

Danish report of 14 April 2023 – translation made on 21 April 2023

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, 16 October 2020, 16 April 2021, 15 October 2021, 13 April 2022 and most recently of 14 October 2022.

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 bankruptcy estate's accounts in connection with the day-to-day operations.

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. At this point in time the bankruptcy estate has a total of 18 open bank accounts with Nordea Bank Danmark.

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. The assets also cover the necessary costs relating to winding up the insurance company as described.

The registered assets as at 28 February 2023 were booked at the following values:

1. Government bonds

The bankruptcy estate's government bonds as at 28 February 2023 amounted to DKK 7,321,323, which is why the asset has been included at this value

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| | DKK | 7,321,323 |
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2. Corporate bonds

The bankruptcy estate's corporate bonds as at 28 February 2023 amounted to DKK 5,270,448. The difference in the securities portfolio compared to the most recent report is called bonds of approximately DKK 471,785 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 the market value as at 28 February 2023 of

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| | DKK | 5,270,448 |
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3. Shares in subsidiary

The bankruptcy estate's shares in ASG Forsikringsagentur A/S in bankruptcy are still included at book value.

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| | DKK | 0 |
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4. Deposit

The bankruptcy estate's deposits were booked at DKK 533,724,348 as at 28 February 2023.

Since the most recent report the deposit has been reduced by DKK 49,570,322 in total. The reason for the reduction is that in the period since the most recent report periodical costs including price adjustments have been paid in connection with continuing the operations of the bankruptcy estate which have been deducted from the deposit. The asset has been included at book value.

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| | DKK | 533,724,348 |
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5. The share of the reinsurance of the provision for unearned premiums and the provision for claims outstanding

The bankruptcy estate 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 the book value of DKK 461,904,734 as at 28 February 2023.

The primary reason for the reduction in the bankruptcy estate's shares of the reinsurance of DKK 103,879,432 since the most recent report is the following two activities:

A) A recalculation of the expected claim for compensation in respect of parts of the insurance portfolio has been made. The recalculation shows an expected reduction in the claims for compensation which results in a reduction in the expected future claims against the reinsurers.

B) The Danish Guarantee Fund for Non-life Insurers and other national funds continue to pay out claims for compensation 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 receivable, shares of the reinsurance (paragraph 1.2, item 6).

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| The asset has been included at book value. | DKK | 461,904,734 |
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6. Receivable, share of the reinsurance (reinsurance)

The receivable regarding the shares of the reinsurance as at 28 February 2023 was booked at DKK 136,702,605. The increase of DKK 15,612,256 in the booked receivable since the most recent report primarily relates to the shares of the reinsurance of payouts from the Guarantee Fund for Non-life Insurers and other national funds of DKK 38,591,094 as well as a reduction of DKK 20,000,000 relating to an estimated loss allowance. There has also been a number of small movements.

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| The receivable has been included at book value. | DKK | 136,702,605 |
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7. Receivable from insurance brokers/coverholders

When Qudos Insurance A/S 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. 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

So far, the trustee has calculated a receivable relating to unearned coverholder commission against former coverholders of DKK 255,938,103.28 for which the trustee has either raised a claim against former coverholders or which the trustee has started collecting on an ongoing basis. It is noted that it is very uncertain whether and the extent to which the former 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 the description in paragraph 6.1.3.3 below.

DKK 1

Registered assets etc in total (provisionally calculated) DKK 1,144,923,458

It is noted that in the period since the most recent report under section 125(4) of the Bankruptcy Act of 14 October 2022, the registered assets have been reduced by DKK 138,503,330, 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), the increase in the receivables from the company's reinsurers (paragraph 1.2, item 6) as well as an increase in the deposits (paragraph 1.2, item 4).

As has been the case so far costs relating to running the bankruptcy estate have been paid, including payments to external claims examiners and lawyers for the purpose of securing the collection of the company's assets. There has also been work relating to calculating and limiting the liabilities. These costs have been deducted from the calculation of the registered assets.

1.3 Unencumbered assets

The unencumbered assets are to be used to pay all the other creditors against the bankruptcy estate, 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 2023 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 2023 were booked at DKK 50,000. For the time being the tools and equipment have been included at book value.

DKK 50,000

10. Receivable from consolidated companies

The bankruptcy estate has a booked asset consisting of receivables from consolidated companies that were booked at DKK 3,126,305 as at 28 February 2023. The bankruptcy estate has entered into a settlement with one of the consolidated companies. The settlement amount has not yet been paid into the estate's client account, but it is expected that it will be paid in the middle of 2023 when this item can probably be finally settled. The bankruptcy estate's receivables are currently included at the book value by

DKK 3,126,305

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 Qudos Insurance A/S in bankruptcy (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 957,587

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

As previously stated, the appointed ad-hoc trustee has entered into discussions with the landlord about the deposit claim that the bankruptcy estate has raised against the landlord. The rent deposit regarding the leased premises as at 28 February 2023 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 was booked at DKK 0 as at 28 February 2023. The asset has been included at book value.

DKK 0

16. Deposit in client account

In the previous period, the trustee paid costs of approximately DKK 5,700,000. The deposit in the client account as at 28 February 2023 amounted to

DKK 226,272

Unencumbered assets in total (provisionally calculated following an estimated total write-down)

DKK 4,360,000

2. LIABILITIES**2.1 Liabilities relating to the registered assets**

The liabilities that have a priority right to receive cover from the bankruptcy estate's registered assets are listed below, see paragraph 1.2 above. Below, the starting point is that both the insurance claims and the claims for return premium are covered by the registered assets. But the trustee knows that a decision has been delivered by the EFTA Court regarding Gable Insurance AG in bankruptcy that could possibly change this starting point, see paragraph 6.1.7.2 below. But the consequences and scope of the decision are not yet clear, which is why the classification in the calculation below is maintained for the time being.

1. Expected claims for return premium

The expected claim for return premium as at 28 February 2023 was booked at DKK 155,102,036. 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. But it is the trustee's opinion that more filed claims will become statute-barred. The reason for the reduction of DKK 48,277,085 compared to the most recent report is the actual 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 155,102,036

2. Expected claims for compensation

The expected claim for compensation is 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 claims for compensation as at 28 February 2023 was booked at DKK 600,140,454. The primary reason for the reduction since the most recent report is the following important activities:

A) The expected claims for compensation in respect of parts of the company's portfolio have been recalculated. The recalculation is based on the data most recently received from the company's coverholders.

B) The amount has been reduced by approximately DKK 274,046,340 compared to the most recent report. The expected claims for compensation have been reduced because the Guarantee Fund for Non-life Insurers and other national funds regularly make payouts regarding insurance claims. The payouts from the Guarantee Fund for Non-life Insurers and other national funds and thus the decline in the expected claims 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 600,140,454

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

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| of the outstanding payable premiums from the insurance provisions. | DKK | -42,125,995 |
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4. Claims proved so far in respect of the registered assets

As at 28 February 2023, the claims proved in respect of the registered assets amounted to DKK 2,973,667,228.68 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.

