

Danish report of 16 April 2024 – translation made on 26 April 2024

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

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

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

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

Firstly, I refer to my previous report under section 125(1) of the Bankruptcy Act of 17 January 2019, the report under section 125(2) of the Bankruptcy Act of 16 April 2019 and the reports under section 125(4) of the Bankruptcy Act of 16 October 2019, 16 April 2020, 16 October 2020, 16 April 2021, 15 October 2021, 13 April 2022, 14 October 2022, 14 April 2023 and most recently of 16 October 2023.

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) ("Qudos" or the "bankruptcy estate") had a total of 27 open bank accounts with Nordea Bank Danmark.

As stated in previous reports, the trustee has kept several of the bankruptcy estate's bank accounts as payments are still being made to and from the accounts in connection with the day-to-day operations.

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

that more bank accounts can be closed as the insurance activities are wound up/terminated. The bankruptcy estate currently has a total of 18 open bank accounts with Nordea Bank Danmark.

In the previous period, the trustee also continued to make sure and updated the powers of attorneys for the bankruptcy estate's bank accounts and thereby made sure that former employees no longer have any access to the bankruptcy estate's accounts. New employees in the bankruptcy estate's bookkeeping and finance department have also received access to the bankruptcy estate's accounts, but always only with rights as the first approver of payments. The second approver of payments is always an employee from the trustee's office.

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 29 February 2024 were booked at the following values:

1. Government bonds

The bankruptcy estate's government bonds as at 29 February 2024 amounted to DKK 0. The reason for the reduction is called bonds of DKK 7,338,720. The proceeds have been included in the bankruptcy estate's deposits in paragraph 1.2, item 4, below.

The asset has been included at book value.	DKK	0.00
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2. Corporate bonds

The bankruptcy estate's corporate bonds as at 29 February 2024 amounted to DKK 4,905,920. The difference in the bond portfolio compared to the most recent report is called bonds of DKK 221,032 as well as price adjustments and interest. The proceeds have been included in the bankruptcy estate's deposits in paragraph 1.2, item 4, below. The asset is included at the market value as at 29 February 2024 of

	DKK	4,905,920.00
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3. Shares in subsidiary

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

	DKK	0.00
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4. Deposit

The bankruptcy estate's deposits were booked at DKK 459,736,550 as at 29 February 2024.

DKK 74,978,877 relating to reinsurance payments and called bonds of DKK 7,559,752 and interest and price adjustments of DKK 3,876,756 were received in the period.

It has been taken into account in connection with the calculation that approximately DKK 185,000,000 in total has been paid to the Guarantee Fund for Non-life Insurers in the period.

The asset has been included at book value. DKK 459,736,550.00

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 366,784,153 as at 29 February 2024.

The primary reason for the reduction in the bankruptcy estate's shares of the reinsurance of DKK 66,902,558 is the following two activities:

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

B) The Danish Guarantee Fund for Non-life Insurers and other national funds continue to pay out insurance claims regarding certain losses resulting in a reduction in the expected insurance claims 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 366,784,153.00

6. Receivable, shares of the reinsurance (reinsurance)

The receivable regarding the shares of the reinsurance as at 29 February 2024 was booked at DKK 74,876,462. The primary reason for the reduction of DKK 71,012,893 in the booked receivable is reinsurance payments of DKK 74,978,877. There has also been a number of small movements.

The receivable has been included at book value. DKK 74,876,462.00

7. Receivable from insurance brokers/coverholders, etc

When Qudos went bankrupt it had a booked asset with the company's insurance brokers/coverholders of DKK 84,251,990. The receivable consists of outstanding premiums and deposits in accounts with claims examiners for the payment of losses. The trustee has made a technical bookkeeping amendment to the bankruptcy estate's booked receivables with the result that the bankruptcy estate's outstanding payable premiums are now being deducted from the provisions (paragraph 2.1, item 3) under section 5, para (4), of the then current Danish 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.

