

To all Agents and Claims Handlers of Gefion Insurance A/S

GEFION INSURANCE A/S
Østergade 10
DK-1100 Copenhagen K
Denmark
CVR No. 36016493

June 29, 2020

GEFION INSURANCE A/S ENTERS INTO SOLVENT LIQUIDATION

We write to inform you, that the Danish Financial Supervisory Authority (**DFSA**) by decision of 24 June 2020 has decided not to grant Gefion Insurance A/S' (the **Company**) an extension of the recovery period which expired on 25 May 2020 and, as a direct consequence hereof, our license as an insurance company has been withdrawn in compliance with the provisions of the Danish Financial Business Act effective on such date.

The decision is surprising – not least due to the prevailing and extraordinary circumstances and recognized effects to business of the global Corona virus pandemic – but also because we had obtained a commitment from our shareholders to support the Company with more capital if an extension was granted. An extended recovery period would have allowed on-going, but delayed investment processes to run their course and an orderly run-off to proceed with capital support from the shareholders if such investment processes ended without result.

Despite these efforts, the DFSA has still decided not to grant an extension of the recovery period and, as a result hereof, to withdraw the Company's license as an insurance company.

LIQUIDATION OF THE COMPANY

In accordance with the provisions of the Danish Financial Business Act, we will now enter into a *solvent* liquidation. This is standard practice when the license to act as an insurance company is withdrawn and we emphasise that the liquidation is a solvent liquidation, where the Company will continue to meet all its financial obligations.

The shareholders will appoint a liquidator before 15 July 2020 to initiate an orderly run-off.

The liquidation will be carried out in accordance with a previously prepared run-off plan, which ensures that the existing insurance portfolio is run-off in a timely and orderly manner for the benefit of our policyholders.

It is important for us to underline that as the Company is entering a solvent liquidation operations will continue as usual in relation to business that has already been written on behalf of the Company and you should continue to reach out to your usual contacts at the Company in case of any queries.

We continue to have sufficient funds to cover our liabilities as they fall due and we will continue to pay due fees to agents and claims handlers in accordance with the relevant contracts. Similarly, the policyholders' coverage or ability to make a claim for any future losses under their insurance contracts will not be affected by the liquidation as claims will be settled as usual.

CESSATION OF INSURANCE ACTIVITIES

The Company has lost its insurance license and all agents are still required to cease writing any new business on behalf of the Company, including renewing existing business, in accordance with the Company's previous request of 25 March 2020.

Wherever terms have been offered prior to 25 March 2020, but have not yet been accepted, these offers should be immediately withdrawn to the extent permissible under local regulation. Wherever terms have been offered and accepted prior to 25 March 2020, but the policy has not yet incepted, then this is treated as business written but not yet incepted and as if a valid insurance contract has already been formed. These insurance policies will be honoured by the Company.

All existing insurance policies will continue to be valid until their stated maturity on which date they will expire without further notice. Until then, no changes can be made to the coverage detailed in the insurance policies, e.g. change of vehicle/additional drivers, as of 24 June 2020. No mid-term adjustments or similar adjustments to existing insurance policies are allowed.

An insurance policy may be cancelled in accordance with the terms and conditions of the policy.

CLAIMS HANDLING

All claims handling on behalf of the Company will continue in accordance with usual practice and will not be affected by the liquidation.

---o0o---

Further information on the DFSA's decisions and information to the Company's policyholders will be published on our website www.gefioninsurance.com under 'Information'.

We thank you for your support and understanding during these times and will keep you updated on any progress as soon as possible.

We hope to continue our good cooperation during the liquidation of the Company.

Should you have any questions in this regard, please do not hesitate to contact us.

Kind regards,

Tonny Anker-Svendsen, Chief Executive Officer