

Danish report of 13 April 2022 – translation made on 22 April 2022

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 and most recently of 15 October 2021.

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.

Since the issue of the bankruptcy order the trustee has closed ten bank accounts and the bankruptcy estate currently has a total of 18 open bank accounts with Nordea Bank Danmark.

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

1.2 Registered assets

The registered assets have been provided as security for the insurance obligations, see section 167(4) of the then current Danish Financial Business Act. The assets also cover the necessary costs relating to winding up the insurance company as described.

The registered assets as at 28 February 2022 were booked at the following values:

1. Government bonds

The bankruptcy estate's government bonds as at 28 February 2022 amounted to DKK 7,121,552. The reason for the change since the most recent report is an unrealised capital gain, which is why the asset has been included at this value.

DKK 7,121,552

2. Corporate bonds

The bankruptcy estate's corporate bonds as at 28 February 2022 amounted to DKK 104,260,519. The difference in the securities portfolio compared to the most recent report is called bonds of approximately DKK 4,241,207 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 2022 of

DKK 104,260,519

3. Shares in subsidiary

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

DKK 0

4. Deposit

The bankruptcy estate's deposits were booked at DKK 485,799,730 as at 28 February 2022.

Since the most recent report the deposit has increased by DKK 50,599,609 in total. The reason for the increase is that the bankruptcy estate has received payments from the company's reinsurers of DKK 49,060,440 and that bonds of DKK 4,241,207 were called. Payments from coverholders and subrogation payments in the amount of DKK 6,933,801.90 have also been received. In the previous period the bankruptcy estate also deposited an amount of DKK 1,759,264.93 as security in a pending legal action. It is expected that this amount will be paid back in the next period, see paragraph 6.1.4.6. In the period since the most recent report periodical costs including price adjustments have also been paid in connection with continuing the operations of the bankruptcy estate which have been deducted from the deposit. The asset has been included at book value.

DKK

485,799,730

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 600,020,757 as at 28 February 2022.

The primary reason for the reduction in the bankruptcy estate's shares of the reinsurance of DKK 298,987,970 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 a number of reinsurers.

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

The asset has been included at book value. DKK 600,080,757

6. Receivable, share of the reinsurance (reinsurance)

The receivable regarding the shares of the reinsurance as at 28 February 2022 was booked at DKK 198,502,970. The primary reason for the change of DKK 154,522,837 in the booked receivable since the most recent report is the following important activities:

A) A reduction relating to payments received from reinsurers of DKK 49,060,440 (paragraph 1.2, item 4).

B) An increase relating to the shares of the reinsurance of payouts from the Guarantee Fund for Non-life Insurers and other national funds of DKK 21,982,842.

C) In the previous period the trustee calculated the bankruptcy estate's receivables and assessed whether the claims were real or had to be written down. Together with the reinsurers and an external accounting consultant the trustee has made a general write-down of DKK 127,000,000.

There has also been a number of small changes. The receivable has been included at book value. DKK 198,502,970

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. For now, the bankruptcy estate has entered into a settlement with a former coverholder about payment of a small amount of EUR 1,000. It is noted that it is uncertain whether and the extent to which the coverholders will be able to pay the bankruptcy estate's very significant claims which is why for now the amount is included at a reminder value. Reference is also made to paragraph 6.1.3.3 below.

DKK 1

Registered assets etc in total (provisionally calculated)

DKK	1,301,705,529
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It is noted that in the period from the most recent report under section 125(4) of the Bankruptcy Act of 15 October 2021, the registered assets have been reduced by DKK 406,939,576, 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 reduction 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 attorneys 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 bankruptcy estate's other creditors, including the part of the insurance obligations not covered by the registered assets. This includes the ordinary creditors relating to the operations, see paragraph 2.2 below.

The unencumbered assets as at 28 February 2022 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 2022 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 3,456,616 as at 28 February 2022. The reason for the reduction of DKK 2,091,325 since the most recent report is that the bankruptcy estate has made an extraordinary write-down as a consequence of an assessment of the ability to pay of the companies in question. The bankruptcy estate's receivables are therefore included at this new book value by

DKK 3,456,616

11. Rent deposit - Sundkrogsgade 21

The bankruptcy estate paid a rent deposit equal to the bankruptcy estate's proportionate share of this rent deposit as part of the merger of the operations of the bankruptcy estate with the operations of the bankruptcy estate of Alpha Insurance A/S, including the agreement between Alpha Insurance A/S in bankruptcy and the bankruptcy estate, see the trustee's report of 16 April 2020, paragraphs 6.1.3.3 and 6.1.3.10. The bankruptcy estate's proportionate share of the rent deposit has been booked at

DKK 920,064

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

Since the most recent report 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 2022 was booked at DKK 1,502,977. For now, the rent deposit has been included at a reminder value of

DKK 1

14. Rent deposit - London

The receivable relating to the rent deposit is no longer deemed to be of any value to the estate as previously stated.

