a solution with the manufacturer, and so we will recall these units from eligible customers.

Please note earlier batch machines are not affected by the recall.

Upon the recall of this faulty production batch of machines and the assumed costs, Bonaverde can no longer guarantee its business operations and haven't been able to obtain further financing.

Bonaverde is the sacrifice for this final attempt to operate in the best interest of the consumer, as well as our crowdfunding community.

If you would like to see if you're eligible for the recall, please [go here](#).

### Next Steps

We will update you all on the coming developments and we will try to find ways to thank everyone for their trust and support. Believe us, this is a painful and frustrating step for all of us after years of hard work and moves to re-invent the coffee market with new products and services. Please bear with us as we work towards figuring out the next steps. We haven't given up just yet.

So this is the end?

We are still here and with everything we have built and learned, we are not yet giving up. We believe there is such untapped potential in all of our creations: from global distribution licensing deals, IoT devices, digital products, actionable data insights, hardware patents and IP and perhaps most of all our just-released Urban Coffee Club which was meant to stand on its own two feet. They've had their hands tied by our immediate lack of liquidity whilst the finish line was just in sight.

If (and that really is an "IF") we should find a way to continue through some way of restructuring or "rebirth", then we would plan to take all the existing crowdfunding shareholders along with an equivalent share value, so as to find a way of keeping their previous support as part of the journey, despite the fact that the original Bonaverde company would be dissolved.

There is as yet no Plan B for Bonaverde GmbH, but that won't stop us fighting til the end. We welcome any thoughts on how you could help, introductions, or support with restructuring. If you see the potential as we still do, and want to help, please reach out below so we can get in touch: