

Danish report of 14 October 2022 – translation made on 26 October 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, 15 October 2021 and most recently of 13 April 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.

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 31 August 2022 were booked at the following values:

1. Government bonds

The bankruptcy estate's government bonds as at 31 August 2022 amounted to DKK 7,391,085. 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 7,391,085

2. Corporate bonds

The bankruptcy estate's corporate bonds as at 31 August 2022 amounted to DKK 5,866,517. The trustee notes that the amount was incorrectly specified to be DKK 104,206,519 in the most recent report. The amount should have been DKK 10,206,519. The difference in the securities portfolio compared to the most recent report is called bonds of approximately DKK 3,784,574 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 31 August 2022 of

DKK 5,866,517

3. Shares in subsidiary

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

DKK 0

4. Deposit

The bankruptcy estate's deposit as at 31 August 2022 was booked at DKK 583,294,670.

Since the most recent report the deposit has increased by DKK 97,494,941 in total. The reason for the increase is that the bankruptcy estate has received payments from the company's reinsurers of DKK 90,124,693 and that bonds of DKK 3,784,574 were called. Payments from coverholders and subrogation payments in the amount of DKK 265,922 have also been received. In the period since the most recent report periodical costs including price adjustments have also been paid in connection with continuing the operations of the bankruptcy estate which have been deducted from the deposit. The asset has been included at book value.

DKK

583,294,670

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 as at 31 August 2022 of DKK 565,784,166.

The primary reason for the reduction in the bankruptcy estate's shares of the reinsurance of DKK 34,236,591 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 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).

The asset has been included at book value. DKK 565,784,166

6. Receivable, share of the reinsurance (reinsurance)

The receivable regarding the share of the reinsurance as at 31 August 2022 has been booked at DKK 121,090,349. The primary reason for the reduction of DKK 77,412,621 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 90,124,693 (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 19,921,937.

There has also been a number of small movements.

The receivable has been included at book value. DKK 121,090,349

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 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 paragraph 6.1.3.3 below.

DKK 1

Registered assets etc in total (provisionally calculated)	DKK	1,283,426,787
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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 13 April 2022, the registered assets have been reduced by DKK 18,278,741, 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 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 31 August 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 31 August 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 3,126,305 as at 31 August 2022. One of the reasons for the reduction of approximately DKK 300,000 since the most recent report is that 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 at the end of 2022 when this item can probably be finally settled. The bankruptcy estate's receivables are currently included at this new 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 written in 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 31 August 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 31 August 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 paid costs of approximately DKK 1,600,000. The deposit in the client account as at 31 August 2022 amounted to

DKK 5,924,274

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 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 of premiums as at 31 August 2022 was booked at DKK 203,379,121. 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 2,917,637 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 203,379,121

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 31 August 2022 were booked at DKK 874.186.794. 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 62,180,687 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 874,186,794

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 31 August 2022, claims proved in respect of the registered assets amounted to DKK 2,973,333,843.26 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	2,973,333,843.26
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Expected liabilities in total	DKK	4,008,773,763.26
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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.

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 31 August 2022, the Guarantee Fund for Non-life Insurers and other national funds had paid a total of DKK 1,380,722,510 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 provisions 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 rather 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	1,669,694.25
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
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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 March 2022 and up to 31 August 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 7,391,085 and DKK 5,866,517 respectively on 31 August 2022, 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 3,784,574 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*

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 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 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.

As written in the most recent report the trustee's work has included calculating and collecting a claim against an English reinsurer. In the previous period the trustee secured payment from the reinsurer of

approximately DKK 8,500,000. A significant receivable is still outstanding, and the work of calculating and collecting the claim is 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. As written in the most recent report, the trustee received a payment of approximately DKK 83,000,000 in the previous period. Moreover, the trustee has received an additional DKK 2,600,000 since the most recent report. 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.

In respect of the above-mentioned reinsurer, the trustee has started a direct collaboration and discussions about that part of the business that would otherwise have been 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 according to plan. 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 substantial claims including in collaboration with the individual reinsurers, and as a consequence the trustee has calculated substantial receivables from the reinsurers that the broker has been asked to collect.