DKK 0

15. Intangible assets

The intangible assets are software equipment used in the operation of the bankruptcy estate and goodwill. The asset as at 28 February 2022 was booked at DKK 0 The asset has been included at book value

DKK 0

16. Deposit in client account

In the previous period the trustee received a payment of DKK 5,000,000, see paragraph 6.3.5. The deposit in the client account as at 28 February 2022 amounted to

DKK 7,014,651

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

DKK 10,000,000

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 repayment of 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 5.1.6.2 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 claim for return premium

The expected claim for return premium as at 28 February 2022 was booked at DKK 206,296,758. The claim has been calculated according to the same principles used in connection with the calculation of the company's provisions for unearned premiums. The amount is the company's estimate of the claims for return

premium and it is expected that it will be offset by claims for return premium raised by policyholders. The reason for the reduction of DKK 116,010,463 compared to the most recent report is the payouts from guarantee funds and other adjustments. The payouts from the guarantee funds and thus the decline in the expected claim for return premium are expected to be counterbalanced by a corresponding claim against the estate from the Danish Guarantee Fund for Non-life Insurers and other national funds.

In the previous period the trustee also made a discretionary write-down of the expected claim for return premium of DKK 100,000,000 based on an assessment by an actuary as the trustee estimates that the claims and payments actually received are generally fewer and lower than the booked theoretical claims for return premium.

The liability is included at book value by DKK 206,296,758

2. **Expected claims for compensation**

The expected claims for compensation are a calculation for the purpose of the bookkeeping of the amount put aside to cover the policyholders/the claimants' claims for compensation. The expected claim for compensation has been calculated according to principles corresponding to the previous provisions for claims outstanding. The claim is thus an estimate of the future payouts relating to claims for compensation and may deviate from the actual claims for compensation. The expected claim for damages as at 28 February 2022 was booked at DKK 936,367,482.

- A) The expected claim for compensation in respect of parts of the company's portfolio has 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 95,113,820 compared to the most recent report. The expected claim for compensation has been reduced because the Guarantee Fund for Non-life Insurers and other national funds regularly 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 claim for compensation are expected to be counterbalanced by a corresponding claim against the estate from the Danish Guarantee Fund for Non-life Insurers and other national funds.

DKK 936,367,482

3. Deduction of half of the outstanding payable premiums

Under section 5, para (4), of the then current Statutory Order on Registration of Assets in Insurance Companies and Company Pension Funds the bankruptcy estate is entitled to deduct up to half of the outstanding payable premiums from the insurance provisions.

DKK -42,125,995

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

As at 28 February 2022, the claims proved in respect of the registered assets amounted to DKK 2,947,023,182 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.

DKK 2,947,023,182

Expected liabilities in total

DKK 4,047,561,427

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 repayment of premiums and the claims for compensation are calculated and the claims are finalised, including from the Guarantee Fund for Non-life Insurers and other national guarantee fund schemes that are subrogated to the policyholder's and the claimant's respective claims against the bankruptcy estate under the registered assets, see paragraph 6.1.4.4 below for details. The various guarantee fund schemes are still making payouts.

The above calculation therefore contains elements of double registration, which is why overall the registered liabilities are expected to be reduced over time.

As at 28 February 2022, the Guarantee Fund for Non-life Insurers and other national funds had paid a total of DKK 1,345,793,292 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 claims which is why there is also an overlap between notified claims and the calculated reserves. It is also the trustee's assessment at this point in time that the allocated reserves to cover claims

for return premium as well as claims for compensation fully cover the future payments/notices of claims. It is consequently the trustee's expectation that the finally registered liabilities will be less than DKK 4 billion.

The trustee's most important task is consequently still to ensure that the notified claims are handled correctly. In cooperation with the Danish Guarantee Fund for Non-life Insurers the trustee has continued the claims handling by the existing claims examiners, see paragraph 6.1.4.1 for details.