DKK 0.00

8. Unearned coverholder commission

The bankruptcy estate has a claim for unearned coverholder commission against the coverholders that previously sold insurance on Qudos's behalf. The total claim amounted to approximately DKK 255,900,000 which the trustee has started to collect. The collected amounts will be added to the deposit (paragraph 1.2, item 4). Legal actions are currently pending about this issue, see paragraph 6.1.3.3. The extent to which the former coverholders will be able to pay the bankruptcy estate's claims is also uncertain, which is why for now the amount is included at a reminder value.

DKK 1.00

Registered assets etc in total (provisionally calculated) DKK 906,303,086.00

The above calculation does not take into account any discounting of the value of the assets.

It is noted that the registered assets of DKK 243,423,430 decreased in the period, which is primarily because of a reduction in the receivables from the company's reinsurers (paragraph 1.2, item 6) and a reduction 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 29 February 2024 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 29 February 2024 were booked at DKK 50,000. For the time being the tools and equipment have been included at book value.

DKK 50,000.00

10. Receivable from consolidated companies

The bankruptcy estate has a booked asset consisting of receivables from consolidated companies. The bankruptcy estate has collected receivables on an ongoing basis which have been deposited into the client account (paragraph 1.3, item 16). There was only one receivable left as at 29 February 2024 which has been booked at DKK 3,126,305. Bankruptcy proceedings have been commenced against the consolidated company and a claim for the receivable has been filed against the bankruptcy estate. The claim has been examined and admitted. The bankruptcy estate awaits the dividend payout. Afterwards this item can probably be finally settled. The bankruptcy estate's receivables are currently included at the book value by

DKK 3,126,305.00

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	982,912.00
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	0.00
13.	Rent deposit - Købmagergade 22 As previously stated, the appointed ad-hoc trustee had discussions with the landlord about the deposit claim that the bankruptcy estate had raised against the landlord. The bankruptcy estate received DKK 786,239.61 on 5 September 2023 and DKK 2,156 on 2 October 2023 concerning the deposit which has been deposited into the client account, see paragraph 1.3, item 16. As at 29 February 2024, the asset was then booked at	DKK	0.00
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	0.00
15.	Intangible assets The intangible assets concerning software equipment used in the operation of the bankruptcy estate and goodwill. The asset was booked at DKK 0 as at 29 February 2024. The asset has been included at book value.	DKK	0.00
16.	Deposit in client account The bankruptcy estate paid costs of approximately DKK 1,199,154 in the period which included external fees and expenses in connection with pending legal actions concerning the unencumbered assets. There has been a reduction in the period of DKK 889,412. The reduction primarily concerns the operating expenses paid. Interest of DKK 307,042 has also been added. The deposit in the client account as at 29 February 2024 amounted to.	DKK	32,988,735.00
	Unencumbered assets in total	DKK	37,147,952.00

2. LIABILITIES

2.1 Liabilities relating to the registered assets

The liabilities that are assumed on the existing basis to 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 ruling has been made by the EFTA Court concerning Gable Insurance AG in bankruptcy from which it appears that claims for return premium raised after liquidation has started (the bankruptcy proceedings) are not covered by the definition of an insurance claim of the Solvency II Directive (Article 268(1)(g)). It is the trustee's assessment that the ruling of the EFTA court does not reflect a correct interpretation of the Solvency II Directive which is why the classification in the calculation below is maintained, see paragraph 6.1.7.2 below.

1. Expected claims for return premium

The expected claim for return premium as at 29 February 2024 was booked at DKK 102,768,119. The claim has been calculated according to the same principles used in connection with the calculation of the bankruptcy estate's provisions for unearned premiums. The amount is the bankruptcy estate's estimate of the claims for return premium and it is expected that it will be offset by claims for return premium raised by policyholders. But it is the trustee's opinion that it must be assumed that any further filed claims will be statute-barred which is why the trustee has made a discretionary write-down of DKK 54,000,000.

The liability is included at book value by	DKK	102,768,119.00
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2. Expected insurance claims

The expected insurance claim is a calculation for the purpose of the bookkeeping of the amount put aside to cover the policyholders'/the claimants' insurance claims. The expected insurance claim 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 insurance claims and may deviate from the actual insurance claims. The expected insurance claims as at 29 February 2024 were booked at DKK 451,871,535.

The primary reason for the reduction is the following important activities:

- A) The expected insurance claims in respect of parts of the bankruptcy estate's portfolio have been recalculated. The recalculation is based on the data most recently received from the bankruptcy estate's coverholders.
- B) The amount has been reduced by approximately DKK 86,150,951. The expected insurance claims 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 insurance claims 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 451,871,535.00

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 -42,125,995.00

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

As at 29 February 2024, the claims proved in respect of the registered assets amounted to DKK 3,094,843,396.13 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 3,094,843,396.13

Expected liabilities in total DKK 3,607,357,055.13

It is noted in respect of the above calculation that the expected claims for return premium and the insurance claims later on in the estate administration will be replaced by actual claims (paragraph 2.1, item 4) as the claims for return premium and the insurance 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.

Moreover, there is no doubt that the above calculation contains elements of double registration, which is why overall the registered liabilities are expected to be reduced over time. But the extent will only become clear in connection with the future examination of claims. As at 29 February 2024, the various guarantee fund schemes have reported to the bankruptcy estate that a total of DKK 1,475,508,858 has been paid to

cover both the accepted insurance claims and the claims for the return of premiums. The amount reported to the bankruptcy estate in the previous period has been reduced because the Guarantee Fund for Non-life Insurers decided to extend the period of cover for losses on a number of change of ownership insurance policies and building insurance policies. The amount has therefore been corrected in the accounts.

It is noted in this connection that it must be assumed that these payments are included in the above calculation of the liabilities to a certain extent. In addition, some guarantee funds have notified expected/future payouts, which is why it is also expected that there will be an overlap here between notified claims and the calculated reserves. It is also the trustee's assessment at this point in time that the allocated provisions to cover claims for return premium as well as insurance claims fully cover the future payments/notices of claims.

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

2.2 Other liabilities relating to the unencumbered assets

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	34,291,336.49
Liabilities in total	DKK	36,928,945.48

It is generally noted in respect of the filed claims that it must be assumed that several claims have been filed both under the registered assets, see paragraph 2.1 above, and at the same time under the unencumbered assets, see paragraph 2.2 above. It means that the same claim could be included twice in the above calculations. At this point in time the scope of any claims that have been filed twice is not yet clear as the initial work regarding the examination of the filed claims has only just begun.

3. INVESTIGATIONS RELATING TO AVOIDANCE

The trustee refers to previous reports regarding this subject-matter as well as to paragraph 6.2.3 below.

4. CRIMINAL OFFENCES

The trustee's investigations have been concluded.

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 under section 157(1), first sentence, cf section 160(1), first sentence, of the Bankruptcy Act.

The trustee's investigations have been concluded.

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

The work by the trustee in the period 1 September 2023 to 29 February 2024 has continued to be every extensive.

A general account of the main groups on which the trustee has mainly spent time in the previous period including broken down by work relating to the *registered assets* and the work relating to the *unencumbered assets* can be found below.

6.1 The time spent on the registered assets

6.1.1 *Securities*

Since the most recent report DKK 7,559,752 in total has been withdrawn from the bankruptcy estate's custody account which has been added to the deposit used for operating the bankruptcy estate, see paragraph 1.2, items 1 and 2.

As it appears from the list of assets in paragraph 1.2, item 1, all the government bonds were called in the previous period, which is why the bankruptcy estate's portfolio of securities now mainly consists of corporate bonds which were booked at DKK 4,905,920 as at 29 February 2024, see the list of assets in paragraph 1.2, item 2.

The trustee is managing the bankruptcy estate's securities portfolio and assessing the bankruptcy estate's securities investment policy and considering the need for having funds to pay for the day-to-day operations in the bankruptcy estate.

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

6.1.2 Reinsurance

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 arising from the reinsurance contracts. The work is very protracted, but it is necessary to secure the bankruptcy estate's most important asset.

The handling of the bankruptcy estate's reinsurance focuses on calculating and collecting the bankruptcy estate's receivables from the reinsurers and other operating matters and clarification of legal issues. The work concerning 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 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. The trustee also participates in meetings on an ongoing basis with the reinsurers and the insurance brokers both in person and online, partly for the purpose of solving specific issues and partly for the purpose of ensuring the ongoing collaboration and communication.

As written in previous reports, the trustee has had extensive discussions with a big European reinsurer regarding the portfolios that were not handled through an insurance broker prior to the bankruptcy. In the previous period, the reinsurer asked questions concerning the calculation method for earning premium that the Guarantee Fund for Non-life Insurers and the estate have applied to a specific type of insurance. The result has been that the reinsurer has withheld payments to a certain extent. As a consequence, the trustee had a close ongoing dialogue with the reinsurer and held ad-hoc meetings in the period to ensure the calculation and collection of receivables. The trustee also held several meetings with the reinsurer, both in person and online.

The overall result is that at this point in time the reinsurer has a net receivable from the bankruptcy estate in respect of these types of insurance. The parties are therefore working towards an overall solution as not all losses have yet been finally calculated. The trustee expects that the issue will be solved in the middle of 2024 through a close dialogue.

Moreover, the trustee had direct negotiations with the above insurer concerning the losses on the English and Irish motor insurance. The reconciliation work is progressing, albeit not at the speed that the trustee had hoped. Before the turn of the year, the reinsurer asked to visit the estate and carry out an on-site inspection of various issues, particularly the IT system implemented by the estate and the handling of data by the claims examiners. The trustee has planned the meeting together with the reinsurer and various questions/answers to narrow down the agenda were exchanged in that connection. The meeting was held at the end of February 2024.

As for the excess of loss in England and Ireland, the result of the trustee's calculations, collections and discussions with the above reinsurer is that in the previous period the reinsurer paid GBP 2,960,076.76 and EUR 3,661,783.41 to the bankruptcy estate in respect of excess of loss.

As for the other reinsurers, it is still the English broker that is responsible for collecting receivables from reinsurers concerning the excess of loss.

The bankruptcy estate still has significant receivables from the reinsurers in respect of excess of loss claims, and the insurance broker has been asked on a regular basis to collect and press the reinsurers for payment on behalf of the bankruptcy estate. In the period, the estate started to uncover whether the bankruptcy estate can move the handling of the English excess of loss to another insurance broker as the trustee is of the opinion that the bankruptcy estate's losses are not being given priority.

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

The amounts that the reinsurers are to pay in respect of the excess of loss claims where payments are still being made to the claimants are still to be indexed due to inflation. The trustee indexes the bankruptcy estate's excess of loss claims on an ongoing basis and is in dialogue with the reinsurers in this regard.

There have been challenges with non-payments from one Asian reinsurer in particular for some time as written in the trustee's most recent report. The trustee has continued the reporting, follow-up and inquiries to the insurance broker in Singapore that is the link between the bankruptcy estate and the reinsurer, and the trustee has also tried to contact the reinsurer directly. As the receivable amount had become significant and as the reinsurer did not respond to the trustee's approaches, the trustee contacted a lawyer in London for the purpose of commencing arbitration proceedings as the reinsurance contracts are subject to English law.

On 22 November 2023, the English lawyer sent a notice of arbitration on behalf of the bankruptcy estate to the reinsurer, notifying the reinsurer of the commencement of arbitration proceedings. One single insurance portfolio was subject to Danish law and jurisdiction, which is why the trustee himself also sent a notice of arbitration to the reinsurer in respect of this portfolio on 13 December 2023.

The reinsurer then contacted the trustee with a wish to pay the total outstanding receivable from the reinsurer.