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| | DKK | 2,973,667,228.68 |
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| Expected liabilities in total | DKK | 3,686,783,723.68 |
|--------------------------------------|------------|-------------------------|

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 insurance claims later on in the estate administration will be replaced by actual claims (as stated in paragraph 2.1, item 4) as the claims for return premium 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. As stated above, the various guarantee fund schemes are still making payouts.

Moreover, there is no doubt that the above calculation contains elements of double registration, which is why overall the registered liabilities are expected to be reduced over time. But the extent will only become clear in connection with the future examination of claims.

According to the bankruptcy estate's information, the Guarantee Fund for Non-life Insurers and other national funds had paid out a total of DKK 1,422,289,747.55 as at 28 February 2023 to cover both accepted claims for compensation and claims for return premium. It is noted in this connection that it must be assumed that these payments are included in the above calculation of the liabilities to a certain extent. In addition, some guarantee funds have notified expected/future payouts, which is why it is also expected that there will be an overlap here between notified claims and the calculated reserves. It is also the trustee's assessment at this point in time that the allocated provisions to cover claims for return premium as well as claims for compensation fully cover the future payments/notices of claims.

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

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| Claims under section 94 of the Bankruptcy Act (secondary administration expenses) | DKK | 1,669,694.25 |
| 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 | 155,993,663.44 |
| Liabilities in total | DKK | 158,631,272.43 |

It is generally noted in respect of the filed claims that it must be assumed that several claims have been filed both under the registered assets, see paragraph 2.1 above, and at the same time 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 initial work regarding the examination of the filed claims has only just begun.

3. INVESTIGATIONS RELATING TO AVOIDANCE

The trustee refers to previous reports regarding this subject-matter as well as to paragraph 6.4 below.

4. CRIMINAL OFFENCES

The trustee has informed the police under section 110(4) of the Bankruptcy Act.

5. BANKRUPTCY-RELATED DISQUALIFICATION

The Bankruptcy Division of the Danish 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, cf section 160(1), first sentence, of the Bankruptcy Act.

On 21 May 2021, the Danish Maritime and Commercial High Court gave rulings in the cases against the former manager and against two members of the board of directors. The rulings by the Danish Maritime and Commercial High Court in the cases have been brought before the Danish High Court which has not yet made a decision in the cases.

6. THE ESTATE ADMINISTRATION AND THE TIME SPENT IN THE PAST 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 2022 and up to 28 February 2023 has focused on the following tasks:

6.1.1 *Securities*

The bankruptcy estate's securities portfolio primarily still consists of government bonds and corporate bonds which were booked at DKK 7,321,323 and DKK 5,270,448 respectively on 28 February 2023, see the list of assets in paragraph 1.2, items 1 and 2.

In the previous period, the trustee 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 471,785 has been withdrawn from the company's custody account which has been added to the deposit used for operating the bankruptcy estate.

Approximately 5 hours have been spent by lawyers on such work since the most recent report.

6.1.2 *Reinsurance*

The bankruptcy estate's most important asset in 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 receivable from the reinsurers (paragraph 1.2, item 6).

The work involving the bankruptcy estate's reinsurance in the previous period was, and still is, very complicated and the trustee is spending a significant amount of time on collecting the receivables relating to the reinsurance contracts. The work is very protracted, but it is necessary to secure, over time, the bankruptcy estate's most important asset.

The trustee's handling of the bankruptcy estate's reinsurance in the previous period still focused on calculating and collecting the bankruptcy estate's receivables from the reinsurers. Handling the reinsurance continues to involve complicated issues which the trustee is assessing and dealing with on an ongoing basis. In that connection the trustee has had discussions with the reinsurers and the bankruptcy estate's employees on a daily basis regarding calculations, reconciliation and payment of

receivables from reinsurers to the bankruptcy estate as well as other operational matters and legal clarifications.

The trustee established in the previous period that one single, but important, claims examiner in Great Britain had stopped reporting to the bankruptcy estate which unfortunately had the result that the bankruptcy estate could not report on the recent developments in losses and compensation to the reinsurers. The consequence has been that the affected reinsurers did not make any payments to the bankruptcy estate in the previous period. The bankruptcy estate is in dialogue with the claims examiner so that the reporting can be resumed. Moreover, the trustee is in dialogue with the reinsurers on an ongoing basis about the issue.

As stated in the most recent report, the trustee has been in dialogue with an English reinsurer as the bankruptcy estate has a receivable from the reinsurer. In the previous period, the trustee continued the work of calculating and collecting the claim.

The trustee has continued the direct discussions with the biggest European reinsurer regarding the part of the business that was not handled through an insurance broker prior to the bankruptcy. A significant receivable is still outstanding, and in the previous period the trustee held weekly meetings with the reinsurer for the purpose of collecting the receivable. The trustee also held an in-person meeting with the reinsurer in the previous period. Due to the size of the amounts, the reinsurer is calculating the estate's claim very exactly which is very time-consuming. In this connection the bankruptcy estate and the reinsurer are discussing the calculation of a significant amount that the reinsurer has already paid. This has resulted in separate meetings both in-person meetings and over Teams. The issue has not yet been solved.

In respect of the above-mentioned reinsurer, the trustee has started a direct collaboration about that part of the business that was previously handled by an English broker. In particular, the subject-matter is reinsurance of English and Irish motor insurance that is also a significant receivable. The weekly meetings also include this part and the reconciliation work is progressing, albeit not at the speed that the trustee had hoped.

The English broker is still responsible for reporting excess of loss claims (substantial claims) and for collecting receivables from reinsurers regarding such claims. For the past six months the trustee has worked on indexing the company's substantial claims including in collaboration with the reinsurers, and as a consequence the trustee has calculated substantial receivables from the reinsurers that the broker has been asked to collect on behalf of the company.

There have been problems with slow and delayed payments since the bankruptcy from one Asian reinsurer in particular. In the previous period, the trustee therefore continued the reporting, follow-up and inquiries to the broker in Singapore that is the link between the bankruptcy estate and the reinsurer.

Despite an in-person meeting with the reinsurer in July 2022, the response times of the reinsurer and the broker in Asia are still slow. The trustee is therefore looking into and considering the legal steps that, if necessary, must be taken to secure payment from the reinsurer.

The trustee has also started the initial work of commutating the reinsurance contracts where the run-off can be determined with a high degree of probability. The trustee has carried out a number of legal analyses in this connection and obtained actuarial valuations on an ongoing basis for the purpose of continuing this work and in this way making the estate able to make commutation offers to the reinsurers.

Moreover, the trustee is still in regular contact with the bankruptcy estate's English consultant that handles the English and Irish substantial claims and reports to the reinsurers.

In addition, the trustee is regularly assessing and considering the process relating to the bankruptcy estate's collection of receivables from reinsurers, including also considering the ongoing contractual relationships with the various reinsurers. In the previous period, the trustee participated in meetings with relevant reinsurers and insurance brokers for the purpose of solving specific issues relating to the reporting and settlement of the bankruptcy estate's receivable and ensuring ongoing collaboration and communication.

Since the most recent report and up to 28 February 2023, only DKK 1,243,621 has been paid in respect of reinsurance due to the problems with the non-reporting by the claims examiner in Great Britain and due to the complicated reconciliation work that is taking place with the biggest European reinsurer.