2.2 Other liabilities relating to the unencumbered assets

Claims under section 94 of the Bankruptcy Act (secondary administration expenses)	DKK	1,670,434.41
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	139,055,061.29
Liabilities in total	DKK	141,693,410.44

It is generally noted in respect of the notified claims that several claims could potentially be included in both the expected claims for compensation and the claims for return premium under the registered assets, see paragraph 2.1 above, and at the same time have been separately proved against the bankruptcy estate under the unencumbered assets, see paragraph 2.2 above. It means that the same claim could be included twice in the above calculations. At this point in time the scope of any claims that have been filed twice is not yet clear as the 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 6.3 below.

4. CRIMINAL OFFENCES

The trustee has informed the police under section 110(4) of the Bankruptcy Act. The trustee has had ongoing discussions with the police in this connection.

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 have been brought before the Danish High Court.

6. THE ESTATE ADMINISTRATION AND THE TIME SPENT IN THE PREVIOUS 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 2021 and up to 28 February 2022 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 7,121,552 and DKK 104,260,519 respectively on 28 February 2022, see the list of assets in paragraph 1.2, items 1 and 2.

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

Since the most recent report DKK 4,241,207 has been withdrawn from the company's custody account which has been added to the deposit used for operating the bankruptcy estate.

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

6.1.2 *Reinsurance*

As stated in the trustee's recent reports, the bankruptcy estate's most important asset among the registered assets is the receivables relating to the concluded reinsurance contracts, including the share of the reinsurance of the provisions for unearned premiums and the provisions for claims outstanding (paragraph 1.2, item 5) and the receivables from the reinsurers (paragraph 1.2, item 6).

The work involving the bankruptcy estate's reinsurance in the previous period has been, 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 trustee's handling of the bankruptcy estate's reinsurance in the preceding period still focused on calculating and collecting the bankruptcy estate's receivables from the reinsurers.

In the preceding period the trustee's work has included calculating and collecting a claim against an English reinsurer where the trustee could not agree with the reinsurer about the calculation of the reinsurance claim. As stated in the trustee's most recent report, the trustee had engaged an English solicitor to assist with the collection of the claim. The trustee has had extensive correspondence with the reinsurer, and so far the estate has received GBP 1,300,000. A significant receivable is still outstanding, and the work of calculating and collecting the claim is still taking place.

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. Since the most recent report the trustee's work regarding the collection of a substantial receivable from the reinsurer in question relating to a substantial return premium amount that has been paid to the policyholders has been extensive. So far, the trustee's work in this connection has resulted in the estate being paid approximately DKK 15,000,000 since the most recent report. A large receivable is still outstanding, and in the previous period the trustee held weekly meetings with the reinsurer for the purpose of securing the collection of the receivable. The bankruptcy estate received approximately DKK 83,000,000 after the deadline of this report of 28 February 2022.

In the preceding period the trustee also continued the discussions with and the follow-up in respect of two insurance brokers in England and Singapore that are the intermediaries between the bankruptcy estate and the biggest European reinsurer and the biggest Asian reinsurer as part of the collection of receivables.

In the previous period the trustee completed the indexation in the areas of substantial claims, which the trustee has provided information about in his most recent reports.

As also written in the trustee's most recent report, the insurance broker and the reinsurer in another body of contracts had stopped answering the trustee's letters, which is why it could not be ruled out that the trustee would have to take legal steps against the parties in question to secure the reinsurance asset. As previously stated, the trustee has contacted the reinsurer, and for now the trustee together with the insurance broker will try to collect the claim from the reinsurer out of court.

The trustee is still focusing on commutating the small 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 has set up a working group and obtained actuarial valuations for the purpose of continuing this work.

Moreover, the bankruptcy estate has switched to almost full automated reporting to the reinsurers. In the previous period, the trustee's work has included implementing this automated process and solving the challenges that naturally arose in that connection.

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

The work in the most recent period regarding the English part of the reinsurance, particularly regarding personal injury, has continued to be challenging due to COVID-19.

Finally, the trustee expects to send a semi-annual update to the reinsurers with information about the handling of the reinsurance and the general status of the bankruptcy estate during the first half of 2022.

DKK 49,060,440 in respect of reinsurance has been paid since the most recent report and up to 28 February 2022.

