

Danish report of 16 April 2021 – translation made on 26 April 2021

Report under section 125(4) of the Danish Bankruptcy Act

Qudos Insurance A/S in bankruptcy - CVR no (business registration no) 33 95 69 67

The Bankruptcy Division of the Danish Maritime and Commercial High Court - K 4368/18-A

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As the trustee of the above bankruptcy estate I hereby present my report under section 125(4) of the Danish Bankruptcy Act regarding the affairs of the estate.

Firstly, I refer to my previous report under section 125(1) of the Bankruptcy Act of 17 January 2019, the report under section 125(2) of the Bankruptcy Act of 16 April 2019 and the reports under section 125(4) of the Bankruptcy Act of 16 October 2019, 16 April 2020 and 16 October 2020.

The estate's assets at this point in time are as follows:

1. ASSETS

1.1 Accounts

When the bankruptcy order was issued on 20 December 2018 Qudos Insurance A/S (now in bankruptcy) had a total of 27 open bank accounts with Nordea Bank Danmark.

Because the trustee has decided to continue the operations in the company in collaboration with the Guarantee Fund for Non-life Insurers for the purpose of winding up the insurance activities, the trustee has decided to keep a number of the company's bank accounts as payments are still being made to and from the company's accounts in connection with the day-to-day operations.

Since the issue of the bankruptcy order the trustee has closed ten bank accounts that the trustee found were not relevant to the winding up of the insurance activities. The company consequently has a total of 17 open bank accounts with Nordea Bank Danmark.

The trustee is assessing on an ongoing basis whether there is any need to keep the individual bank accounts in connection with winding up the insurance activities in the bankruptcy estate.

1.2 Registered assets

The registered assets have been provided as security for the insurance obligations, see section 167(4) of the then current Danish Financial Business Act. It primarily means the claimants' claims for compensation and the policyholders' claims for return premium under the insurance contract, see paragraph 2.1 below. The assets also cover the necessary costs relating to winding up the insurance company as described.

The registered assets as at 28 February 2021 were booked at the following values:

1. Government bonds

The bankrupt company's government bonds as at 28 February 2021 amounted to DKK 6,723,397, which is why the asset has been included at this value

	DKK	6,723,397
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2. Corporate bonds

The bankrupt company's corporate bonds as at 28 February 2021 amounted to DKK 16,539,069. The difference in the securities portfolio compared to the most recent report is called bonds of approximately DKK 3,359,267 in total as well as price adjustments and interest. The proceeds from the called bonds are included in the company's deposit in paragraph 1.2, item 4, below. The asset is included at market value.

	DKK	16,539,069
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3. Shares in subsidiary

The bankrupt company has a booked asset consisting of shares in the subsidiary ASG Forsikringsagentur A/S in bankruptcy. The shares were booked at DKK 0 as at 28 February 2021. The shares are still included at book value.

	DKK	0
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4. Deposit

The bankrupt company's deposits were booked at DKK 423,477,444 as at 28 February 2021.

Since the most recent report the deposits have increased by DKK 27,992,043 in total. The reason for the increase is that the bankruptcy estate has received payments from the company's reinsurers of DKK 80,563,926 as well as called bonds of DKK 3,359,267. Payments from coverholders and subrogation payments in the amount of DKK 1,311,213 have also been received. In the period since the most recent report periodical costs including price adjustments have also been paid in connection with continuing the operations of the bankruptcy estate, including paying the trustee's interim fee, which have all been deducted from the deposit. The asset has been included at book value.

DKK

423,477,444

5. The share of the reinsurance of the provision for unearned premiums and the provision for claims outstanding

The bankrupt company has a booked asset consisting of current and future claims against its reinsurers. The amount is only a calculation for the purpose of the bookkeeping as the amount of the final asset is not yet known. This is why the receivable is included at book value of DKK 977,595,145 as at 28 February 2021.

The primary reason for the reduction in the company's share of the reinsurance of DKK 232,220,437 since the most recent report is the following three activities:

A) The Danish Guarantee Fund for Non-life Insurers and other national funds continue the payouts regarding certain losses resulting in a reduction in the expected claims for compensation and therefore also the share of the reinsurance of this amount. The reduction will be counterbalanced by a corresponding increase in the receivables regarding reinsurance (paragraph 1.2, item 6).

B) The Danish Guarantee Fund for Non-life Insurers and other national funds continue to pay claims for return premium. The result is that the calculated share of the reinsurance of these payments is converted to an actual receivable from the reinsurers. This is why the share of the reinsurance is reduced by DKK 149,751,458 at the same time that an outstanding share of the reinsurance (paragraph 1.2, item 6) is increased correspondingly.

C) The receivable based on compensations increases as a result of an increase in the provisions for outstanding substantial claims. As they have essentially been reinsured by so-called excess of loss contracts, the receivable increases by DKK 166,469,481.

The asset has been included at book value.

DKK

977,595,145

6. Receivable, share of the reinsurance (reinsurance)

The receivable regarding the share of the reinsurance as at 28 February 2021 was booked at DKK 304,907,057. The primary reason for the increase of DKK 159,161,504 compared to the most recent report is the following three activities:

A) Payments received from reinsurers of DKK 80,563,926 (paragraph 1.2, item 4).

B) An increase relating to the shares of the reinsurance of payouts from the Guarantee Fund for Non-life Insurers and other national funds of DKK 90,353,965.

C) An increase of DKK 149,751,458 relating to the Guarantee Fund for Non-life Insurers and other national funds' payments of claims for return premium.

The receivable has been included at book value.

DKK

304,907,057

7. Receivable from insurance brokers/coverholders

When the company went bankrupt it had a booked asset with the company's insurance brokers/coverholders of DKK 84,251,990. The receivable consists of outstanding premiums and deposits in accounts with claims examiners for the payment of losses. The trustee included

the booked asset in the unencumbered assets in previous reports as the asset had been booked this way in the company's bookkeeping before it went bankrupt. The trustee has subsequently examined whether the asset is to be qualified as a registered asset or as an unencumbered asset. Receivables from insurance brokers and coverholders may, in respect of the bookkeeping, be included by half of the book value as a deduction from the insurance provisions according to section 5, para (4), of the then current Statutory Order on Registration of Assets in Insurance Companies and Company Pension Funds. It means that the receivable may only be included as an asset at DKK 0 as long as the funds are still with the insurance brokers and coverholders. As the bankruptcy estate's payable premiums are paid to the bankruptcy estate the funds will, however, be added to the deposits under the registered assets (paragraph 1.2, item 4). The trustee notes for the avoidance of doubt that the existence and value of these receivables are subject to great uncertainty, see paragraph 6.1.3 below for details.

DKK 0

8. Unearned coverholder commission

The trustee has established that the bankruptcy estate has a claim against the coverholders that previously sold insurance which was effected by Qudos Insurance A/S (now in bankruptcy) as the insurer. The receivable has been booked on an ongoing basis in Qudos Insurance A/S (now in bankruptcy). So far, the trustee has calculated a receivable relating to unearned coverholder commission against former coverholders of DKK 255,938,103.28 that the trustee has either raised against former coverholders or which the trustee will start collecting in Q2 2021. It is noted that it is uncertain whether and the extent to which the coverholders will be able to pay the bankruptcy estate's very significant claims which is why for now the amount is included at a reminder value. Reference is also made to paragraph 6.1.3.3 below.