It means that a total of DKK 502,924,486 has been paid to the bankruptcy estate by the reinsurers since the company went bankrupt and up to 28 February 2023.

Approximately 700 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, however, that the bankruptcy estate's receivable of DKK 84,251,990 consisting of payable premiums is included with a deduction of 50% in 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 tasks relating to the receivables from coverholders, claims examiners, etc are described more specifically below.

In the previous period, the trustee continued collecting outstanding excess amounts from several policyholders. There were a total of 36 open cases in this connection and the trustee has closed some of those cases. The trustee collects excess amounts on an ongoing basis.

Moreover, the trustee has continued the work of determining whether the Guarantee Fund for Non-life Insurers has a right as a secured creditor to the excess amounts of the insurance claims that the Guarantee Fund for Non-life Insurers covers.

6.1.3.1 Premium receivables

The trustee's investigations relating to booked premium receivables have shown that the receivables often had a lower value than the book value, which is why the book values were subject to great uncertainty. The trustee has concluded his examinations of whether the necessary accounting adjustments have been made and the necessary depreciation has been provided for.

6.1.3.2 Claiming back insurance premium tax from tax authorities

As for the periodical reporting of direct and indirect taxes abroad, the trustee has continued to correspond with the external tax consultants and tax authorities that handle the declaration of direct and indirect taxes abroad.

The trustee is still in dialogue with the tax authorities in Great Britain, Ireland and France for the purpose of reclaiming premium tax that was declared before the issue of the bankruptcy order. The dialogue with the tax authorities in Denmark is being handled by the ad-hoc trustee who is currently waiting for the decision by the Danish National Tax Tribunal. In Great Britain, the trustee together with the bankruptcy estate's external British lawyer have answered a number of additional questions from the British tax authorities, and the trustee has forwarded some supplementing documents. The British tax authorities subsequently made a decision which the bankruptcy estate is in the process of going through in order to make an assessment of the process going forward.

As for reclaiming premium tax in Ireland, the trustee is still working on securing the relevant documentation. The work has been made difficult because a large part of the requested information is in the possession of Qudos's former coverholder in Ireland.

As for the reclaim process in France, the trustee was in dialogue in the previous period with the Guarantee Fund for Non-life Insurers for the purpose of obtaining the necessary documentation. The

trustee has also sought assistance with interpreting the French tax rules etc from tax consultants in France. The trustee is currently waiting for the French tax authorities' response.

Approximately 140 hours have been spent by lawyers on collecting the receivables from the coverholders, insurance brokers, tax authorities, etc as well as on the work regarding the independent collection of unearned coverholder commission which is described separately in paragraph 6.1.3.3 below since the most recent report.

6.1.3.3 Reclaiming unearned coverholder commission

The trustee has raised claims on behalf of the bankruptcy estate for repayment of unearned coverholder commission against a number of the bankruptcy estate's former coverholders.

1) Legal action against a former coverholder in Italy

On 15 July 2021, the trustee brought a legal action against a former coverholder, claiming payment of EUR 1,554,307.01.

As stated in the most recent report, the trial in part in the case was held on 7 June 2022. On 6 July 2022, the bankruptcy estate received the judgment by which the case was dismissed by the Danish courts because of lack of jurisdiction. The trustee subsequently filed a notice of appeal on 20 July 2022 with the Danish Eastern High Court.

In the previous period, the trustee spent time on drafting pleadings and going through new exhibits and preparing the trial in part of the appeal proceedings.

The trial hearing in part was held on 31 January 2023 before the Danish Eastern High Court. The trustee received the judgment on 28 February 2023 by which the Danish Eastern High Court upheld the decision by the Danish Maritime and Commercial High Court.

The trustee is currently looking into the possibility of bringing the case in Italy.

2) Legal action against a former coverholder in France

On 9 July 2021, the bankruptcy estate brought a legal action against a former coverholder, claiming payment of EUR 2,383,970.68.

On 23 December 2021, the Copenhagen City Court passed a default judgment and the trustee has started the work of recovering the awarded amount. Liquidation proceedings were commenced against the

company in the previous period and the trustee is still in dialogue with the external French lawyers about the recovery. The work in this connection is still going on.

3) Legal action against a former coverholder in Denmark

On 22 October 2021, the bankruptcy estate brought a legal action against a former coverholder, claiming payment of DKK 498,327.32.

As stated in the most recent report the former coverholder was declared bankrupt on 21 December 2021. The trustee has filed a claim against the estate.

4) Legal action against a former coverholder in Denmark

On 17 December 2021, the bankruptcy estate brought a legal action against a former coverholder, claiming payment of DKK 110,913,051.71.

In the previous period, the trustee drafted the reply in the case which was filed on 30 November 2022. Moreover, the trustee's extensive work has included case preparation including going through the actuary calculations and obtaining additional relevant material. Finally, the trustee has spent time on preparing the questions for the expert and the statement of damages.

The trustee has also participated in a number of interim hearings and discussions with the opposing party since the most recent report.

5) Legal action with Irish governing law

On 2 June 2022, the trustee filed a plenary summons with the courts in Ireland and raised a claim against an Irish coverholder of EUR 2,009,231.60 and GBP 103,465.67 regarding premium receivables and a claim of EUR 1,540,663.21 regarding unearned coverholder commission.

Together with the Irish lawyers the trustee prepared and carried out mediation in Ireland in the previous period. The trustee and the trustee's lawyers subsequently spent time on preparing bringing the legal action before the High Court Commercial. The trustee has spent time on drafting a statement to the court (affidavit) and a statement of claim.

The trustee has also spent time on going through the notice of particulars received from the opposing party and on drafting the responses that were filed on 28 February 2023.

For now, the case is pending a further exchange of pleadings.

6) Legal actions with English governing law

As stated in the most recent report, the trustee assigned further cases to lawyers in England where particulars of claims were filed with the courts in England on 13 April 2022. In one of the cases the bankruptcy estate has calculated its claim to be GBP 357,941.75 and the other to be GBP 77,288.86.

On 9 December 2022, the trustee entered into a settlement agreement in one of the cases after which the case was withdrawn and the parties bear their own costs. In the settlement agreement the trustee has reserved the right to bring the legal action again if new information comes to light.

The opposing party has filed a defence in the other case, and the bankruptcy estate's English lawyers have also filed a reply in the case. In that connection the trustee has spent time on going through the pleadings and has had discussions with the English lawyers. At this point in time the case is pending settlement negotiations.

The bankruptcy estate has also raised a claim running into millions against an English coverholder and a reinsurer. Since the most recent report the trustee has spent time on ongoing discussions with the bankruptcy estate's lawyers in England and has participated in meetings with the lawyers in London. The trustee is still in the process of assessing whether there is any basis for recovering the claim from the coverholder and the reinsurer.

The trustee is still claiming back the coverholders' unearned commission, and it is not expected that the work will be finished soon as the recovery is made through courts and arbitration tribunals both nationally and internationally.

Approximately 660 hours have been spent by lawyers on the work of collecting/recovering unearned coverholder commission since the most recent report.