On 24 January 2024, the bankruptcy estate received payment of EUR 480,186.04 and GBP 613,520.31 from the reinsurer concerning outstanding receivables in respect of all reinsurance contracts.

In connection with the collection of the above amount the trustee has spent quite some time on discussions with the English lawyer, drafting the notice of arbitration, going through the documentation and calculating claims as well as extensive correspondence with both the reinsurer and the insurance broker.

The reinsurer then informed the trustee that an excess of loss amount was outstanding. The trustee's examination of these payments is still being conducted. The trustee is also ensuring that the reinsurer will pay reinsurance periodically in future to the bankruptcy estate.

The trustee has also started on the commutation of the reinsurance contracts, ie the final calculation, elimination and termination of the contractual relationships with the reinsurers. The trustee's focus is on commutating the reinsurance contracts where the run-off can be determined with a high degree of probability, including making a number of legal analyses and assessments by an actuary. The trustee expects to intensify the commutation work during 2024.

Reinsurance of DKK 74,978,877 was paid to the bankruptcy estate since the most recent report and up to 29 February 2024.

It means that reinsurance of DKK 605,838,801 in total has been paid to the bankruptcy estate by the reinsurers since the company went bankrupt and up to 29 February 2024.

Approximately 694 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 were booked at a value of DKK 84,251,990 as at 20 December 2018, see paragraph 1.2, item 7.

The item mainly covers the bankruptcy estate's receivable consisting of the premium receivables from coverholders, including the instituted legal proceedings against coverholders and claims examiners, see paragraph 6.1.3.3 below for details.

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. Three cases concerning recovery are still pending.

It is noted that the trustee has abandoned pursuing 10 matters/claims out of the 36 matters because of collection in vain and because litigation was not worthwhile if the income/asset was compared to the litigation costs.

The collected excess amounts are currently deposited in the bankruptcy estate's client account, see paragraph 1.3, item 16, above. In that connection the trustee has conducted a close examination of whether the excess amounts belong under the unencumbered assets or the registered assets. It is the trustee's assessment that the excess amounts are part of the registered assets which is why the trustee will arrange for the amount to be reclassified/moved to the registered assets.

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

As written in previous reports, the trustee has concluded his examinations of the booked premium receivables and of whether the necessary accounting adjustments have been made. The trustee has provided for depreciation where necessary and on a case by case basis. It has turned out that often the booked values do not correspond to the facts.

6.1.3.2 Claiming back insurance premium tax from tax authorities

As for the periodical reporting of direct and indirect taxes abroad, the trustee has corresponded on an ongoing basis with the external tax consultants that handle the declaration of direct and indirect taxes abroad.

The trustee is still in dialogue with the tax authorities in Great Britain, Ireland, France and Italy for the purpose of reclaiming premium tax that was declared and paid before the issue of the bankruptcy order. The dialogue with the tax authorities in Denmark is being handled by the ad-hoc trustee who is currently waiting for the decision by the Danish National Tax Tribunal concerning the bankruptcy estate's complaint about the decision from the Danish Tax Agency.

As written in a previous report, the trustee has appealed against the rejection by the English tax authorities of the bankruptcy estate's claim for repayment. Quite a lot of time was spent in the previous period on preparing pleadings and dealing with litigation matters. The case is still pending and is handled in collaboration with an external lawyer in Britain.

Moreover, the trustee has appealed against the rejection by the French tax authorities of the bankruptcy estate's claim for repayment. As is the case in Britain, this case is being handled in collaboration with an external lawyer in France. The trustee has also been in dialogue with the Guarantee Fund for Non-life Insurers for the purpose of obtaining further documentation for the litigation in France.

The trustee is also still in dialogue with the Irish and Italian tax authorities.

Approximately 115 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 in Italy, claiming payment of EUR 1,554,307.01.

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

The final hearing concerning the appeal was held on 31 January 2023 before the Danish Eastern High Court. The bankruptcy estate received the judgment on 28 February 2023 by which the Danish Eastern High Court upheld the decision by the Danish Maritime and Commercial High Court.