It means that a total of DKK 411,556,173 has been paid to the bankruptcy estate by the reinsurers since the company went bankrupt and up to 28 February 2022.

Approximately 650 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% of the value of the bankruptcy estate's liabilities attached to the registered assets, see paragraph 2.1, item 3, under section 5, para (4), of the then current Statutory Order on registration of assets in insurance companies and company pension funds.

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

In the preceding 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 has collected a total excess amount of DKK 142,377.11 so far (after a deduction of paid expenses).

In the previous period the trustee completed his initial assessment of 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. The trustee has presented a proposal for a practical solution to the Danish Guarantee Fund for Non-life Insurers and other guarantee funds. The work has not yet been concluded.

6.1.3.1 Premium receivables

As stated in the most recent report, 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 continued to deal with the booked receivables in question.

6.1.3.2 Claiming back insurance premium tax from tax authorities

It is still the trustee's assessment that the bankruptcy estate is entitled to recover insurance premium tax paid for the part relating to the insurance period/the period after the termination of the policies, see section 26(1) of the Danish Insurance Contracts Act.

The trustee is in regular contact with the tax authorities in the countries where the recovery of the insurance premium tax is taking place.

Approximately 260 hours have been spent by lawyers on collecting the receivables from the coverholders, insurance brokers, tax authorities, etc as well as 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*

As written in the trustee's most recent report, 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.

In the previous period the trustee received the defence and drafted a pleading regarding the issue of jurisdiction which is to be tried in part. In the previous period the trustee also participated in a preliminary hearing.

The trial hearing in part regarding the issue of jurisdiction has been scheduled for 7 June 2022.

2) Legal action against a former coverholder in France

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

On 23 December 2021, the court passed a default judgment and the trustee has started the work of recovering the awarded amount.

3) Legal action against a former coverholder in Denmark

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

In the previous period the trustee spent time on drafting the writ of summons and received and reviewed the defence. An interim hearing was also held.

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 trustee brought a legal action against a former coverholder claiming payment of DKK 110,913,051.71.

In the previous period the trustee spent time on drafting the writ of summons, holding meetings with the coverholder and the attorney representing the coverholder and received and reviewed the defence.

5) Legal actions with English governing law

In the previous period the trustee referred further cases to external lawyers in England and has therefore spent time on ongoing discussions with the external lawyers.

The trustee has also raised a claim running into millions against an English coverholder and a reinsurer. The bankruptcy estate has taken on external legal assistance in England to assist with claiming back unearned commission. Since the most recent report the trustee has spent time on preparing and participating in mediation with the coverholder in question and has had ongoing discussions with the bankruptcy estate's external lawyers. The trustee is still in the process of assessing whether there is any basis for recovering the claim from the coverholder.

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

6.1.4 *The operations*

Firstly, it is noted that the trustee's work of dealing with and adapting various operational issues because of the COVID-19 pandemic that hit Denmark in March 2020 has continued to be extensive. It also affected the operations of the bankruptcy estate, including also in the most recent period when there were lockdowns both nationally and internationally.

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.

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

The trustee still has talks and correspondence with the claims examiners about the general claims handling 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 bankruptcy estate has created a new format for the claims examiners' notification of accepted claims to the bankruptcy estate. In the preceding period the trustee has had an ongoing dialogue with the bankruptcy estate's claims examiners for the purpose of keeping efficient control of the claims handling and reporting in that connection.

An Italian claims examiner had stopped the claims handling and paid out approximately 400 policyholders' insurance claims against the bankruptcy estate 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 entered into with a new claims examiner regarding claims handling in Italy has been performed, and that the claims are being handled.

The ongoing claims handling is still taking place.

Approximately 660 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 the bankruptcy estate is still to pay a proportionate part of the service charges of the leased premises and other operating expenses because of the sublease with Alpha Insurance A/S in bankruptcy and the agreement on apportionment of costs between Alpha Insurance A/S in bankruptcy and Qudos Insurance A/S in bankruptcy (the so-called "agreement on apportionment of costs"), see also paragraph 1.3, item 12 above.

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

On 7 June 2021, the bankruptcy division of the Danish Maritime and Commercial High Court issued a bankruptcy order against Gefion Insurance A/S.

It was subsequently decided that Gefion Insurance A/S in bankruptcy was to move to the same leased premises as Alpha Insurance A/S in bankruptcy and Qudos Insurance A/S in bankruptcy so that the bankruptcy estates could share leased premises, resources, experience, etc.