6.1.4 *The work relating to dealing with the operations*

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

6.1.4.1 *Claims handling*

In connection with the issue of the bankruptcy order the trustee decided together with the Guarantee Fund for Non-life Insurers to continue the operations of the bankruptcy estate 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 continued to the widest extent possible in compliance with the existing claims handling agreements.

The trustee's work of dealing with the claims handling is still extensive. 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 and the registration in the bankruptcy estate's register of debts and claims are also correct.

The trustee still has talks and correspondence with the claims examiners including about 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 still require the trustee's continuous involvement in the handling of the specific claims, including also in respect of the determination of the reserves.

The trustee therefore contacted and held meetings with the attached claims examiners for the purpose of following up on the current claims handling and the reporting to the bankruptcy estate, etc. This work is still taking place.

As previously stated, an Italian claims examiner had decided when Qudos went bankrupt to stop the claims handling and paid out claims for compensation to approximately 400 policyholders without the bankruptcy estate's acceptance despite the fact that only approximately 100 claims had been handled. Since the most recent report the trustee has made sure that the contract subsequently entered into with a new claims examiner regarding claims handling in Italy is being performed, and that the claims are being handled once again.

The day-to-day claims handling is therefore still taking place.

Approximately 600 hours have been spent by lawyers on such work since the most recent report.

6.1.4.2 Bilateral agreements and contracts

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.

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 Qudos Insurance A/S in bankruptcy 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, Qudos Insurance A/S in bankruptcy and Gefion Finans A/S in bankruptcy (the so-called "agreement on apportionment of costs"), see also paragraph 1.3, item 11 above.

In the period the trustee's work 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 and Gefion Finans A/S in bankruptcy as such costs are to be paid by Alpha Insurance A/S in bankruptcy and Gefion Finans A/S in bankruptcy respectively. The costs are re-invoiced every quarter, and the work is therefore ongoing and will continue in future.

As part of the day-to-day operations the trustee was also in contact with TDC which has informed the bankruptcy estate that for technical reasons it wanted to terminate the bankruptcy estate's landline subscriptions. The trustee has taken out mobile phone subscriptions for the affected employees of the bankruptcy estate. The trustee has also spent time on obtaining documentation of the bankruptcy estate not being a normal bankruptcy estate as TDC will not generally provide mobile phone subscriptions to a bankruptcy estate.

Approximately 20 hours have been spent by lawyers on such work since the most recent report.

6.1.4.3 The bankruptcy estate's employees

The trustee's work has included dealing with the bankruptcy estate's employees on an ongoing basis.

The trustee has therefore dealt with usual employee matters as in any other operating business, including regarding illness, resignations, etc.

The trustee is regularly assessing the bankruptcy estate's staff, including whether there is any need for adjusting the resources in the bankruptcy estate or hiring new employees. In the previous period, one employee joined the actuarial department and one employee joined the bookkeeping department who, however, resigned in the same period.

Approximately 35 hours have been spent by lawyers on such work since the most recent report.

6.1.4.4 Talks with guarantee funds

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.

The trustee has also had discussions with the Guarantee Fund for Non-life Insurers about the status of the Fund's claims in the bankruptcy estate, including whether the Fund is entitled to priority satisfaction for the Fund's claims, see also paragraph 6.1.7 below.

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 notified 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 80 hours have been spent by lawyers on such work since the most recent report.

6.1.4.5 Correspondence with policyholders and claimants

The trustee has also continued to have regular correspondence with policyholders in different countries about their insurance products, including their possible 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 8,371 times by policyholders and claimants in the inbox set up separately by the trustee in respect of Qudos Insurance A/S in bankruptcy. To this should be added an additional large number of inquiries that the trustee has received in other ways, for example by telephone or inquiries in person. The trustee is dealing with these inquiries on an ongoing basis.

The inquiries in the previous period were primarily questions about when the policyholders can expect to receive the payouts for 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 lawyers.

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 40 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

After the issue of the bankruptcy order the trustee decided to become a party to a number of legal actions that primarily were about rejected claims and which were already being 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 being 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 discussions with the lawyers 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 final 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 most recent report, the trustee entered into a settlement on 17 January 2022 with a coverholder/claims examiner after having negotiated the terms of such settlement. The settlement terms are subject to a confidentiality clause.

As also written in a previous report, the bankruptcy estate lodged a writ of summons against a coverholder by which the bankruptcy estate had raised a claim for payment of DKK 1,868,578.49. The coverholder was ordered to pay DKK 1,868,578.49 to the bankruptcy estate which was upheld by the Danish Western High Court on 10 February 2022. Bankruptcy proceedings were subsequently commenced against the coverholder and the trustee has filed a claim against the bankruptcy estate.

Legal actions about subrogation etc:

Firstly, the trustee refers to previous reports in which the trustee gave an account of the work in connection with the legal actions about subrogation etc.

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 final hearings in part, participating in expert surveys and appraisals and case management conferences.

One single case about subrogation has been set down for trial for 9-11 May 2023. In the previous period, the trustee spent time on a further exchange of pleadings and on preparing for the final hearing.

As previously stated, the trustee has also lodged 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 75 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

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 lawyers in compliance with the agreements entered into with the relevant claims examiners and the bankruptcy estate. The trustee has had many discussions with the external lawyers 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.

The legal actions are pending in several European countries including Spain and Italy, but due to the EU law in the area, uniform claims are being raised in all cases.

Moreover, the trustee has continued the work on the legal actions brought against the bankruptcy estate with a request for the taking of evidence out of court.

In connection with the cases the trustee has spent time on going through the request for the taking of evidence out of court with exhibits, including the questions. The trustee has also had discussions with the expert and the opposing party. Finally, the trustee has spent time on drafting a submission with comments on the opposing party's request for the taking of evidence out of court as well as drafting his own questions to the expert.

An expert survey and appraisal was held in one single case after which the trustee received an order as to costs on 4 January 2023. The opposing party was to pay the legal costs. In this connection the trustee has spent time on preparing the expert survey and appraisal and on the expert survey and appraisal. The order as to the legal costs was subsequently appealed to the Danish Eastern High Court. The order was upheld on 17 March 2023. The trustee is currently waiting for the awarded amount.

Since the most recent report approximately 75 hours have been spent by lawyers on the legal actions brought against the bankruptcy estate.

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 still extensive.

The trustee's additional work has included determining the need for entering into or updating data processing agreements with the attached insurance brokers and claims examiners.

The trustee also carried out audits of several of the bankruptcy estate's attached claims examiners. It is important for the ongoing claims handling including the relationship with the reinsurers that the claims examiners are audited on a regular basis to ensure the quality of the work performed.

Since the most recent report the trustee has also spent time on devising a new supervision concept to ensure that the bankruptcy estate acts in compliance with GDPR law in connection with audits.

The trustee also refers to previous reports containing accounts of the work relating to compliance, GDPR and audits.

Approximately 329 hours have been spent by lawyers on such work since the most recent report.

6.1.4.9 Audit and bookkeeping

The trustee previously took on external accounting assistance that continues to assist the bankruptcy estate.