In the previous period, the trustee looked into the possibility of bringing the case in Italy and contacted a lawyer in Italy.

The trustee has received advice on an ongoing basis from the lawyer who sent documentation on 23 September 2023 that the coverholder did not have any assets and ability to pay, which is why it was the lawyer's assessment that it was futile, costly and time-consuming to bring a legal action in Italy.

The trustee decided based on the Italian lawyer's advice to abandon the pursuit of the claim against the coverholder.

2) Legal action against a former coverholder in France

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

A default judgment was delivered on 23 December 2021 and the coverholder subsequently entered into liquidation. The trustee has been in an ongoing dialogue with the French lawyers for the purpose of collecting the judgment debt. On 14 February 2024, the trustee received an email from the French lawyers with information that the liquidator had stated that the company in liquidation did not have any assets which is why the bankruptcy estate's claim would not be paid.

The trustee is looking into the possibility of receiving the judgment debt under the coverholder's professional indemnity insurance which at first rejected coverage.

3) Legal action against a former coverholder in Denmark

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

Bankruptcy proceedings were commenced against the former coverholder on 21 December 2021, and the trustee of the coverholder's bankruptcy estate did not want to become a party to the case. 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 another legal action against a former coverholder in Denmark, claiming payment of DKK 110,913,051.71.

On 8 March 2023, the Danish Maritime and Commercial High Court delivered a judgment in a similar case where the Maritime and Commercial High Court established that the coverholder was under an obligation to repay unearned coverholder commission to the extent that a claim for return premium had been filed against the bankruptcy estate.

As a consequence of that judgment, the trustee recalculated the bankruptcy estate's claim for unearned coverholder commission in the case against the coverholder, and on 14 August 2023 the bankruptcy estate reduced the claim to DKK 92,274,454.11 exclusive of statutory interest.

On 22 August 2023, bankruptcy proceedings were commenced against the coverholder. The trustee of the coverholder's bankruptcy estate stated on 20 November 2023 that the bankruptcy estate did not want to become a party to the case. A default judgment was then delivered in the case on 28 November 2023.

For the time being, the bankruptcy estate has filed a claim of DKK 114,320,545.17 in total against the coverholder's bankruptcy estate consisting of the claim for unearned coverholder commission, statutory interest and legal costs.

The trustee has had discussions with the trustee of the coverholder's bankruptcy estate about perhaps becoming a party to the case and the calculation of the final claim and filing the claim against the coverholder's bankruptcy estate.

5) Legal action with Irish governing law

On 2 June 2022, the bankruptcy estate's external lawyer in Ireland filed a plenary summons with the courts in Ireland on behalf of the bankruptcy estate and raised a claim against an Irish coverholder of EUR 2,009,231.60 and GBP 103,465.67 concerning premium receivables and a claim of EUR 1,540,663.21 concerning unearned coverholder commission.

As written in the most recent report, the Irish lawyer filed a request for discovery on behalf of the bankruptcy estate on 19 May 2023 by which the bankruptcy estate clarified a number of the facts in dispute of which the defendant is requested to provide documentation. In the same way the defendant clarified a number of facts in dispute that the bankruptcy estate was requested to prove. Subsequently, on 30 June 2023, the Irish attorney filed an affidavit of discovery on behalf of the bankruptcy estate whereby the bankruptcy estate asked the Irish court to determine the extent to which the trustee's request for discovery could be granted as the parties were unable to reach an agreement.

The number of pleadings exchanged in the case in the previous period was significant and the trustee has spent time on going through the defendant's pleadings and drafting responses to such pleadings together with the Irish attorney.

The trustee has also spent time on collecting and going through extensive documentation for discovery.

The case is pending the parties' replies to the outstanding particulars of discovery.