Registered assets etc in total (provisionally calculated)

DKK	1
DKK	1,729,242,113

It is noted that in the period from the most recent report under section 125(4) of the Bankruptcy Act of 16 October 2020, the registered assets have been reduced by DKK 19,506,056, which is primarily because of the reduction in the share of the reinsurance of the provisions for unearned premiums and the

provisions for claims outstanding (paragraph 1.2, item 5) and an increase in the receivables from the company's reinsurers (paragraph 1.2, item 6).

At the same time costs relating to running the bankruptcy estate have been paid, including various operating expenses and payments to external claims examiners and attorneys to secure the collection of the company's assets, ie the assets that are to be included in the registered assets in the trustee's opinion. This does not only extend to reinsurance but for example also expenses relating to collecting incorrect payments under a policy because of a claims examiner's repeated breach of contractual obligations regarding an insurance portfolio (so-called claims leakage). There has also been work relating to calculating and limiting the liabilities. These costs have been deducted from the calculation of the registered assets.

The share of the reinsurance of the provisions for unearned premiums and the provisions for claims outstanding has been discounted in the above calculation (paragraph 1.2, item 5) and the outstanding reinsurance (paragraph 1.2, item 6) as at 31 December 2020.

1.3 Unencumbered assets

The unencumbered assets are to be used to pay all the bankruptcy estate's other creditors, including the part of the insurance obligations not covered by the registered assets. This includes the ordinary creditors relating to the operations, see paragraph 2.2 below.

The unencumbered assets as at 28 February 2021 were booked at:

9. Tools and equipment, etc

The bankruptcy estate's tools and equipment consist of various office furniture, computers, monitors and other office supplies. The tools and equipment as at 28 February 2021 were booked at DKK 50,000. The book value of the assets when the company went bankrupt has been extraordinarily written down because of the commencement of bankruptcy proceedings against the company. For the time being the tools and equipment have been included at book value.

DKK 50,000

10. Receivable from consolidated companies

The bankrupt company has a booked asset consisting of receivables from consolidated companies that were booked at DKK 8,206,173 as at 28 February 2021. The reason for the reduction of DKK 12,567,723 since the most recent report is that the bankruptcy estate has entered into a settlement with

	a consolidated company, see paragraph 6.3.5 below for details. The asset has been included, for the time being, at book value.	DKK	8,206,173
11.	Rent deposit - Sundkrogsgade 21 The bankruptcy estate paid a rent deposit equal to the bankruptcy estate's proportionate share of this rent deposit as part of the merger of the operations of the bankruptcy estate with the operations of the bankruptcy estate of Alpha Insurance A/S, including the agreement between Alpha Insurance A/S in bankruptcy and the bankruptcy estate, see the trustee's report of 16 April 2020, paragraphs 6.1.3.3 and 6.1.3.10. The bankruptcy estate's proportionate share of the rent deposit has been booked at	DKK	1,066,733
12.	Rent deposit - Kongevejen 371 The receivable relating to the rent deposit is no longer deemed to be of any value to the estate as previously stated.	DKK	0
13.	Rent deposit - Købmagergade 22 When the bankruptcy order was issued, one of the bankrupt company's trading addresses was leased premises at Købmagergade 22, 3, 1150 Copenhagen K, Denmark. As previously stated in the trustee's report of 16 October 2020, the trustee has been in contact with the landlord and has raised a claim for repayment of the rent deposit which the landlord has rejected. The rent deposit regarding the leased premises as at 28 February 2021 was booked at DKK 1,502,977. For now, the rent deposit has been included at a reminder value of	DKK	1
14.	Rent deposit - London The receivable relating to the rent deposit is no longer deemed to be of any value to the estate as previously stated.	DKK	0
15.	Intangible assets The intangible assets are software equipment used in the operation of the bankruptcy estate and goodwill. The asset as at 28 February 2021 was booked at DKK 0 as, compared to the book value when the company went bankrupt, an extraordinary write-down of DKK 14,404,947.56 was made as a result of the commencement of bankruptcy proceedings against the company. The asset has been included at book value.	DKK	0
16.	Deposit in client account The deposit in the client account as at 28 February 2021 amounted to	DKK	3,608,129

Unencumbered assets in total (provisionally calculated following an estimated total writedown)	DKK	5,000,000
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2. LIABILITIES

2.1 Liabilities relating to the registered assets

The liabilities that have a priority right to receive cover from the registered assets are listed below, see paragraph 1.2 above.

1. Expected claims for return premium

The expected claims for return premium as at 28 February 2021 was booked at DKK 348,605,006. The claim has been calculated according to the same principles used in connection with the calculation of the company's provisions for unearned premiums. The amount is the company's estimate of the claims for return premium and it is expected that it will be offset by claims for return premium raised by policyholders. The reason for the reduction of DKK 1,190,784 compared to the most recent report is the payouts from guarantee funds and other adjustments. The payouts from the guarantee funds and thus the decline in the expected claim for return premium are expected to be counterbalanced by a corresponding claim against the estate from the Danish Guarantee Fund for Non-life Insurers and other national funds. The liability is included at book value by DKK 348,605,006

2. Expected claims for compensation

The expected claims for compensation are a calculation for the purpose of the bookkeeping of the amount put aside to cover the policyholders'/the claimants' claims for compensation. The expected claim for compensation has been calculated according to principles corresponding to the previous provisions for claims outstanding. The claim is thus an estimate of the future payouts relating to claims for compensation and may deviate from the actual claims for compensation. The expected claim for damages as at 28 February 2021 was booked at DKK 1,520,861,889.

The amount has been reduced by approximately DKK 224,024,369 compared to the most recent report. The expected

claim for compensation has been reduced because the Guarantee Fund for Non-life Insurers and other national funds regularly pay out claims for compensation. The payouts from the Guarantee Fund for Non-life Insurers and other national funds and thus the decline in the expected claim for compensation are expected to be counterbalanced by a corresponding claim against the estate from the Danish Guarantee Fund for Non-life Insurers and other national funds. DKK 1,520,861,889

3. Deduction of half of the outstanding payable premiums

Under section 5, para (4), of the then current Statutory Order on Registration of Assets in Insurance Companies and Company Pension Funds the bankruptcy estate is entitled to deduct up to half of the outstanding payable premiums from the insurance provisions. The trustee has previously stated that the value is calculated on an ongoing basis but following a detailed examination the trustee has established that the deduction is half the book value on the date of the bankruptcy. DKK -42,125,995

4. Claims proved so far in respect of the registered assets

As at 28 February 2021, the claims proved in respect of the registered assets amounted to DKK 644,121,809 in total. It is noted that this is only a provisional calculation of the proved claims as the various guarantee fund schemes are still making payouts, and the trustee therefore expects to receive further proofs of claim.

Expected liabilities in total

DKK	644,121,809
DKK	2,471,462,709

It is noted in respect of the above calculation of the liabilities connected to the registered assets that the expected claims for return premium and the claims for compensation later on in the estate administration will be replaced by actual claims (as stated in paragraph 2.1, item 4) as the claims for repayment of premiums and the claims for compensation are calculated and the claims are finalised, including from the Guarantee Fund for Non-life Insurers and other national guarantee fund schemes that are subrogated to the policyholder's and the claimant's respective claims against the bankruptcy estate under the registered assets, see paragraph 6.1.4.4 below for details. The various guarantee fund schemes are still making payouts.

As at 28 August 2021, the Guarantee Fund for Non-life Insurers and other national funds had paid a total of DKK 1,094,289,077 to cover both accepted claims for compensation and claims for return premium. The trustee therefore expects that the claims notified so far of DKK 644,121,809 under the registered assets will increase in line with the current payouts.