The trustee has previously asked for the VAT and payroll tax for 2019 to be reopened as the bankruptcy estate had received a binding assessment notice from the Danish Tax Agency concerning the conditions for calculating the company's VAT and payroll tax, which entail that the bankruptcy estate's reporting of VAT and payroll tax should be adjusted. In the previous period, the trustee asked for the VAT and payroll tax for 2020 to be reopened. In that connection the trustee has spent time on going through vouchers and has had ongoing discussions with the bankruptcy estate's employees concerning the request for reopening. Discussions and meetings have also been held on an ongoing basis with the external auditors about the matters.

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 in person on a regular basis.

Approximately 64 hours have been spent on such work since the most recent report of which 44 hours have been spent by the trustee's employee skilled in accounts.

6.1.5 General work regarding planning the notification process

The trustee has continued to spend time on planning the notification process in the estate, including handling the reporting sheet for the claims examiners as well as maintaining and adjusting the functions of the register of debts and claims.

In the previous period, the trustee made relevant adjustments so that it will be easier to deal with the large amounts of data. Among other things, the trustee has spent time on drafting detailed procedures to prevent any incorrect recordings when many claims are being updated with new information.

The trustee has also prepared a number of internal processes for the notification of claims, see paragraphs 6.1.5.1-6.1.5.3 below.

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

Approximately 20 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)

The trustee continued to spend time on processing and handling the claims for return of premiums 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 trustee expects that the web form will be closed down in December 2023, but until then the form will be kept available for any new claims.

As at 28 February, 38,011 claims for return premium had been filed by using the return premium form. The trustee has also spent time on handling the claims for return of premiums through bulk reporting of claims for return of premiums.

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.

The Guarantee Fund for Non-life Insurers and FSCS made payouts regarding claims for return premium to the policyholders in the previous period.

Approximately 20 hours have been spent by lawyers on such work since the most recent report.

6.1.5.2 Notification of claims from claims examiners

The trustee continued to spend time on developing the procedure for the claims examiners' notification of the accepted insurance claims to the bankruptcy estate as well as maintaining the new register of debts and claims to handle the claims filed under the registered assets. 388 insurance claims had been notified as at 28 August 2023, but significantly more claims are expected. As stated in paragraph 6.1.4.1, the trustee is in an ongoing dialogue with the claims examiners about the reporting of approved insurance claims to the register of debts and claims.

Approximately 20 hours have been spent by lawyers on such work since the most recent report.

6.1.5.3 *Web form for complaints*

As previously stated, the trustee has designed a web form to handle complaints. The claimant can give notice of a complaint claim 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 suffered after 28 March 2019) and/or if the claimant disagrees with the claims examiner about the compensation 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 2023, a total of 35 complaints had been made against the bankruptcy estate by using the complaint form. The number of complaints was reduced in the previous period as the trustee received nine withdrawals of complaints in connection with the initial examination of claims. But the trustee has established that nine other claims were instead to have been filed as claims for return of premium, which is why the type of the claim has been corrected in the register of debts and claims, see also paragraph 6.1.6.

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

Approximately 20 hours have been spent by lawyers on such work since the most recent report.

6.1.6 *Examination of claims*

The trustee has started the process of examining the many claims filed against the estate. Due to the size and nature of the estate, there are a number of complex problems that are not usually seen in bankruptcy estates.

The examination of claims therefore requires significant preparatory work to ensure that the process will run appropriately and properly. The trustee has started the planning work and the clarification of the legal challenges, including carrying out bulk examinations of claims.

In the previous period, the trustee also examined the filed complaint claims and started drafting the recommendations in respect of approximately 35 complaints. An examination of claims meeting has not yet been convened.

It is noted that the complaints have mainly been complaints about situations where the claims examiner has rejected to process the claim, including because it was a claim based on a terminated policy (a loss suffered after 28 March 2019) and/or that the claimant disagrees with the claims examiner about the payout.

Approximately 380 hours have been spent by lawyers on such work since the most recent report.

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

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

The trustee had talks and corresponded with the Guarantee Fund for Non-life Insurers about whether the Guarantee Fund for Non-life Insurers has a special legal status in the bankruptcy estate.

Essentially, the issue is whether the Guarantee Fund for Non-life Insurers has a right of priority/a right as a secured creditor to the amounts that have already been paid out or which will be paid out in future through Qudos's reinsurance programme in relation to the losses where the Guarantee Fund for Non-life Insurers has paid or will pay compensation to policyholders or claimants in future.

The Guarantee Fund has presented a corresponding point of view in Alpha Insurance A/S in bankruptcy. Against this background, the trustee examined the claim filed by the Guarantee Fund for Non-life Insurers against Alpha Insurance A/S in bankruptcy, and the trustee dismissed that the Guarantee Fund for Non-life Insurers should have a right of priority/a right as a secured creditor. It is therefore the trustee's opinion that the Guarantee Fund for Non-life Insurers is to be treated the same way as the other creditors. The examination of claims meeting was held on 5 October 2022 when the trustee of Alpha Insurance A/S in bankruptcy maintained the rejection of the claim.

On 1 November 2022, the Guarantee Fund for Non-life Insurers lodged a writ of summons against Alpha Insurance A/S in bankruptcy.

It is the trustee's opinion that the pending legal action between the Guarantee Fund for Non-life Insurers and Alpha Insurance A/S in bankruptcy could have a big financial impact on Qudos Insurance A/S in bankruptcy, which is why the trustee is following the development in the case closely.

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

6.1.7.2 *The EFTA Court*

As also written in previous reports, the trustee knows that a court in Liechtenstein had asked the EFTA Court for an advisory opinion about the interpretation of the Solvency II Directive, including the issue of whether claims for return premium raised after the commencement of the bankruptcy proceedings should be deemed to be a preferential claim within the meaning of the Directive. The EFTA Court delivered its decision in the case on 10 March 2020.

In the decision the EFTA Court ruled that claims for return premium raised after liquidation has started (the bankruptcy proceedings) are not covered by the definition of an insurance claim in the Solvency II Directive (Article 268(1)(g)).

In the previous period, the trustee continued to study the scope of the decision, including in respect of the importance of the decision to the bankruptcy proceedings of Qudos and the legal position of the creditors.

Approximately 60 hours have been spent by lawyers on the above work since the most recent report.

It means that approximately 3,343 hours in total have been spent on work relating to the registered assets of which 44 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 September 2022 and up to 28 February 2023 has focused on the following tasks:

6.3 Sale of various chattels

The trustee sold a number of assets including six Montana shelving systems, two small cabinets and a shelving system at a total price of DKK 3,125 in the previous period.

Approximately 3 hours have been spent by lawyers on such work.

6.4 Litigation regarding claims for avoidance and repayment and claims for compensation

As previously stated, the trustee has brought a number of legal actions regarding claims for avoidance and recovery.

The individual cases are described below.

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

In May 2020, the bankruptcy estate brought a legal action against a foreign company (now in liquidation) in Guernsey as it was the bankruptcy estate's opinion that there was a basis for a claim for recovery and/or avoidance against the foreign company of approximately DKK 25,800,000.

