PRESS RELEASE

Gossmann & Cie. acquires German insurer SOVAG

- Transaction ensures significant operational scalability for ExPRO

**Hamburg, 9th January 2020.** Gossmann & Cie. today announces the acquisition of Schwarzmeer- und Ostseeversicherungs-AG (SOVAG) via its holding company Minerva Capital GmbH. Sellers were Gazprom Germania GmbH, Insurance Company of Gaz Industry (SOGAZ) and VOLGA Resources Investments. The transaction follows the completion of the transfer of SOVAG’s legacy portfolio to DARAG on 19th December 2019. The financial terms of the transaction, which was closed on 30th December 2019, were not disclosed.

The incorporation of SOVAG’s experienced team and established insurance operations will accelerate Gossmann & Cie.’s portfolio refinement capabilities via ExPRO (Expiring Policy Roll-Over), an innovative product for the ongoing optimization of equity capital for non-life insurers. All resources, including the team and major parts of the infrastructure, will be contributed to Gossmann & Cie.’s new risk carrier, a Protected Cell Company (PCC), in the process of being licensed by the Maltese regulators shortly. Going forward, SOVAG will cease operations as a risk carrier, as it has returned its license after the transaction.

"The acquisition of SOVAG marks a significant milestone towards delivering holistic and data-intuitive portfolio refinement solutions across Europe, at a time of increased interest and demand, just months after launching ExPRO. We bring onboard a great team of experienced insurance specialists, as well as very sustainable infrastructure and IT systems", says Arndt Gossmann, founder of Gossmann & Cie. "The SOVAG hub will become the operational backbone of our new carrier, enabling us to introduce and scale our ongoing capital optimization offering in eight EU countries within the first quarter of 2020", he concludes.

ExPRO was launched in 2019 in a partnership with Munich Re. It allows the continuous transfer of individual insurance contracts that have expired, or are due to expire in the near future, to an external risk carrier. This enables the ceding insurer to release capital and operational resources, tied up by former customers, immediately after the termination of the policies. Munich Re will take over the majority of risks as reinsurer.

Gossmann & Cie. was advised by Görg Partnerschaft von Rechtsanwälten (M&A) and Norton Rose Fulbright LLP (Regulatory Advice). The sellers were advised by Clifford Chance LLP.

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**About Gossmann & Cie.**

Gossmann & Cie. was founded in 2018 by Arndt Gossmann, a renowned expert for restructuring and legacy business in Europe. The company is developing an innovative product for non-life insurers called ExPRO (Expiring Policy Roll-Over). ExPRO makes possible the ongoing transfer of insurance contracts expiring in the future to an external risk carrier. For the first time, insurers can now release equity by directly neutralising in their balance sheets all business that will no longer generate revenue in the future. [www.gossmann-cie.com](http://www.gossmann-cie.com)
About SOVAG
SOVAG was founded in 1927 in Hamburg. The Company wrote commercial and private lines in eight European countries, as well as reinsurance in the London market. SOVAG ceased underwriting in 2017 and restructured its operations, transferring its former business to DARAG in December 2019.

Further enquiries:

Media contact: Susanne Wiesemann
Tel.: +49 (0)40 692 123-20, wiesemann@red-robin.de
redRobin. Strategic Public Relations GmbH, Virchowstraße 65b, D-22767 Hamburg

Company contact: Arndt Gossmann
Tel.: +49 (0)40 2277 128-81, ag@gossmann-cie.com, www.gossmann-cie.com
Gossmann & Cie. GmbH, Am Klein Flottbeker Bahnhof 2, D-22609 Hamburg