It must generally be expected as a consequence of Qudos Insurance A/S's bankruptcy that the number of notified claims and the relating payouts will increase significantly. The trustee's most important task is consequently still to ensure that the notified claims are handled correctly. In cooperation with the Danish Guarantee Fund for Non-life Insurers the trustee has continued the claims handling by the existing claims examiners, see paragraph 6.1.4.1 for details.

2.2 Other liabilities relating to the unencumbered assets

Claims under section 94 of the Bankruptcy Act (secondary administration expenses)	DKK	1,255,939.68
Claims under section 95 of the Bankruptcy Act (preferential employee claims)	DKK	967,914.74
Claims under section 97 of the Bankruptcy Act (general creditor claims)	DKK	138,201,391.09
Liabilities in total	DKK	140,425,246.51

It is generally noted in respect of the notified claims that several claims could potentially be included in both the expected claims for compensation and the claims for return premium under the registered assets, see paragraph 2.1 above, and at the same time have been separately proved against the bankruptcy estate under the unencumbered assets, see paragraph 2.2 above. It means that the same claim could be included twice in the above calculations. At this point in time the scope of any claims that have been filed twice is not yet clear as the notified claims have not yet been examined.

3. INVESTIGATIONS RELATING TO AVOIDANCE

As stated in the trustee's reports of 16 April 2020 and 16 October 2020, the bankruptcy estate has brought five legal actions relating to avoidance or recovery of a number of transactions of approximately DKK 38.5 million in total plus interest.

The individual matters are described in detail in paragraph 6.3 below.

4. CRIMINAL OFFENCES

It is regularly investigated in connection with the estate administration whether there is any basis for filing a police report under section 110(4) of the Bankruptcy Act.

The trustee's investigations in this regard are still being conducted.

5. BANKRUPTCY-RELATED DISQUALIFICATION

The Maritime and Commercial High Court was separately notified in connection with the bankruptcy estate's report of 16 October 2019 under section 125(4) of the Bankruptcy Act of the trustee's investigation and assessment of whether there was any basis for instituting bankruptcy-related disqualification proceedings against the former management of Qudos Insurance A/S in bankruptcy under section 157(1), first sentence, of the Bankruptcy Act, cf section 160(1), first sentence.

6. THE ESTATE ADMINISTRATION AND THE TIME SPENT IN THE PRECEDING PERIOD

6.1 The time spent on the registered assets

The trustee's work relating to the registered assets in the period since 1 September 2020 and up to 28 February 2021 has focused on the following tasks:

6.1.1 *Securities*

The bankruptcy estate's securities portfolio primarily still consist of government bonds and corporate bonds which were booked at DKK 6,723,811 and DKK 16,539,069 respectively on 28 February 2021, see the list of assets in paragraph 1.2, items 1 and 2.

In the preceding period the trustee has managed the bankruptcy estate's securities portfolio and assessed the bankruptcy estate's securities investment policy and considered the need for having funds to pay the day-to-day operations in the bankruptcy estate.

Since the most recent report DKK 3,273,397 has been withdrawn from the company's custody account which has been added to the deposit.

Approximately five hours have been spent by lawyers on such work since the most recent report.

6.1.2 *Reinsurance*

As stated in the trustee's recent reports, the bankruptcy estate's most important asset among the registered assets is the receivables relating to the concluded reinsurance contracts, including the share

of the reinsurance of the provisions for unearned premiums and the provisions for claims outstanding (paragraph 1.2, item 5) and the receivables from the reinsurers (paragraph 1.2, item 6).

The work involving the bankruptcy estate's reinsurance in the preceding period has been, and still is, very complicated and extensive as the reinsurance is governed by the individual reinsurance contracts entered into between Qudos Insurance A/S (now in bankruptcy) and the various reinsurers. The contracts are also subject to insurance law norms and customs.

The trustee's handling of the bankruptcy estate's reinsurance in the preceding period still focused on calculating and collecting the bankruptcy estate's receivables from the reinsurers. The handling of the reinsurance still involves complicated issues which the trustee is assessing and making decisions about on an ongoing basis. In that connection the trustee has had discussions with reinsurers and insurance brokers on a daily basis regarding reconciliation and payments to the bankruptcy estate as well as other operational matters.

For example, in the preceding period the trustee has intensified the discussions with two insurance brokers in England and Singapore that are the intermediaries between the bankruptcy estate and the biggest European and Asian reinsurers as part of the collection of receivables.

The trustee has continued the direct discussions with the biggest European reinsurer regarding the part of the business not handled through an insurance broker. The reconciliation and payment of the receivable regarding this part of the business have been delayed but based on a number of measures taken by the trustee the reinsurer paid a significant receivable in the preceding period.

As stated in the trustee's report of 16 October 2020, a number of unclarified issues were still outstanding on the date of the most recent report. The trustee dealt with these issues in the preceding period, and the trustee therefore expects a further payment of a significant receivable in the spring of 2021.

As previously reported by the trustee, the trustee has continued the discussions with the German legacy specialist where the reconciliation and payments have continued to involve special issues on which the trustee has had to make decisions.

As also written in the trustee's most recent report, the insurance broker and the reinsurer in another body of contracts had stopped answering the trustee's letters, which is why it could not be ruled out that the trustee would have to take legal steps against the parties in question to secure the reinsurance asset. The trustee has re-established the contact with the insurance broker and the reinsurer since the most recent report. The trustee is currently working on a final calculation, elimination and closing of the

contractual relationship with the reinsurer ("commutating") which is why it will probably not be necessary to take any legal steps.

The trustee is still focusing on commutating the small reinsurance contracts where the run-off can be determined with a high degree of probability.

As the trustee stated in the most recent report, it has been necessary in respect of the reconciliation and collection of reinsurance payments to prepare a number of descriptions of procedures to make sure that critical and important procedures and knowhow in this connection are not lost.

The trustee has also drafted a procedure for reporting substantial claims to ensure quick and correct follow-up in respect of the reinsurers that have obligations to the bankruptcy estate in connection with substantial claims as substantial claims in the individual business areas were not properly handled in the period leading up to the bankruptcy.

The trustee has put this right, and the insurers now receive regular information, including also in compliance with the contracts with the reinsurers to which the trustee has become a party.

Descriptions of all the procedures regarding the reporting to reinsurers have also been made.

The final testing and availability of the descriptions of procedures had to be postponed due to COVID-19 and are expected in the spring of 2021.

Moreover, the trustee is still in regular contact with the consultant hired by the bankruptcy estate that handles the English and Irish substantial claims and reporting to the reinsurers.

The work in the preceding period regarding the English part of the reinsurance, particularly regarding personal injury, has been made difficult by COVID-19 as the reporting regarding a number of claims bordereaux has been less frequent than usual, one of the reasons being the difficulty of obtaining medical reports in England due to the current situation.

Finally, in October 2020 the trustee sent a semi-annual update to the reinsurers containing information about the handling of the reinsurance and the general status in the bankruptcy estate. The next briefing note is expected to be sent during Q2 2021.

DKK 80,563,809 in respect of reinsurance has been paid since the most recent report and until 28 February 2021.

It means that a total of DKK 340,389,800 has been paid to the bankruptcy estate by the reinsurers since the company went bankrupt and until 28 February 2021.

Approximately 750 hours have been spent by lawyers regarding the reinsurance since the most recent report.