Settlement negotiations were held with the liquidators of the foreign company and the bankruptcy estate over a long period of time from March 2022. The settlement negotiations resulted in a settlement of 26 October 2022 and the legal action in Guernsey was withdrawn. The settlement terms are subject to a confidentiality clause.

The bankruptcy estate has previously reserved the right to raise a personal claim for compensation of the same amount of DKK 25,800,000 against the involved members of the management. As a consequence, the bankruptcy estate brought a legal action against two members of the management on 26 November 2021 where the bankruptcy estate's loss is now being pursued, see paragraph 6.4.2 below for details.

The work in the previous period has included the bankruptcy estate going through several drafts of a settlement agreement as well as extensive correspondence with the bankruptcy estate's external lawyers in Guernsey about the settlement negotiations with the liquidators of the foreign company. There has also been correspondence about repayment of the security provided by the bankruptcy estate for the litigation to the bankruptcy estate.

Approximately 25 hours in total have been spent on such work since the most recent report.

6.4.2 *Legal action regarding claim for compensation against two members of the former management of Qudos Insurance A/S*

As written above in paragraph 6.4.1, the bankruptcy estate brought a legal action on 26 November 2021 against two members of the former management of Qudos Insurance A/S before the Copenhagen City Court regarding a claim for compensation of DKK 25,800,000 relating to the participation by the two former members of the management in the transaction in question from which the bankruptcy estate's claim for recovery and/or avoidance against the foreign company arose.

The bankruptcy estate also notified the other members of the former management of Qudos Insurance A/S, and the bankruptcy estate reserved the right to raise a claim for compensation against the former members of the management if the claim for compensation cannot be raised in the legal actions that have been brought and/or the defendant parties, including if the foreign company does not have the required ability to pay.

The defendants in the court case before the Copenhagen City Court pleaded a defence on the points of law that the case should be dismissed by referring to an arbitration clause in the contracts of the members of the management with Qudos Insurance A/S. The issue of the points of law was pleaded and tried separately, and the trial in part took place on 6 February 2023.

The Copenhagen City Court gave a ruling on the subdivided claim on 6 March 2023 where the court found that in respect of the legal action the bankruptcy estate was not bound by the arbitration clause and that the defendants' plea of no case to answer was therefore not allowed.

On 20 March 2023, the defendants asked the Danish Appeals Permission Board for leave to appeal against the ruling by the Copenhagen City Court of 6 March 2023 on the subdivided claim to the Danish Eastern High Court. The Danish Appeals Permission Board has not yet made a decision about the request.

The case is therefore still pending before the Copenhagen City Court where the court has set a deadline for the defendants' defence on the substantive issue to be 12 May 2023.

In the previous period, pleadings were exchanged about the issue of the points of law listed for a separate trial. The bankruptcy estate has filed two pleadings, gone through the defendants' Pleading B on the points of law and drafted the case summary. The bankruptcy estate's work has also included preparing and participating in a trial in part that took a day in court, including preparing the trial bundle and the bundle of authorities. Finally, the bankruptcy estate's work has included following up on the forwarded notifications of third parties in the case.

Approximately 213 hours in total have been spent by lawyers on the above work since the most recent report.

6.4.3 *Legal action about claims for recovery and compensation against Qudos Insurance A/S's parent company and other consolidated companies about illegal funds generated from operations*

On 22 December 2020, the bankruptcy estate brought a legal action against Qudos Insurance A/S's ultimate parent company and two other consolidated companies claiming payment of DKK 52,825,500 to the bankruptcy estate plus interest under the Danish Interest Act and section 215(1) of the Danish Companies Act.

The subject-matter of the case is the bankruptcy estate's claim for recovery/compensation in relation to financial funds that Qudos Insurance A/S made available for the acquisition of Qudos Insurance A/S by Qudos Insurance A/S's ultimate parent company from Echelon Financial Holding Inc. on 7 March 2017 that in the trustee's opinion is contrary to the prohibition against funds generated from operations laid down in section 206(1) of the Danish Companies Act.

At the same time as bringing the legal action, the bankruptcy estate sent notices of the action to the entire former management of Qudos Insurance A/S as section 215(2) of the Danish Companies Act stipulates that there is secondary strict liability for "*the persons who have agreed to or maintained any*

transactions" in conflict with the prohibition against financing using funds generated from operations if it is not otherwise possible to claim back the amounts/loss from the defendant companies.

In the case the bankruptcy estate has requested an expert survey and appraisal which was granted by the Copenhagen City Court by a ruling of 1 February 2022. Many pleadings were subsequently exchanged regarding the expert survey and appraisal, including about the questions, the expert and the appendices that the expert could receive. The exchange of pleadings resulted in the Copenhagen City Court giving two rulings on 4 April 2022 and on 9 August 2022 about the process of appointing an expert and the appendices that the expert could receive. The bankruptcy estate was successful in both rulings.

The defendants subsequently asked the Danish Appeals Permission Board for leave to appeal against both rulings to the Danish Eastern High Court where in connection with the hearing of the defendants' requests for leave to appeal the bankruptcy estate submitted its comments to the Danish Appeals Permission Board.

On 16 June 2022 and 1 November 2022 respectively, the Danish Appeals Permission Board informed the parties that the defendants were not granted leave to appeal against the rulings of 4 April 2022 or of 9 August 2022 of the Copenhagen City Court, which is why the rulings in favour of the bankruptcy estate were final.

By the authority of the court the bankruptcy estate has contacted the trade organisation FSR - Danske Revisorer and asked FSR - Danske Revisorer to propose a suitable expert including by contacting *Nordisk Revisor Forbund*.

An expert has not yet been appointed and consequently no expert survey and appraisal has been conducted in the case as it is a challenge to find a suitable expert that is not disqualified in respect of the parties to the case. The bankruptcy estate, the defendants and the Copenhagen City Court and others had and still have extensive correspondence about the process of the expert survey and appraisal.

Most recently, the Copenhagen City Court authorised the bankruptcy estate on 21 March 2023 to contact the Swedish and the Norwegian institutes of chartered accountants and asked them to propose an expert.

In addition to the above work, the bankruptcy estate's work in the previous period has included following up on the forwarded notifications of third parties in the case.

The final hearing of the case was originally scheduled for 17-18 and 21 November 2022 before the Copenhagen City Court. The final hearing was rescheduled for 2, 7, 13, 19-21 June 2023 at a court hearing over the telephone on 12 October 2022.

Approximately 104 hours in total have been spent by lawyers on the above work since the most recent report.

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

On 20 December 2019, the bankruptcy estate brought a legal action against a person with a connection to Qudos Insurance A/S and this person's company. The claim amounted to DKK 16,870,385 in total.

The District Court of Lyngby delivered its judgment in the case on 30 June 2021 by which the defendant person and this person's company were ordered to pay DKK 15,640,942 plus statutory interest from 20 December 2019 and to pay the legal costs of the case of DKK 633,000 to the bankruptcy estate.

The person with a connection to Qudos Insurance A/S and this person's company appealed against the judgment by the District Court of Lyngby to the Danish Eastern High Court, and the bankruptcy estate cross-appealed against a claim in part of DKK 500,000 in which the bankruptcy estate was unsuccessful before the District Court.