In the previous 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.

As stated in the most recent report, the trustee has finished going through the indexation in the area of substantial claims.

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

In the previous period the trustee also prepared and sent out a semi-annual report to all reinsurers concerning the status of the winding-up of the bankruptcy estate, the status of the collection of the

receivables from reinsurers and future processes. This resulted in a number of inquiries from various reinsurers which the trustee has dealt with on an ongoing basis.

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 a number of meetings in London 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.

The challenges previously faced by the bankruptcy estate due to COVID-19 especially regarding the English activities have diminished in this period.

DKK 90,124,693 in respect of reinsurance was paid since the most recent report and until 31 August 2022.

It means that a total of DKK 501,680,865 has been paid to the bankruptcy estate by the reinsurers since the company went bankrupt and until 31 August 2022, which is a consequence of the operations continuing in the estate as previously mentioned.

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% 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 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 continued to deal with the booked receivables in question, including an assessment of whether the necessary adjustments in respect of the bookkeeping have been made.

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 150 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.

In the previous period the trustee spent time on preparing for the trial in part and in that connection time has been spent on preparing the trial bundle, the case summary, etc.

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 court found against the bankruptcy estate, and the consequence was that the case was dismissed by the Danish courts because of lack of jurisdiction.

In the previous period the trustee spent time on going through the grounds of the judgment and on drafting the notice of appeal that was filed with the Danish Eastern High Court on 20 July.

The trustee received the Defence in the appeal proceedings on 23 August 2022.

The appeal proceedings are scheduled for trial at the Danish Eastern High Court on 31 January 2023.

The work on the appeal proceedings are still taking place.

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 court passed a default judgment and the trustee has started the work of recovering the awarded amount. The trustee is in dialogue with external French lawyers about the collection and the work in that regard is still taking place.

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 additional pleadings including in relation to a possible separate trial concerning issues that were, however, dismissed by the courts. The trustee also spent time on drafting the reply in the case. The deadline is 30 November 2022.

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

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 as well as EUR 1,540,663.21 regarding unearned coverholder commission.

In that connection the trustee has spent quite some time on preparing the case and has had discussions with the bankruptcy estate's external lawyers in Ireland who are providing assistance with the case. The case is pending settlement discussions.

6) 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.

In two of the cases the bankruptcy estate filed particulars of claims 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. In the previous period the trustee spent time on discussions with the external lawyers, on preparing the case and on settlement discussions which have not, however, produced any result at this point in time. In one of the cases the opposing party's deadline regarding the Defence is 3 October 2022.

Finally, on behalf of the bankruptcy estate the trustee has decided based on the advice of the external lawyers to abandon pursuing one claim any further.

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 external lawyers in England and has participated in meetings with the hired 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 785 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.

In the previous 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 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 format for the claims examiners' notification of accepted claims to the bankruptcy estate. In the previous 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 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 500 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.

Bankruptcy proceedings were commenced against Gefion Finans A/S on 7 June 2021 as stated in the most recent report. On 1 February 2022, Gefion Insurance A/S in bankruptcy moved to 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 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, 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.

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 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.

Approximately 30 hours have been spent by lawyers on such work since the most recent report.

6.1.4.4 Talks with guarantee funds

In the previous 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 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 60 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 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.

In the previous 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 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 50 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:

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 was payment of approximately GBP 8.9 million.

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. In the previous period the trustee received the settlement amount of approximately DKK 20,700,000 which has been added to the deposit, see paragraph 1.2, item 4.

The settlement terms are subject to a confidentiality clause.

As written in the most recent 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 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.

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 coverholder's bankruptcy estate did not become a party to 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 70 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 final hearings in part, participating in expert surveys and appraisals and case management conferences.

As written in the most recent report, one of the cases had been scheduled for trial on 9 May 2022. The case was withdrawn and a settlement was entered into in the previous period. The trustee spent time on negotiating and entering into the settlement.

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

Approximately 53 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 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 123 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 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 two legal actions have 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 84 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. Several of the audits had been postponed due to COVID-19. 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 200 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.