6.1.3 *Receivables from coverholders, claims examiners, insurance brokers, etc*

The bankruptcy estate's receivables from coverholders and claims examiners under the registered assets as at 20 December 2018 were booked at a value of DKK 84,251,990 but have been stated at DKK 0, see paragraph 1.2, item 7, as it is noted that the bankruptcy estate's receivable of DKK 84,251,990 consisting of payable premiums is included with a deduction of 50% of the value of the bankruptcy estate's liabilities attached to the registered assets, see paragraph 2.1, item 3, under section 5, para (4), of the then current Statutory Order on registration of assets in insurance companies and company pension funds.

The asset mainly covers the bankruptcy estate's receivable consisting of the premium receivables from coverholders, including the instituted legal proceedings against coverholders and claims examiners. It is noted in respect of the bankruptcy estate's premium receivable that the trustee has intensified the collection process for the bankruptcy estate's receivables from coverholders and claims examiners, including the premium receivables and funds in loss accounts.

The tasks relating to the receivables from coverholders, claims examiners, etc are described more specifically below.

In the preceding period the trustee also started to collect outstanding excess amounts from several policyholders. The trustee is currently determining whether the Guarantee Fund for Non-life Insurers should have a special right to payment in advance for excess amounts of the insurance claims for which the Guarantee Fund for Non-life Insurers has paid insurance cover.

This work is therefore still taking place.

6.1.3.1 *Premium receivables*

In the preceding period the trustee has intensified the collection process of the bankruptcy estate's premium receivables from coverholders. The trustee has conducted in-depth examinations of the individual receivables in that connection, including been in dialogue on an ongoing basis with the coverholders for the purpose of reconciling the receivables. The trustee notes that the examinations have shown that following the bankruptcy estate's reconciliation the existence and value of these receivables

are subject to great uncertainty, which is why the trustee has decided to write off receivables following a specific assessment.. This work is still taking place.

6.1.3.2 Claiming back insurance premium tax from tax authorities

In the preceding period the trustee has conducted in-depth examinations of whether the bankruptcy estate is entitled to claim back insurance premium tax paid for the part of the insurance cover regarding the period after the cancellation of the policies, see section 26(1) of the Danish Insurance Contracts Act. The work has included studying Danish law, drafting applications for repayment and involving external tax consultants as the claiming back of the insurance premium tax is primarily taking place in other EU Member States than Denmark due to Qudos Insurance A/S's (now in bankruptcy) insurance portfolio outside Denmark.

So far, the bankruptcy estate's external tax consultants have assisted the trustee with claiming back insurance premium taxes in Denmark, Great Britain, Ireland and France.

This work is still taking place.

6.1.3.3 Reclaiming unearned coverholder commission

In the preceding period the trustee examined in detail the bankruptcy estate's legal position in respect of the bankruptcy estate's coverholders that have been responsible for selling insurance policies covered by Qudos Insurance A/S (now in bankruptcy) for which the coverholders received commission.

It has been examined whether the bankruptcy estate is entitled to claim back the coverholders' unearned commission for the part of the insurance cover regarding the period after the cancellation of the policies, see section 26(1) of the Danish Insurance Contracts Act. The examinations have included studying Danish law, EU law, concluded agreements and industry standards on which the various contracts between the coverholders and Qudos Insurance A/S (now in bankruptcy) are based.

The examinations of the justification of the claim have been concluded, and the trustee has established on the existing basis that the bankruptcy estate is entitled to claim back the unearned commission from the coverholders.

The trustee notes that there does not seem to have been any similar cases in Denmark where a bankruptcy estate claims the part of the coverholder commission that the coverholder was only entitled to receive for the period after the cancellation of the insurance due to the bankruptcy.

But considering the size of the bankruptcy estate's claim, the trustee has decided to recover the unearned commission from the coverholders.

At this point in time claims for repayment of unearned coverholder commission have been raised against a number of the bankruptcy estate's former coverholders in Denmark and abroad. The trustee expects to raise claims against more coverholders in Q2 2021 when the claims against such coverholders have been calculated.

A receivable consisting of unearned coverholder commission of approximately DKK 256,000,000 has currently been calculated. The majority of the claim of more than DKK 210,000,000 in total concerns two coverholders and their sub-coverholders. The bankruptcy estate has taken on external legal assistance in England to assist with claiming back unearned commission.

At present the trustee has received objections from several coverholders to the claims raised by the bankruptcy estate for unearned commission. The trustee consequently expects that as part of the continued collection of the claims it will be necessary to bring legal actions against several coverholders as it looks like the parties cannot reach an agreement. Several coverholders have also raised counterclaims. The trustee is currently going through such counterclaims and is conducting detailed examinations of these counterclaims.

The trustee notes that it is currently unknown whether the coverholders that the bankruptcy estate has given notice of claims for repayment will be able to pay all of the bankruptcy estate's claim.

The trustee's work relating to claiming back the coverholders' unearned commission is still taking place.

Approximately 850 hours have been spent by lawyers on collecting the receivables from the coverholders, insurance brokers, tax authorities, etc since the most recent report.

6.1.4 *The operations*

Firstly, it is noted that the trustee's continued work in the preceding period of dealing with and adapting various operational matters because of the COVID-19 pandemic that once again resulted in a general shutdown of a number of activities in Denmark and abroad at various times during Q4 2020 and Q1 2021 has been extensive.

The work relating to the operations has been described in detail below, see paragraphs 6.1.4.1-6.1.4.9.

6.1.4.1 *Claims handling*

As previously stated, the trustee decided together with the Guarantee Fund for Non-life Insurers to continue the operations of the bankruptcy estate after the issue of the bankruptcy order to minimise the bankruptcy estate's liabilities and secure the funds from the reinsurance, see paragraph 6.1.2 for details.

It was decided in that connection to continue the claims handling by the existing claims examiners so that the ongoing claims handling in compliance with the existing claims handling agreements continued to the widest extent possible.

In the preceding period the trustee's claims handling still took up a lot of time. The purpose of the work is to ensure that the claims are still being properly handled so that the notification to the bankruptcy estate's reinsurers is also correct. Moreover, the trustee also had, once again, to adjust and follow up on the claims handling by the claims examiners attached to the bankruptcy estate because of the COVID-19 pandemic.

Several of the Danish and foreign claims examiners have been forced to work from home, which is why it has not been possible for the claims examiners to process the claims at the same speed as previously. As a consequence, the trustee has focused on following up on the issues and trying to maintain the progress of the claims handling.

The trustee has continued to have extensive discussions and correspondence with the attached claims examiners to ensure that despite the development in the pandemic, proper and efficient claims handling was carried out so that the bankruptcy estate was still able to calculate the insurance claims correctly and make correct reporting to the reinsurers which means that the bankruptcy estate's asset consisting of the receivables from the reinsurers was secured.

The trustee's talks and correspondence with the claims examiners in the preceding period have continued to be about the general claims handling, including the procedure for rejecting claims notified after the termination of the policies, the procedure for notifying the bankruptcy estate of accepted claims, the Guarantee Fund for Non-life Insurers and/or other national guarantee fund schemes as well as the claims handling of specific claims. Several of the open claims are of such an amount and complexity that they still require the trustee's continuous involvement in the handling of the specific claims, including also in respect of the determination of the reserves.

As stated in the trustee's most recent report of 16 October 2020 the bankruptcy estate introduced a new format for the claims examiners' notification of accepted claims to the bankruptcy estate. In the preceding period the trustee has had conference calls with all claims examiners. The subject-matters of the

conference calls have been a general status update and questions relating to the general claims handling, including the reporting of accepted insurance claims, dealing with the legal actions and the status of the estate administration.