The final hearing before the Danish Eastern High Court was held on 6, 8 and 9 September 2022.

On 7 October 2022, the Danish Eastern High Court passed a judgment in the appeal proceedings where the High Court upheld the judgment by the District Court with the amendment that the person with a connection to Qudos Insurance A/S and this person's company were ordered to pay an additional DKK 500,000 to the bankruptcy estate plus statutory interest from 20 December 2019 as well as legal costs of DKK 1,000,000.

The bankruptcy estate consequently succeeded in its entire claim in the appeal proceedings, and the person with a connection to Qudos Insurance A/S and this person's company was to pay DKK 16,140,942 plus statutory interest from 20 December 2019 and legal costs before both courts of DKK 1,000,000 in total to the bankruptcy estate, ie approximately DKK 20.5 million, within two weeks from the passing of the judgment.

On 11 October 2022, the person with a connection to Qudos Insurance A/S and this person's company applied to the Danish Appeals Permission Board for leave to appeal the judgment by the Danish Eastern High Court to the Danish Supreme Court. The Danish Appeals Permission Board has not yet made a decision about the request, but for the time being the bankruptcy estate has answered the consultation by the Danish Appeals Permission Board.

As the person with a connection to Qudos Insurance A/S and this person's company had not paid the amount owed to the bankruptcy estate on expiry of the time allowed for payment the bankruptcy estate

filed a petition in bankruptcy against the company of the person with a connection to Qudos Insurance A/S.

The petition in bankruptcy was considered at a meeting at the Bankruptcy Division of the Danish Maritime and Commercial High Court on 28 November 2022 when the case was stayed pending an exchange of pleadings and legal arguments.

On 21 December 2022, a bankruptcy court hearing was held before the Danish Maritime and Commercial High Court where the bankruptcy court found that the conditions for commencing bankruptcy proceedings against the company were fulfilled, see section 17 of the Danish Bankruptcy Act. A bankruptcy order was subsequently issued and I, Boris Frederiksen, was appointed as the trustee.

The company of the person with a connection to Qudos Insurance A/S appealed against the bankruptcy order of 21 December 2022 to the Danish Eastern High Court when a stay of execution of the appeal was also requested. The request for a stay of execution was not honoured, neither by the Danish Maritime and Commercial High Court nor by the Danish Eastern High Court.

On 10 February 2023, the Danish Eastern High Court upheld the ruling of 21 December 2022 of the Danish Maritime and Commercial High Court after which the bankruptcy order became final.

As previously stated, the bankruptcy estate notified the other members of the former management of Qudos Insurance A/S. A right was reserved in the notifications to make these parties personally liable in damages if recovery/avoidance and/or compensation were impossible in respect of the person with a connection to Qudos Insurance A/S and this person's company or if the person in question and this person's company do not have the required ability to pay.

It is expected that the bankruptcy estate will receive significant cover for its claim according to the judgment of 7 October 2022 of the Danish Eastern High Court which depends on the dividend from the bankruptcy estate of the company of the person with a connection to Qudos Insurance A/S and the ability to pay of the other liable party.

In the previous period, the bankruptcy estate's work included preparing for the final hearing of the appeal proceedings before the Danish Eastern High Court including by going through the appellants' draft trial bundle, preparing the supporting exhibits, preparing the bundle of authorities and participating in the final hearing before the Danish Eastern High Court over three days in court on 6 and 8-9 September 2022 and going through the judgment of the Danish Eastern High Court.

After the judgment of 7 October 2022 of the Danish Eastern High Court the bankruptcy estate's work has included collecting the judgment debt including extensive correspondence with the person with a connection to Qudos Insurance A/S and the attorney representing this company, drafting the petition in

bankruptcy and subsequently exchanging pleadings in this regard as well as participating in bankruptcy court hearings on 28 November 2022 and 21 December 2022 where a procedure on the bankruptcy conditions was carried out at the latter bankruptcy court hearing.

The bankruptcy estate's work has also included an exchange of pleadings about the petition in bankruptcy appealed against to the Danish Eastern High Court and filing the bankruptcy estate's claim against the bankruptcy estate of the person with a connection to Qudos Insurance A/S.

Finally, the bankruptcy estate's work has included following up on the forwarded notifications of third parties.

Approximately 282 hours in total have been spent by lawyers on the above work since the most recent report.

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

On 20 December 2019, the bankruptcy estate brought a legal action about a claim for avoidance, recovery and/or compensation of DKK 5,000,000 against a third party and a consolidated company.

The case was argued before the Copenhagen City Court on 27, 28 and 29 October 2021. On 26 November 2021, the Copenhagen City Court delivered its judgment. The bankruptcy estate was successful in its claim, and the third party and the consolidated company were consequently ordered jointly and severally to pay Qudos Insurance A/S in bankruptcy DKK 5,000,000 plus statutory interest, in so far as the consolidated company is concerned plus interest under section 5(1) and (2) of the Danish Interest Act, as well as additional interest of 2 per cent as from 1 October 2018 until payment is made.

So far the bankruptcy estate has received DKK 5,000,000.

The bankruptcy estate notified the members of the former management of Qudos Insurance A/S. A right is reserved in the notifications to make these parties personally liable in damages if it is not possible to enforce the claim or recover the amount from the defendant parties.

The defendant third party company and the consolidated company appealed against the judgments by the Copenhagen City Court on 10 December 2021 and 22 December 2021 respectively to the Danish Eastern High Court where the two appeal cases are now being tried together.

The appeal proceedings had been scheduled for trial before the Danish Eastern High Court on 27 and 28 February 2023. However, three days before the final hearing, on 24 February 2023, the consolidated company requested that the case be rescheduled as a summoned witness was unable to appear in court and make a statement.

The Danish Eastern High Court consequently decided to reschedule the case for 28-29 and 30 October 2024.

In the previous period, the bankruptcy estate's work included drafting the respondent's rejoinder and Appeal Notice A as well as preparing the case summary and preparing for the final hearing before the Danish Eastern High Court, including going through the appellants' draft case summary, preparing the bundle of authorities, the cost statement, etc.

Time has also been spent on following up on the forwarded notifications of third parties in the case.

Approximately 160 hours in total have been spent by lawyers on the above work since the most recent report.

6.5 Case regarding liability in damages against the former management and external auditor of Qudos Insurance A/S

The bankruptcy estate lodged a writ of summons on 3 May 2021 against the members of the former management of Qudos Insurance A/S and the external auditor, claiming payment of DKK 110,000,000.

The reason why was the trustee's assessment based on the examinations of the bankruptcy estate's affairs that there was a basis for raising a claim for damages against the entire former management of Qudos Insurance A/S and the company's former external auditor.

The legal action was brought before the District Court of Lyngby where the case is currently pending.

A preliminary hearing was held before the District Court of Lyngby on 31 January 2022 where the final hearing in the case was scheduled for February-March 2024.

By the bankruptcy estate's reply of 2 May 2022, the bankruptcy estate requested two expert surveys and appraisals, including of the 2017 annual report of Qudos Insurance A/S, the solvency ratio and the statement of loss. The bankruptcy estate also requested discovery of the working papers of the former auditor of Qudos Insurance A/S and other audit documentation.