In the previous period the trustee 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. The trustee has therefore 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 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 131 hours have been spent on such work since the most recent report of which 36 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.

In the previous period the trustee completed the tests and the functions are now available in the register of debts and claims. The trustee has spent time on drafting detailed procedures to prevent any incorrect recordings/adding incorrect 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 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)

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.

As at 31 August 2022, 37,984 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 15 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 and developing the new

register of debts and claims to handle the claims filed under the registered assets. 385 insurance claims had been notified as at 31 August 2022, but significantly more claims are expected.

Approximately 15 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 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 31 August 2022, a total of 51 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 15 hours have been spent by lawyers on such work since the most recent report.

6.1.6 Examination of claims

Since the most recent report the trustee has started the preparations for the examination of the filed complaints.

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 if the claimant disagrees with the claims examiner about the payout.

In the previous period the trustee went through a number of the complaints to determine whether there is sufficient documentation to support the assessment of claims examiners and whether there is enough documentation to be able to draft a final recommendation to the complainant.

The trustee has also spent time on drafting processing guidelines to ensure that all complaints are dealt with in the same way and correctly.

The trustee expects to be able to examine the complaints at the end of 2022/at the beginning of 2023.

Approximately 100 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. The work in this regard has not yet been concluded.

Approximately 50 hours have been spent by lawyers on the above work since the most recent report.

It means that approximately 3,048 hours in total have been spent on work relating to the registered assets of which 36 hours have been spent by the trustee's employees skilled in accounts.

6.2 Time spent on the unencumbered assets

The trustee's work relating to the unencumbered assets in the period since 1 March 2022 and up to 31 August 2022 has focused on the following tasks:

6.3 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.

6.3.1 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.

The legal action before the courts in Guernsey is still pending, but settlement negotiations are currently being held with the liquidators of the foreign company.

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.

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, see paragraph 6.3.2 below for details.

Approximately 42 hours in total have been spent on such work since the most recent report.

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

As written above in paragraph 6.3.1, 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 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 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 have pleaded a defence of formality 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 formality will be pleaded and tried separately and the trial in part will take place on 6 February 2023.

In the previous period pleadings were exchanged about the issue of formality listed for a separate trial. The bankruptcy estate has filed two pleadings and participated in a court hearing over the telephone. The trustee has also spent time on following up on the forwarded notifications of third parties in the case.

Approximately 64 hours in total have been spent on the above work since the most recent report.

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/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 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 exchanged regarding the expert survey and appraisal in the previous period, including about the questions, the expert and the appendices that the expert is to receive. The bankruptcy estate filed three pleadings about these issues in the previous period and the defendants filed four pleadings.

On 4 April 2022 and on 9 August 2022 the Copenhagen City Court gave two rulings about the appointment of an expert and the appendices that the expert is to receive.

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

The defendants were not granted leave to appeal the ruling of 4 April 2022 by the Copenhagen City Court to the Danish Eastern High Court. The Danish Appeals Permission Board has not yet taken a position on the defendants' request for leave to appeal the most recent ruling of 9 August 2022 by the Copenhagen City Court.

The bankruptcy estate has also contacted the trade organisation *FSR - Danske Revisorer* and asked *FSR - Danske Revisorer* to propose a suitable expert. An expert has not yet been appointed.

The bankruptcy estate's work has also included following up on the forwarded notifications of third parties in the case.

The final hearing of the case was scheduled for 17-18 and 21 November 2022 before the Copenhagen City Court. At a court hearing over the telephone on 12 October 2022 the final hearing was rescheduled for May/June 2023 as the expert survey and appraisal has not yet taken place.

Approximately 132 hours in total have been spent on the above work since the most recent report.

6.3.4 *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 the judgment by the District Court of Lyngby to the Danish Eastern High Court, and the bankruptcy estate cross-appealed 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 must pay DKK 16,140,942 plus statutory interest from 20 December 2019 and legal costs of DKK 1,000,000 in total to the bankruptcy estate 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 work of dealing with the ruling by the Danish Eastern High Court was done after the cut-off date regarding this report and the time spent is therefore not included in the calculated time spent.