As also stated in the trustee's most recent report the trustee entered into an agreement on claims handling with a claims examiner in Italy following lengthy contract negotiations that will be responsible for the claims handling in the Italian claims portfolio.

After the conclusion of the agreement the trustee's work has consisted of starting up the claims handling in cooperation with the new claims examiner, including making the claims data available to the new claims examiner and coordinating the claims examiner's reporting to the Guarantee Fund for Non-life Insurers. In addition to the agreement on claims handling it has been necessary to enter into a data processing agreement with the claims examiner, see paragraph 6.1.4.8 below for details.

It is noted in connection with the bankruptcy estate's work regarding the claims handling in Italy that Qudos Insurance A/S's (now in bankruptcy) former Italian claims examiner decided to discontinue the claims handling. The former claims examiner also decided without the bankruptcy estate's consent to pay approximately 400 policyholders' insurance claims against the bankruptcy estate. In so doing, the company subrogated to the policyholders' claims against the bankruptcy estate.

Only approximately 100 insurance claims out of the approximately 400 insurance claims in total had been examined.

Approximately 300 insurance claims have therefor been paid without the claims having been examined by a claims examiner appointed by the estate.

In cooperation with the company and the estate's new claims examiner the estate has agreed that the approximately 300 losses are to be reviewed by the estate's new claims examiner to assess whether the insurance claims must be reported to the estate and/or the Guarantee Fund for Non-life Insurers, including whether the claims are justified. In the preceding period the trustee's work has consequently included negotiations about the terms for such a review of the losses and the payouts, and the trustee has drafted an agreement determining the extent of this work.

The trustee has also dealt with the fact that in addition to the above approximately 300 insurance claims the former claims examiner also decided to pay approximately 10,000 policyholders' claims for return premium against the estate without the bankruptcy estate's consent which means that the company subrogated to the policyholders' claims against the bankruptcy estate as written above. The trustee's work has also included dealing with the company's filing of the 10,000 claims for return premium,

including extensive correspondence with the company about the reporting format and the documentation requirements.

The trustee has received the notice of the above insurance claims and the approximately 10,000 claims for return premium from the former claims examiner. The claims were registered in the trustee's register of debts and claims, and the Guarantee Fund for Non-life Insurers is in the process of assessing whether the claims qualify for coverage by the Fund.

The ongoing claims handling is still taking place.

Approximately 1,198 hours have been spent by lawyers on such work since the most recent report.

6.1.4.2 Bilateral agreements and contracts

In the preceding period the trustee continued to spend time on administering and approving payments regarding the agreements and contracts to which the bankruptcy estate has become a party, including the payment of various operating expenses such as rent, IT solutions, telephony, utilities, insurance covering the bankruptcy estate's employees, staff canteen, etc.

In the preceding period the trustee has also spent time on regularly reviewing the costs that Alpha Insurance A/S in bankruptcy has paid regarding the service charges and other operating expenses of the leased premises because the bankruptcy estate is still to pay a proportionate part of the service charges of the leased premises and other operating expenses because of the sublease with Alpha Insurance A/S in bankruptcy and the agreement on apportionment of costs between Alpha Insurance A/S in bankruptcy and Qudos Insurance A/S in bankruptcy (the so-called "agreement on apportionment of costs"), see also paragraph 1.3, item 12 above.

In the period the trustee's work has also included re-invoicing the time that the bankruptcy estate's employees have spent on the estate administration of Alpha Insurance A/S in bankruptcy as such costs are to be paid by Alpha Insurance A/S in bankruptcy. The costs are re-invoiced every quarter, which means that two quarters have been re-invoiced in this period. This work is ongoing and will continue in future.

Approximately 19 hours have been spent by lawyers on such work since the most recent report.

6.1.4.3 *The bankruptcy estate's employees*

In the preceding period the trustee's work of dealing with the bankruptcy estate's employees has continued to be extensive, particularly because of the development in the COVID-19 pandemic which has required the trustee adjusting the restrictions in accordance with the authorities' guidelines, including working from home as much as possible. However, the key employees with the bankruptcy estate have continued to be physically present at the company to keep the bankruptcy estate operating and ultimately securing the bankruptcy estate's assets, including the significant receivables from the reinsurers.

The trustee has consequently continued to spend time on dealing with the employees in respect of COVID-19, including adjusting the COVID-19 guidelines on an ongoing basis for the bankruptcy estate's employees in accordance with the ongoing development in the pandemic. The trustee has participated in conference calls and video conferences on an ongoing basis with the bankruptcy estate's employees to ensure the continued operations and progress of the claims handling and to ensure the wellbeing of the employees.

The trustee has also dealt with usual employee matters as in any other operating business, including regarding illness, pregnancy, resignations, etc. It is noted in this connection that in the preceding period the trustee took on a new bookkeeper. Moreover, the bankruptcy estate's former head actuary has resigned and the trustee has therefore employed a new actuary.

The trustee is regularly assessing the bankruptcy estate's staff, including whether there is any need for adjusting the resources in the bankruptcy estate.

Approximately 42 hours have been spent by lawyers on such work since the most recent report.

6.1.4.4 *Talks with guarantee funds*

In the preceding period the trustee continued to have regular talks with the Guarantee Fund for Non-life Insurers and its administration company, Topdanmark Forsikring A/S, green card agencies, including the Danish Motor Insurers' Bureau (DFIM) and other national guarantee fund schemes.

The talks have primarily been about the payment of the policyholders'/the claimants' claims, including the procedure for exchanging insurance claims/claims for return premium between the various guarantee funds and the bankruptcy estate, talks about the calculation of the policyholders' claim for return premium and the process of notifying the bankruptcy estate of insurance claims/claims for return premium.

It is noted that the guarantee funds mentioned above are still examining and paying out insurance claims/claims for return premium to the policyholders/claimants, and the trustee is involved on an ongoing basis in the guarantee funds' processing and payouts of the reported insurance claims/claims for return premium.

The trustee has also had talks with the guarantee funds and public authorities in other European countries. The trustee's talks and coordination with the various guarantee funds are still taking place and will take place as long as there are open insurance claims in the jurisdictions of the various guarantee fund schemes.

Approximately 85 hours have been spent by lawyers on such work since the most recent report.

6.1.4.5 Correspondence with the policyholders and the claimants

In the preceding period the trustee has continued to have regular correspondence with policyholders in different countries about their insurance products from Qudos Insurance A/S in bankruptcy, including their claims for return premium and claims for compensation against the bankruptcy estate.

Since the issue of the bankruptcy order and up to the time of preparing this report the trustee has been contacted approximately 8,230 times by policyholders and claimants, including approximately 80 times since the most recent report. The trustee are dealing with these inquiries on an ongoing basis.

In the preceding period the inquiries were primarily questions about when the policyholders can expect to receive the payouts from their claims for return premium from the guarantee funds and/or the bankruptcy estate and questions from policyholders and claimants about specific claims handled by the claims examiners or attorneys.

It is noted in this connection that the Guarantee Fund for Non-life Insurers and the English compensation scheme FSCS (Financial Services Compensation Scheme) repay return premium on a regular basis. The Guarantee Fund for Non-life Insurers and FSCS also make regular payouts regarding accepted claims for compensation to claimants.