The trustee consequently spent time on preparing for Gefion Insurance A/S in bankruptcy moving in, which took place on 1 February 2022. A sublease was drafted in that connection, and the agreement on apportionment of costs was updated so that both Gefion Insurance A/S in bankruptcy and Qudos Insurance A/S in bankruptcy will pay a proportionate part of the service charges and other operating expenses in future.

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.

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

The trustee has also dealt with usual employee matters as in any other operating business, including regarding illness, pregnancy, 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. Five employees resigned in the previous period. In the same period the trustee entered into an agreement with a consultant, and the trustee also hired a new employee.

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

6.1.4.4 Talks with guarantee funds

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

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

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 reported insurance claims/claims for return premium.

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

Approximately 90 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 continued to have regular correspondence with policyholders in different countries about their insurance products from Qudos Insurance A/S in bankruptcy, including their claims for return premium and claims for compensation against the bankruptcy estate.

Since the issue of the bankruptcy order and up to the time of preparing this report the trustee has been contacted approximately 8,320 times by policyholders and claimants. The trustee is dealing with these inquiries on an ongoing basis.

In the preceding period the inquiries were primarily questions about when the policyholders can expect to receive the payouts 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 attorneys.

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

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

The trustee has started to go through the complaints from policyholders about claims handling and rejected claims.

Approximately 75 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 handled by external lawyers on behalf of Qudos Insurance A/S (now in bankruptcy).

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

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

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

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

Legal actions brought against coverholders:

The bankruptcy estate together with a co-insurer brought a legal action in England against a former coverholder, a claims examiner appointed by the coverholder, a sub-supplier of the previously mentioned claims examiner as well as the coverholder's insurer that issued the professional indemnity insurance which became involved when the coverholder went into administration (liquidation). The subject-matter is payment of approximately GBP 8.9 million.

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

On 17 January 2022, the trustee entered into a settlement with a coverholder/claims examiner after having negotiated the terms of such settlement. The settlement amount has been paid, and the English

court that heard the case is in the process of taking the necessary measures to pay back the security that was provided by the bankruptcy estate when the legal action was brought, see paragraph 1.2, item 4, above. The only outstanding issue will be the final distribution of the settlement amount between the bankruptcy estate and the co-plaintiff. It is expected that all issues will be concluded before the summer holidays.

The settlement terms are subject to a confidentiality clause.

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

The final hearing was held on 12 April 2021, and the bankruptcy estate was successful in the judgment of 10 May 2021 by the district court as the coverholder was ordered to pay DKK 1,868,578.49 to the bankruptcy estate. The coverholder appealed the judgment to the Danish Western High Court. In that connection the trustee has spent time on drafting the respondent's notice, the respondent's rejoinder and a supplementary pleading. At the High Court's request, the parties also participated in court-based mediation on 2 September 2021, but the parties did not find a solution.

Bankruptcy proceedings were commenced against the coverholder as a result of a bankruptcy order of 21 December 2021 issued by the Bankruptcy Court of Aarhus. The estate did not intervene in the appeal proceedings. The Danish Western High Court consequently rejected the appeal proceedings on 10 February 2022, and the judgment by the district court of 10 May 2021 is therefore upheld.

It means that approximately 130 hours in total have been spent by lawyers on litigation against former coverholders since the most recent report.

Legal actions about subrogation etc:

Firstly, the trustee refers to the most recent report 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 trial hearings in part, participating in surveys and appraisals and case management conferences.

At present, one of the legal actions has been set down for trial. The trial hearing has been scheduled for 9 May 2022.

Moreover, the trustee is still waiting for a date to be fixed for the final hearing of one case about subrogation.

Approximately 100 hours have been spent by lawyers so far on the pending legal actions about subrogation since the most recent report.

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

It means that since the most recent report approximately 230 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 attorneys 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 attorneys about the cases and has instructed them to make a plea of no case to answer in the cases in compliance with section 141 of the Bankruptcy Act.

The bankruptcy estate's Spanish claims examiner has informed the trustee that seven legal actions have been brought against the bankruptcy estate after the bankruptcy order was issued. In the previous period the trustee also clarified a number of issues in the cases.

Since the most recent report a legal action has been brought against the bankruptcy estate with a request for the taking of evidence out of court, and a legal action has been concluded.

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.