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.

In the previous period the bankruptcy estate filed another pleading and case summary in the appeal proceedings. The bankruptcy estate's work has also included preparing for the final hearing, including corresponding with the appellants about the time schedule, preparing the bundle of legal documents and on going through the appellants' draft trial bundle.

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

Approximately 88 hours in total have been spent on the above work since the most recent report.

6.3.5 *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 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 pending and tried jointly.

The appeal proceedings have been scheduled for trial before the Danish Eastern High Court on 27 and 28 February 2023.

In the previous period the bankruptcy estate's work included drafting the respondent's rejoinder that was filed on 30 September 2022. Time has also been spent on following up on the forwarded notifications of third parties in the case.

Approximately 8 hours in total have been spent on the above work since the most recent report.

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

As previously stated in the trustee's reports, 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 damages against the entire former management of Qudos Insurance A/S and the company's former external auditor.

As a consequence, 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 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.

In the previous period many pleadings were exchanged and the bankruptcy estate's work included drafting and filing a number of pleadings, including an extensive reply of 200 pages with 199 new exhibits. In the reply 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 and requested discovery of the working papers of the former auditor of Qudos Insurance A/S and other audit documentation.

Moreover, the bankruptcy estate has filed a pleading about the issue of discovery and two pleadings about an expert survey and appraisal and has gone through a pleading on discovery and seven pleadings on an expert survey and appraisal filed by the defendant parties.

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.

As for the two requested expert surveys and appraisals, the bankruptcy estate has also contacted the trade organisation *FSR - Danske Revisorer* and asked *FSR - Danske Revisorer* to propose a suitable expert after having received authorisation by the District Court of Lyngby.

The further preparation of the case depends on the proposal for an expert by *FSR - Danske Revisorer* and the court's position on the bankruptcy estate's requests for an expert survey and appraisal and discovery in respect of the former external auditor of Qudos Insurance A/S.

The court 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.

In the previous period the bankruptcy estate's work included calculating and going through the evidence that must be translated according to the court's decision which consists of approximately 5,000 pages.

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 1,495 hours have been spent by lawyers on such work since the most recent report of which 77 hours have been spent by students.

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

The bankruptcy estate has drafted an extensive complaint for the Danish Disciplinary Board on Auditors concerning the criticisable issues in relation to Qudos Insurance A/S's former external auditor that was filed on 29 April 2022. In the complaint the bankruptcy estate requested 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 have been contrary to generally accepted auditing standards.

The complaint consists of 362 pages with 268 exhibits and there are six points of complaint in relation to the auditing of the 2017 annual report of Qudos Insurance A/S by the former external auditor where each point of complaint consists of a number of issues that are criticisable in the bankruptcy estate's opinion.

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 which are reflected by the volume of the complaint.

The bankruptcy estate has requested that the proceedings before the Danish Disciplinary Board on Auditors be oral, but a date for the oral proceedings has not yet been scheduled.

The deadline for the former external auditor of Qudos Insurance A/S to file a defence in the complaint proceedings is 30 November 2022. The work relating to the complaint before the Danish Disciplinary Board on Auditors is still being performed.

Approximately 560 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 2 hours have been spent by lawyers on such work since the most recent report.

6.6 Other estate administration

Approximately 256 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 2,647 hours in total have been spent on the unencumbered assets.

7. SUMMARY OF THE TIME SPENT

It means that approximately 4,695 hours in total have been spent on the estate administration, including approximately 3,048 hours on work relating to the registered assets, see paragraph 6.1, and

approximately 2,647 hours relating to the unencumbered assets, see paragraph 6.2, in the period from 1 March 2022 and up to 31 August 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 received any interim fee since the most recent report.

10. OTHER INFORMATION

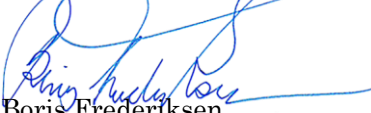
You can find additional contact information on the website www.gudosinsurance.dk which is regularly updated with relevant information about the estate administration.

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

Copenhagen, 14 October 2022


Boris Frederiksen
Partner, Attorney