In order to provide information about the bankruptcy and its legal effects to the affected parties, the trustee is regularly updating the bankruptcy estate's website with relevant information which the policyholders and claimants could need in connection with the handling of their possible claims against the bankruptcy estate.

Approximately 115 hours have been spent by lawyers on such work since the most recent report.

6.1.4.6 Legal actions to which the bankruptcy estate has become a party or which have been brought by the bankruptcy estate

As written in the trustee's most recent report of 16 October 2020, the trustee decided to become a party to a number of legal actions that primarily were about rejected claims and which were already handled by external lawyers on behalf of Qudos Insurance A/S (now in bankruptcy).

The legal actions to which the bankruptcy estate has become a party are still primarily handled by external lawyers according to the agreements previously entered into between the respective claims examiners/coverholders and Qudos Insurance A/S (now in bankruptcy), which is why the affected claims examiners/coverholders and the lawyers have received the trustee's permission to continue the current legal actions brought against Qudos Insurance A/S (now in bankruptcy) before the issue of the bankruptcy order.

The trustee has corresponded and has had conversations with the attorneys about the cases.

The legal actions that Qudos Insurance A/S (now in bankruptcy) previously handled directly are now being handled by the trustee. The same predominantly applies to actions brought after the bankruptcy. The trustee has spent time on drafting pleadings and participating in case management conferences and trial hearings in the legal actions.

The legal actions to which the bankruptcy estate has either become a party or which have been brought by the bankruptcy estate are described in general below.

Legal actions brought against coverholders:

As written in the trustee's most recent report of 16 October 2020 the trustee together with a co-insurer have brought a legal action in England against a former coverholder, a claims examiner appointed by the coverholder, a sub-supplier of the previously mentioned claims examiner as well as the coverholder's insurer that issued the professional indemnity insurance which became involved when the coverholder went into administration (liquidation). The subject-matter is payment of approximately GBP 8.9 million. The claim is about insufficient claims handling in connection with an insurance portfolio that was transferred to another claims examiner before the bankruptcy and where the standard of the preceding claims handling did not meet the expected requirements and resulted in incorrect and in certain instances too big insurance payouts (claims leakage). The legal action is being handled by solicitors in England.

Since the most recent report the trustee's work has consisted of assisting the solicitors with drafting pleadings to the court regarding the plaintiffs' request that the estate and co-insurer are to provide security for the plaintiffs' legal costs. In particular, the work has consisted of assisting with drafting an extensive submission to the court and meetings with the bankruptcy estate's English solicitor and co-insurer in that connection. A court hearing about the provision of security was to have been held in November 2020. At the advice of the bankruptcy estate's English solicitor, the bankruptcy estate together with its co-insurer accepted to pay an amount to the court as provision of security for the opposing parties' legal costs. The court hearing was therefore not held.

As stated in the trustee's most recent report, it was agreed between the parties in connection with the first case management conference ("CMC") that an independent expert opinion about the size of the claim (the quantum) was to be obtained following a statistical analysis based on a claims bordereau. An expert was therefore appointed who the parties agreed was to prepare the opinion. Since the trustee's most recent report the parties to the case have received an independent expert report, and a meeting between the bankruptcy estate, the co-insurer and the co-insurer's counsel was held about the expert opinion.

The trustee's work has also included fulfilling the extensive English disclosure requirements, including work relating to handing over data and material for such purpose as well as contributing to answering questions from the opposing parties that have arisen in connection with the process.

The bankruptcy estate has also lodged a writ of summons against a coverholder by which the bankruptcy estate has raised a claim for payment of DKK 1,868,578.49. The claim arises out of an agreement on prepaid profit sharing between the coverholder and Qudos Insurance A/S (now in bankruptcy) which entailed that the coverholder received prepaid profit sharing of DKK 2,756,511.39 in total until 2015. It had been agreed between Qudos Insurance A/S (now in bankruptcy) and the coverholder that the coverholder was subsequently to repay the prepaid profit sharing to Qudos Insurance A/S (now in bankruptcy). The claim raised corresponds to the amount that the coverholder had not repaid to Qudos Insurance A/S when the company went bankrupt and which is still outstanding.

The writ of summons, defence, reply and rejoinder have been filed in the case. The bankruptcy estate has also filed a pleading 1 and the case has been set down for trial on 12 April 2021.

It means that approximately 100 hours in total have been spent by lawyers on litigation against former coverholders since the most recent report.

Legal actions about subrogation etc:

Firstly, the trustee refers to the most recent report of 16 October 2020 in which the trustee gave an account of the work in connection with the legal actions about subrogation etc.

In the preceding period the trustee brought another legal action about subrogation on behalf of the bankruptcy estate.

Since the most recent report judgment has been delivered in four of the legal actions about subrogation, and the bankruptcy estate has been successful in two of the cases and unsuccessful in the other two cases.

The legal actions about subrogation vary in terms of scope and complexity and they are at different preparation stages. In some of the cases the trustee has spent time on drafting the writs of summons, going through the other party's defences, participating in trial hearings in part, participating in surveys and appraisals and case management conferences.

At this point in time five of the legal actions have been set down for trial as the trustee notes that two of the cases have been rescheduled since the most recent report. The five legal actions have been set down for trial before the end of 2021, and the bankruptcy estate consequently expects the delivery of the judgments by the court of first instance in the five cases during the month of January 2022.

Approximately 322 hours have been spent by lawyers so far on the pending legal actions about subrogation since the most recent report.

As previously stated in the trustee's most recent report, the trustee has also issued a number of writs of summons relating to claims for avoidance and recovery on behalf of the bankruptcy estate against a number of related parties and third parties in addition to the legal actions mentioned in this paragraph. These legal actions and the work in this regard relate to the unencumbered assets and are dealt with separately in paragraph 6.3 below.

It means that since the most recent report approximately 422 hours have been spent by lawyers on the legal actions brought by the bankruptcy estate or to which the bankruptcy estate has become a party and which relate to the registered assets and where the proceeds will also be part of the registered assets.

6.1.4.7 *Legal actions brought against the bankruptcy estate*

In the preceding period the trustee spent time on the legal actions brought against Qudos Insurance A/S in bankruptcy after the issue of the bankruptcy order. The legal actions are primarily being handled by external attorneys in compliance with the agreements entered into with the relevant claims examiners and the bankruptcy estate. The trustee has had many conversations with the external attorneys about the cases and has instructed them to make a plea of no case to answer in the cases in compliance with section 141 of the Bankruptcy Act.

As stated in the trustee's most recent report, the bankruptcy estate's Spanish claims examiner has informed the trustee of seven legal actions brought against the bankruptcy estate after the bankruptcy order was issued. The trustee's work in the preceding period of clarifying a number of issues in the cases has been extensive.

One of the reasons is that the bankruptcy estate's Spanish claims examiners have informed the trustee that it has not been possible for the trustee to file any pleadings in the legal actions, including pleading no case to answer in the cases, that have been set down for trial.

In addition to the above legal actions, the trustee was informed by its Spanish claims examiner in December 2020 of a new legal action brought against the bankruptcy estate by a claimant after the issue of the bankruptcy order against Qudos Insurance A/S. The trustee has subsequently hired a Spanish lawyer to safeguard the bankruptcy estate's interests in the case, including pleading no case to answer. The trustee's work in that connection has consisted of contributing to the lawyer's drafting of a brief in the case, including contributing with relevant material for the case. The trustee was successful in its plea of no case to answer as the court found that it did not have jurisdiction to hear the case.

Approximately 130 hours have been spent by lawyers on the work relating to the legal actions brought against the bankruptcy estate since the most recent report.