Since the most recent report approximately 70 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 data processing agreements with the attached insurance brokers and claims examiners.

In the previous period the trustee also carried out audits of several of the bankruptcy estate's attached claims examiners. It is noted that due to COVID-19 the work of planning the audits has been extensive and that several audits were postponed to the beginning of 2022.

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

Approximately 135 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.

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 161 hours have been spent on such work since the most recent report of which 141 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 developing the functions of the register of debts and claims. In that connection the trustee has continued to hire external consultancy assistance. 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 for registered assets on an ongoing basis.

Approximately 15 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)*

Moreover, the trustee continued to spend time on 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.

As at 28 February 2022, 37,942 claims for return premium had been filed by using the 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 preceding period.

Approximately ten 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 a procedure for the claims examiners' notification of the accepted insurance claims to the bankruptcy estate as well as maintaining and developing the new register of debts and claims to handle the claims filed under the registered assets. 105 insurance claims had been notified as at 28 February 2022.

Approximately ten 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 an insurance 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 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 2022, a total of 54 complaints had been made against the bankruptcy estate by using the complaint form.

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

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

6.1.6 Examination of claims

In the previous period the trustee started the preparations for the examination of the filed claims for return premium and insurance claims.

In the previous period the trustee therefore also started to examine in detail when the policyholders' claims for return premium, the claimants' insurance claims respectively could be deemed to have become barred by limitation, including which national statute of limitations that regulates the two types of claims.

The initial examination of claims work is still taking place.

Approximately 25 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.

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

6.1.7.2 *The EFTA Court*

The trustee learned 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 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 case.

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.

As the decision also affects a number of central subjects for the estate administration of Qudos Insurance A/S in bankruptcy, the trustee spent time in the previous period on studying the decision and the importance of the decision to the estate administration of the notified claims for return premium against the bankruptcy estate, including an assessment of the importance of the decision to the bankruptcy estate and the legal status of the creditors.

Approximately 80 hours have been spent by lawyers on the above work since the most recent report.

It means that approximately 3,191 hours in total have been spent on work relating to the registered assets of which 141 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 2021 and up to 28 February 2022 has focused on the following tasks:

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

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

The individual cases are described below.

6.3.1 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.

Following a long period with the exchange of pleadings about choice of law and jurisdiction, pleadings are currently being exchanged in the case about the merits of the case

The work in the previous period has included dialogues on an ongoing basis with the bankruptcy estate's external lawyers in Guernsey and on going through several submissions from the defendants and from the bankruptcy estate's external lawyers.

Approximately 56 hours in total have been spent on such work.

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

As written in paragraph 6.3.1 above, the bankruptcy estate brought a legal action in May 2020 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.

On 26 November 2021, the bankruptcy estate brought a legal action against two members of the former management of Qudos Insurance A/S before the Copenhagen City Court regarding a claim for compensation 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 has also notified the other members of the former management of Qudos Insurance A/S and the bankruptcy estate has reserved the right to raise a claim for compensation against the former members of the management in question if the claim for compensation cannot be raised in the legal actions that have been brought and/or the defendant parties, including the foreign company, do not have the required ability to pay.

Approximately 70 hours in total have been spent on such work.

6.3.3 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 and 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 Holdings 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.

In the defendants' joint defence of 19 March 2021 the defendants pleaded dismissal of the case, in the alternative dismissal of the claim, and in the second alternative dismissal of the claim against payment of a lesser amount. In the reply of 31 August 2021 the bankruptcy estate requested an expert valuation of the bankruptcy estate's statement of loss.

On 29 November 2021, the Copenhagen City Court ruled that the defendants' pleas of dismissal of the case were not to be listed to be tried in part.

The defendants then filed a pleading where the defendants requested that the bankruptcy estate's request for an expert valuation be barred as superfluous evidence, see section 341 of the Danish Administration of Justice Act.

The bankruptcy estate has filed a pleading with comments on the defendants' objection. The Copenhagen City Court gave a ruling on 1 February 2022 by which the bankruptcy estate's request for an expert valuation was granted. Pleadings are currently being exchanged about the expert valuation.

The case was set down for trial at the end of 2022 during an interim hearing held over the telephone on 6 October 2021.

Approximately 179 hours have been spent on such work.

6.3.4 *Claims for avoidance, repayment and damages 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 as from 20 December 2019 and pay the legal costs of the case of DKK 633,000 to the bankruptcy estate. The judgment was appealed to the Danish Eastern High Court where it is currently pending.