A lot of pleadings in the case were exchanged in the period from May 2022 to February 2023 about the framework of the expert survey and appraisal including the questions for the expert, the appointment of an expert and the expert's qualifications, the exhibits in the case and the bankruptcy estate's request for discovery against the former auditor of Qudos Insurance A/S.

According to the court's authorisation, the bankruptcy estate also contacted the trade organisation FSR - Danske Revisorer in August 2022 and asked FSR - Danske Revisorer to propose an expert to answer the questions for the expert, including by contacting *Nordisk Revisor Forbund*.

An expert has not yet been appointed and consequently no expert survey and appraisal has been conducted in the case as it is a challenge to find a suitable expert that is not disqualified in respect of the parties to the case. The bankruptcy estate, the defendants, FSR - Danske Revisorer and the District Court of Lyngby had and still have extensive correspondence about the process of the expert survey and appraisal.

On 19 October 2022, the District Court of Lyngby gave a ruling on the bankruptcy estate's request for discovery against the former auditor of Qudos Insurance A/S which was partly honoured.

By the ruling, the District Court of Lyngby ordered the former auditor of Qudos Insurance A/S to hand over his internal working papers relating to specific matters in the 2017 annual report of Qudos Insurance A/S, which the bankruptcy estate has claimed are incorrect accounting and/or recognised in terms of the solvency. But the bankruptcy estate's request for discovery in respect of the other audit documentation was not honoured.

The former auditor of Qudos Insurance A/S asked the Danish Appeals Permission Board on 2 November 2022 for leave to partly appeal against the ruling of 19 October 2022 of the District Court of Lyngby on the auditor's internal working papers to the Danish Eastern High Court, and on 2 November 2022 the bankruptcy estate asked the Danish Appeals Permission Board for leave to partly appeal against the ruling of 19 October 2022 of the District Court of Lyngby on the other audit documentation to the Danish Eastern High Court.

The Danish Appeals Permission Board has not yet made a decision on either the request of the former auditor of Qudos Insurance A/S or the bankruptcy estate's request for leave to appeal.

The exchange of pleadings in the case and the work performed are characterised by complex issues and extensive case documents. The complexity is also reflected by the request for two expert surveys and appraisals. Moreover, the issues claimed in the case are being examined concurrently with the exchange of pleadings.

The District Court of Lyngby decided at the interim hearing on 31 January 2022 that any evidence claimed in the case that is not in Danish, Swedish or Norwegian must be translated into Danish.

The work is extensive as approximately 5,000 pages of exhibits are to be translated. The translations are made partly by an internal translator with the trustee and by an external translation agency with which the bankruptcy estate has entered into an agreement.

In the previous period, the trustee's work has included going through the exhibits in the case and deciding which to translate as well as coordinating the translation process with the external translation agency.

A confidentiality agreement and a data processing agreement on the information in the case and documents were entered into in connection with the conclusion of the cooperation agreement with the external translation agency.

The bankruptcy estate will pay the costs of the external translation agency from the bankruptcy estate's unencumbered assets. The costs will be sought covered in connection with the calculation of the legal costs of the case.

The work regarding the case involving liability in damages against the former management and external auditor of Qudos Insurance A/S is still taking place.

Approximately 688 hours have been spent by lawyers and approximately 70 hours have been spent by digital forensic specialists on such work since the most recent report.

389 hours have been spent by lawyers and approximately 384 hours have been spent by the bankruptcy estate's internal translator on coordinating the translations and on translating the exhibits of the case.

6.5.1 *Complaint before the Danish Disciplinary Board on Auditors (Revisornævnet)*

On 29 April 2022, the bankruptcy estate filed an extensive complaint with the Danish Disciplinary Board on Auditors.

The bankruptcy estate requested in the complaint the position of the Danish Disciplinary Board on Auditors on whether the former external auditor's actions in connection with the auditing of the 2017 annual report of Qudos Insurance A/S were contrary to generally accepted auditing standards.

In respect of the basis for the complaint, the trustee has thoroughly examined and assessed the relevant auditing rules, including international auditing and accounting standards, in relation to the facts of the case. The issues are complex, technical auditing issues with extensive case documents.

In the previous period, the former external auditor of Qudos Insurance A/S filed a defence in the case before the Danish Disciplinary Board on Auditors on 5 December 2022, and the bankruptcy estate filed a reply on 8 February 2023.

The deadline for the former external auditor of Qudos Insurance A/S to file a rejoinder is 15 May 2023.

Both the bankruptcy estate and the former external auditor of Qudos Insurance A/S have requested that the proceedings before the Danish Disciplinary Board on Auditors be oral. Following extensive correspondence with the Disciplinary Board and the attorney representing the respondent auditor, attendance for arguments before the Disciplinary Board has been scheduled for 3 October 2023.

The work relating to the complaint before the Danish Disciplinary Board on Auditors is still being performed.

Approximately 247 hours have been spent by lawyers on such work since the most recent report.

6.6 Other costs paid by Qudos Insurance A/S contrary to the rules on illegal funds generated from operations

On 11 December 2019, the bankruptcy estate entered into a suspension agreement with the parent company and two other consolidated companies of Qudos Insurance A/S regarding a claim for advisor costs paid by Qudos Insurance A/S relating to the acquisition of shares in Qudos Insurance A/S by the parent company in March 2017. The total claim amounted to DKK 17,619,500.

On several occasions, the consolidated companies have presented extensive material consisting of reports, analyses, etc which the trustee has studied and assessed.

The trustee is still in dialogue with the consolidated companies about the claim raised.

Approximately 14 hours have been spent by lawyers on such work since the most recent report.

6.7 Other estate administration

Approximately 251 hours have been spent by lawyers on the general estate administration since the most recent report, including corresponding with the creditors relating to the operations 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 2,830 hours in total have been spent on the unencumbered assets.

7. SUMMARY OF THE TIME SPENT

It means that approximately 6,233 hours in total have been spent on the estate administration, including approximately 3,403 hours on work relating to the registered assets, see paragraph 6.1, and

approximately 2,830 hours relating to the unencumbered assets, see paragraph 6.2, in the period from 1 September 2022 and up to 28 February 2023.

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

The estate administration in the next period will continue to 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

On 12 September 2022, the trustee asked the bankruptcy court to pay an interim fee of DKK 38,000,000 exclusive of VAT for the period from 1 March 2020 up to and including 28 February 2021.

The bankruptcy court approved the interim fee on 1 November 2022 subject to the bankruptcy court's final approval when the estate is wound up.

10. OTHER INFORMATION

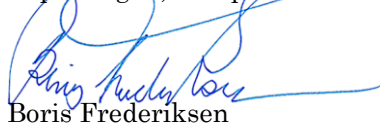
You can find additional contact information on the website www.qudosinsurance.dk which is regularly updated with relevant information about the estate administration.

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 2023 at the latest to the bankruptcy court and the creditors.

Copenhagen, 14 April 2023



Boris Frederiksen

Partner, Attorney