6.1.4.8 *Compliance, GDPR and audits*

As part of continuing the operations of the bankruptcy estate the trustee has continued the process of identifying the agreements with the company's business partners including the coverholders and claims examiners requiring a data processing agreement. The work of making sure that Qudos Insurance A/S in bankruptcy is wound up in compliance with the GDPR to the widest extent possible is very extensive.

It is the trustee's assessment that it must be expected that the winding up of Qudos Insurance A/S in bankruptcy will take more than ten years. This is why the trustee decided to carry out a compliance

project in Qudos Insurance A/S in bankruptcy at the beginning of the estate administration to ensure that the bankruptcy estate complies with the GDPR.

The work has included identifying the data flow in the bankruptcy estate, a GAP analysis as well as making a project implementation plan.

Qudos Insurance A/S in bankruptcy has a large number of coverholders and claims examiners that had entered into agreements before the bankruptcy with policyholders and/or handled notifications of claims on behalf of Qudos Insurance A/S (now in bankruptcy). The claims examiners continue to handle the notifications of claims after the bankruptcy which means that to a certain extent they process personal data on behalf of Qudos Insurance A/S in bankruptcy. As a consequence, there was a need to enter into data processing agreements with a large number of coverholders and claims examiners to ensure that Qudos Insurance A/S in bankruptcy complies with its GDPR obligations to the widest possible.

The continued work of carrying out risk assessments and drawing up data processing agreements with the individual coverholders and claims examiners and negotiating with the coverholders and claims examiners after they had received the draft data processing agreements has been extensive.

As stated in the most recent report, the trustee has prepared procedures for the payment of the claims handling expenses and other expenses relating to the operations, and the trustee ensures on an ongoing basis that the procedures are adequate.

Moreover, the trustee's work in relation to planning and coordinating the ongoing claims audits of the claims examiners to make sure that the claims handling continues to be carried out properly has been significant. The work in this regard has been extensive because of the many claims examiners.

Approximately 619 hours have been spent by lawyers on such work since the most recent report.

6.1.4.9 Audit and bookkeeping

As previously stated, the trustee has taken on external accounting assistance to assist the bankruptcy estate.

It is also noted in respect of the bookkeeping and the declaration of direct and indirect taxes that the trustee's own employees are assisting with the bookkeeping of the day-to-day running of the bankruptcy estate, approving all payments by the bank and declaring direct and indirect taxes on a regular basis. The consequence is that the trustee's employees are also at the company every day.

Approximately 359 hours have been spent on such work since the most recent report of which 161 hours have been spent by the trustee's employee skilled in accounts.

6.1.5 *General work regarding planning the notification process*

In the preceding period the trustee has spent time on planning the notification process in the estate, including establishing the procedures for handling the claims for return premium, accepted claims for compensation and complaints regarding rejected claims for compensation, see paragraphs 6.1.5.1 to 6.1.5.3 below for details.

The trustee has continued to spend time on developing and maintaining the new register of debts and claims for the purpose of registering the claims under the registered assets, including the policyholders' claims for return premium and the claimants' claims for compensation. In that connection the trustee has continued to hire external consultancy assistance.

In addition, the trustee registers the received notifications of claims in the bankruptcy estate's register of debts and claims for registered assets on an ongoing basis.

Approximately 45 hours have been spent by lawyers on such work since the most recent report.

6.1.5.1 *Web form, repayments of premium (claims for return premium)*

In the preceding period the trustee continued to spend time on handling the claims for return premium against the bankruptcy estate and the Guarantee Fund for Non-life Insurers filed via the web form designed by the bankruptcy estate in collaboration with the Guarantee Fund for Non-life Insurers and its administration company Topdanmark Forsikring A/S. The web form is hosted by Topdanmark Forsikring A/S.

As at 28 February 2021, 37,857 claims for return premium had been filed by using the form. The trustee has also spent time on handling the claims for return premium through bulk reporting of claims for return premium as mentioned in the trustee's most recent report.

In the preceding period the trustee has continued to have regular discussions with the Guarantee Fund for Non-life Insurers and FSCS about the calculation of return premium regarding the various insurance products, see paragraph 6.1.4.4 for details, as the guarantee funds subrogate to the policyholders' claims against the bankruptcy estate when the payments are made to the policyholders.

It is noted that both the Guarantee Fund for Non-life Insurers and FSCS made payouts regarding claims for return premium to the policyholders in the preceding period.

Approximately 25 hours have been spent by lawyers on such work since the most recent report.

6.1.5.2 Notification of claims from claims examiners

In the preceding period the trustee continued to spend time on developing a procedure for the claims examiners' notification of the accepted insurance claims to the bankruptcy estate as well as maintaining and developing the new register of debts and claims to handle the claims filed under the registered assets.

It is noted that the trustee has designed a specific notification format for the claims examiners to be used when notifying the bankruptcy estate of accepted insurance claims. With assistance from the trustee's IT experts as well as external IT consultants, the trustee has also made a guide for notification by the claims examiners.

The notification procedure has been planned in such a way that the admitted and final insurance claims will be registered through a semi-automatic process in the bankruptcy estate's register of debts and claims for claims filed under the registered assets. The trustee is assessing the need for adjustments and development of the notification process on a regular basis.

In the preceding period the trustee with assistance from IT experts from the trustee's office and external IT consultants have started developing several new functions in the register of debts and claims, including functions to facilitate the process of updating a large amount of data as well as functions to ensure that the same claim is not registered several times in the register of debts and claims.

The trustee has also corresponded and had talks with the individual claims examiners about the process for notifying the accepted insurance claims, including also in respect of the interaction with the existing ongoing notification to the bankruptcy estate. The trustee is in regular contact with the specific claims examiners.

Approximately 26 hours have been spent by lawyers on such work since the most recent report.

6.1.5.3 Web form for complaints

As stated in the previous reports the trustee has designed a web form to handle complaints. The claimant can give notice of a claim for compensation by using the form if the claims examiner has refused to process the claim if, for example, it is a claim under a terminated insurance policy (loss made after 28 March

2019) and/or the claimant disagrees with the claims examiner about the amount of the claim that has been awarded.

When the bankruptcy estate receives a complaint through the complaint form, the claim is registered in the bankruptcy estate's register of debts and claims.

As at 28 February 2021, a total of 48 complaints had been made against the bankruptcy estate by using the complaint form.

In the preceding period the trustee has dealt with the complaints opened through the complaint form with assistance from the bankruptcy estate's employees.

Approximately eight hours have been spent by lawyers on such work since the most recent report.

6.1.6 *The creditors' special status, if any, in relation to receivables from reinsurers and other assets*

6.1.6.1 *The Danish Guarantee Fund for Non-life Insurers*

In the preceding period the trustee had talks and corresponded with the Guarantee Fund for Non-life Insurers and its administration company, Topdanmark Forsikring A/S, about whether the Guarantee Fund for Non-life Insurers has a special legal status in the bankruptcy estate.

This issue is still the subject of discussions and correspondence between the parties.

Approximately ten hours have been spent by lawyers on such work since the most recent report.

It means that 4,708 hours in total have been spent on work relating to the registered assets of which 161 hours have been spent by the trustee's employees skilled in accounts.

6.2 Time spent on the unencumbered assets

The trustee's work relating to the unencumbered assets in the period since 1 March 2020 and up to 31 August 2020 has focused on the following tasks:

6.3 Investigations relating to claims for avoidance and repayment and legal actions

The trustee has concluded his investigations of any possible voidable transactions. The trustee has identified a number of possible issues that have given rise to raising claims for avoidance and recovery.