During the exchange of pleadings in the appeal proceedings the appellants filed the appellant's notice, the appellant's reply and appeal notice 1 and the bankruptcy estate filed the respondent's notice, the respondent's rejoinder and appeal notice A.

The case has been set down for trial in the autumn of 2022 before the Danish Eastern High Court.

On 24 November 2021, 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.

Approximately 79 hours have been spent on such work since the most recent report.

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

The trustee has established a claim for avoidance and/or a claim for recovery against a third party and a consolidated company. The bankruptcy estate lodged a writ of summons against the parties on 20 December 2019.

The trustee participated in the trial hearing in the case 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.

For now, DKK 5,000,000 has been paid to the bankruptcy estate, see paragraph 1.3 above.

Both counterparties have also appealed the judgment, and the case is currently pending before the Danish Eastern High Court. No final hearing has yet been scheduled.

315 hours have been spent on this case since the most recent report. 42 of those hours have been spent by a law student.

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

As stated in the trustee's most recent report, it 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 compensation against the entire former management of Qudos Insurance A/S and the company's former external auditor.

It is the trustee's assessment that the operations in Qudos Insurance A/S continued beyond the point of no return which, in the trustee's opinion, was 3 May 2018 at the latest and Qudos Insurance A/S, and consequently ultimately the creditors against the bankruptcy estate, has therefore suffered a significant loss.

The trustee finds that the management of Qudos Insurance A/S has recognised assets and liabilities that should either not have been recognised or which had been valued incorrectly in terms of the accounts and solvency. It has had an imperative effect on the company's accounting figures and solvency ratio.

It is also the trustee's assessment that the audit of the company's 2017 annual report by the former external auditor of Qudos Insurance A/S is criticisable.

As a consequence, the bankruptcy estate lodged a writ of summons on 3 May 2021 against the members of the former management and the external auditor, claiming payment of DKK 110,000,000. 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 trial hearing in the case was scheduled for February-March 2024.

In the previous period the trustee's work included going through the defendants' defences, drafting the reply and the questions to be answered by the expert as well as participating in a court meeting in person and holding meetings with the parties relevant to 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 1,458 hours have been spent by lawyers on such work since the most recent report.

6.5 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.

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

6.6 Other estate administration

Approximately 405 hours have been spent by lawyers on the general estate administration, 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 since the most recent report.

It means that 2,595 hours in total have been spent on the unencumbered assets. 42 of such hours have been spent by a law student.

7. SUMMARY OF THE TIME SPENT

It means that approximately 5,786 hours in total have been spent on the estate administration, including approximately 3,191 hours on work relating to the registered assets, see paragraph 6.1, and approximately 2,595 hours relating to the unencumbered assets, see paragraph 6.2, in the period from 1 September 2021 and up to 28 February 2022.

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

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

10. OTHER INFORMATION

The estate is being administered by Attorney Boris Frederiksen (bor@poulschmith.dk), Attorney Jesper Saugmandsgaard Øe (jso@poulschmith.dk), Attorney Mathias Juul Holter (mho@poulschmith.dk), Attorney Trine Irene Brodersen (trbr@poulschmith.dk), Attorney Christian Bo Kolding-Krøger (cbk@poulschmith.dk), Attorney Frederik Simmelholt (fsi@poulschmith.dk), Attorney Camilla Wiemer (cawi@poulschmith.dk), Attorney Sarah Willatzen (sawi@poulschmith.dk), Attorney Jens Laurbjerg Nielsen (jlni@poulschmith.dk), Attorney Christina Ziegler Beck-Nyling (chbn@poulschmith.dk), Assistant Attorney Humayun Zia Choudhary (hcho@poulschmith.dk).

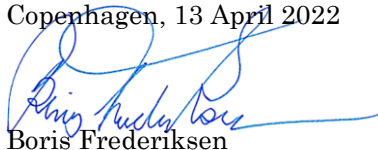
You can find additional contact information on the website www.gudosinsurance.dk which is regularly updated with relevant information about the estate administration.

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

11. NEXT CREDITOR INFORMATION

The next creditor information with a report under section 125(4) of the Bankruptcy Act will be sent on 16 October 2022 at the latest to the bankruptcy court and the creditors.

Copenhagen, 13 April 2022



Boris Frederiksen

Partner, Attorney