The individual cases are described below.

6.3.1 *Claims for avoidance and recovery against a foreign company*

The trustee has established a claim for avoidance and/or a claim for recovery against a foreign company.

The trustee has lodged a writ of summons against the company in Guernsey.

Since the most recent report the parties have concluded the exchange of pleadings regarding the objection on a point of law as to the proper forum and choice of law. The objection on a point of law as to the proper forum and choice of law was considered by the courts of Guernsey on 11 December 2020 after which the case was set down for judgment, but with the possibility of the parties making further submissions. The case is currently pending the decision on the objection on a point of law as to the proper forum and choice of law. According to the bankruptcy estate's external lawyers, a judgment cannot be expected to be delivered for a while.

The work in the period has included dialogues on an ongoing basis with the bankruptcy estate's external lawyers, going through the submissions and material from the opposing party as well as discussing and dealing with questions about the bankruptcy estate's provision of security for the opposing party's legal costs.

6.3.2 *Claims for avoidance, repayment and damages against a person with a connection to Qudos Insurance A/S and this person's company*

The trustee has established a number of claims against a person with a connection to Qudos Insurance A/S (now in bankruptcy) and this person's company.

The bankruptcy estate issued a writ of summons against both parties on 20 December 2019 and the case is currently pending before the district court.

Since the most recent report the trustee has drafted the reply, drafted questions to the expert, corresponded about the other party's appeal against the court's decision to carry out an expert survey,

etc. The trial hearing was originally scheduled for 27, 28 and 29 January 2021 but has been rescheduled for 26, 27 and 31 May 2021.

6.3.3 *Claims for avoidance and recovery against a related party*

The trustee has established that shortly before Qudos Insurance A/S (now in bankruptcy) went bankrupt a number of writedowns/eliminations were made in an intercompany account with a consolidated company.

As previously stated, it was the trustee's opinion that the eliminations were voidable, and the bankruptcy estate therefore lodged a writ of summons against the company when the claim was rejected.

The trustee's work has included additional pleadings. The trial hearing has been scheduled for 28-29 April 2021 and 12 May 2021.

6.3.4 *Claims for avoidance and recovery against a third party and a consolidated company*

The trustee has established a claim for avoidance and/or a claim for recovery against a third party and a consolidated company.

The bankruptcy estate has consequently raised a claim against the parties, but they have both rejected the claim. The bankruptcy estate therefore lodged a writ of summons against the parties on 20 December 2019, and on 13 March 2020 the trustee received the defence. The case is currently pending before the district court.

Since the most recent report the trustee has had extensive work in relation to the exchange of pleadings, including a number of procedural issues regarding the expert valuation requested by the bankruptcy estate to which the other parties objected.

On 9 October 2020, the court ruled that an expert valuation would be permitted.

The parties are currently exchanging pleadings about finding a suitable expert.

6.3.5 *Claims for avoidance and recovery against a related party*

The trustee has established that shortly before Qudos Insurance A/S (now in bankruptcy) went bankrupt a number of writedowns/eliminations were made in an intercompany account with a consolidated company.

The case was set down for trial on 16, 17, 22 and 23 March 2021. But the trustee entered into a full and final settlement of the case which has resulted in the bankruptcy estate receiving DKK 1,100,000.

The trustee's work has included negotiating the settlement with the attorney representing the defendant company.

Approximately 435 hours in total have been spent by lawyers since the most recent report on the legal actions relating to the unencumbered assets.

6.4 Investigations relating to management liability

In the preceding period the trustee has conducted further investigations into whether the former management's actions have been actionable.

The trustee has identified a number of issues in connection with the estate administration that give reason for further investigations. The trustee has spent time on clarifying and describing relevant facts to assess whether the identified issues could give rise to raise a claim for damages against the former management of the company. The investigations are very complex and extensive and they include a large number of complicated transactions over a long period of time.

The trustee has also taken on external auditing assistance with a view to assess whether there is any basis for raising a claim for damages against the former management.

The scope of the work and the conclusions are aligned with the biggest creditor against the bankruptcy estate.

The trustee's investigations have not yet been completed, but completion is expected before the end of Q2 2021.

Approximately 4,510 hours have been spent by lawyers on such work since the most recent report.

6.5 Other estate administration

Approximately 345 hours have been spent by lawyers on the general estate administration, including corresponding with the creditors and the bankruptcy court, registering the proofs of claim in the register of debts and claims of the bankruptcy estate and on preparing this report under section 125(4) of the Bankruptcy Act.

It means that 5,290 hours in total have been spent on the unencumbered assets.

7. SUMMARY OF THE TIME SPENT

It means that approximately 9,998 hours in total have been spent on the estate administration, including approximately 4,708 hours on work relating to the registered assets, see paragraph 6.1, and approximately 5,290 hours relating to the unencumbered assets, see paragraph 6.2, in the period from 1 September 2020 and up to 28 February 2021.

8. FUTURE ESTATE ADMINISTRATION AND THE WINDING-UP OF THE ESTATE

The estate administration in the next period will still focus on the operations of the bankruptcy estate as the continuation of the operations is necessary to secure the bankruptcy estate's assets and limit its liabilities.

As a consequence of the many estimates relating to both the calculation of the assets and the liabilities, it is still not yet possible to estimate the expected dividend in the bankruptcy estate, including the cover from the registered assets and the unencumbered assets. It is also not possible to estimate when it can be expected that the bankruptcy estate will be wound up.

9. INTERIM FEE

The trustee has not asked the bankruptcy court to pay any interim fee since the most recent report.

10. OTHER INFORMATION

The estate is being administered by Attorney Boris Frederiksen (bor@poulschmith.dk), Attorney Jesper Saugmandsgaard Øe (jso@poulschmith.dk), Attorney Mathias Juul Holter (mho@poulschmith.dk), Attorney Trine Irene Brodersen (trbr@poulschmith.dk), Attorney Christian Bo Kolding-Krøger (cbk@poulschmith.dk), Attorney Frederik Simmelholt (fsi@poulschmith.dk), Attorney Camilla Wiemer (cawi@poulschmith.dk), Attorney Sarah Willatzen (sawi@poulschmith.dk), Junior Commercial Law Consultant Louise Irene Pedersen (lped@poulschmith.dk), Assistant Attorney Jacob Sauerbrey Pers (jasp@poulschmith.dk), Assistant Attorney Ida Nørgaard Hansen (idnh@poulschmith.dk), Assistant Attorney Christina Winther Madsen (cwma@poulschmith.dk), Assistant Attorney Mikkel Vesterskov Koch and Assistant Attorney Christina Ziegler Beck-Nyling (chbn@poulschmith.dk).

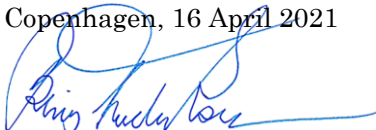
You can find additional contact information on the website www.gudosinsurance.dk which is regularly updated with relevant information about the estate administration.

If you know of any other assets than the assets specified above or if you have any information that could be relevant to the estate administration, please contact one of the above individuals.

11. NEXT CREDITOR INFORMATION

The next creditor information with a report under section 125(4) of the Bankruptcy Act will be sent on 16 October 2021 at the latest to the bankruptcy court and the creditors.

Copenhagen, 16 April 2021



Boris Frederiksen

Partner, Attorney