As also written in previous reports, the bankruptcy estate has also raised a significant claim running into millions against an English coverholder and a reinsurer. The trustee still has ongoing discussions with the bankruptcy estate's lawyers in England and has participated in meetings with the lawyers in London. The trustee has continued the work of collecting the claim from the coverholder and the reinsurer. The parties have entered into a suspension agreement that, however, expires at the end of March 2024. The trustee is currently negotiating an extension of the suspension agreement together with the English lawyer.

Approximately 685 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*

The trustee's claims handling still took up a lot of time in the previous period. Part of the reason was that the trustee is to ensure on an ongoing basis that the claims handling by the respective claims examiners is correct and proper and partly because several insurance portfolios have now been wound up as the examinations of the claims were finished and consequently closed with the claims examiners.

The trustee's work has included discussions and correspondence with the attached claims examiners concerning the process of rejecting claims, the procedure for reporting the accepted claims to the Guarantee Fund for Non-life Insurers and/or other national guarantee fund schemes as well as to the bankruptcy estate for the purpose of registration in the register of debts and claims. This work is still taking place.

The trustee has also continued to be involved in a number of big and complicated personal injury cases, including about determining the reserves, which has also required and included a dialogue and ongoing information to the bankruptcy estate's reinsurers in order to ultimately secure the bankruptcy estate's significant receivables from reinsurers.

24 insurance portfolios out of 43 insurance portfolios in total still have open claims of which several insurance portfolios were already run-off cover for claims raised before the company went bankrupt. The number of open claims as at 31 January 2024 could be calculated to be 953 open claims in total based on the claims examiners' reporting to the bankruptcy estate,

A significant number of insurance claims are therefore still to be examined that include large and complicated personal injury cases which require the trustee's ongoing involvement, including also in respect of determining the reserves that are of great importance to the bankruptcy estate's receivable from reinsurers.

The trustee is currently reviewing the individual loss portfolios for the purpose of verifying whether the claims examiners have reported all losses to the bankruptcy estate.

The trustee has been informed that a coverholder in England has entered into liquidation. The coverholder had outsourced the claims handling to an external claims examiner under the binding authority agreement. In that connection the trustee has spent time on dealing with the open claims with the external claims examiner including ensuring that the claims were still being examined and that in future the claims will be notified directly to the bankruptcy estate, bypassing the coverholder.

Approximately 512 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. This work will be performed as long as the bankruptcy estate has operations.

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, Gefion Finans A/S in bankruptcy and the bankruptcy estate, see also paragraph 1.3, item 11 above.

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.

In the previous period, Alpha Insurance A/S in bankruptcy terminated the existing leased premises situated at Sundkrogsgade 21, 3rd floor and instead entered into a lease on smaller premises situated at Sundkrogsgade 21, 2nd floor. The trustee therefore spent time on drafting a new sublease between Alpha Insurance A/S in bankruptcy and the bankruptcy estate.

In connection with the vacation of the leased premises the trustee spent time on the practicalities concerning, among other things, the move-in and vacation inspections and dealing with taking down and setting up the IT in the new premises.

Approximately 25 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 including usual employee matters such as sick notes, resignations/dismissals, hiring, employee performance reviews, etc.

The trustee has also drafted a new addendum to the employees' employment contracts as a result of the abolition of the Danish public holiday *Store Bededag*.

Two employees resigned in the previous period and two employees were hired.

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

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

6.1.4.4 Talks with guarantee funds

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

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

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

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.

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

6.1.4.5 Correspondence with policyholders and claimants

Since the issue of the bankruptcy order and until 29 February 2024, the trustee was contacted 8,399 times by policyholders and claimants in the inbox set up separately by the trustee in respect of the bankruptcy

estate. To this should be added an additional 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 emails were still primarily questions from the policyholders about when they can expect to receive the payouts from the guarantee funds and/or the bankruptcy estate as well as questions about specific insurance claims handled by the attached claims examiners or attorneys. The trustee coordinates and discusses the status with the various guarantee fund schemes on an ongoing basis, and the trustee is also registering the filed claims in the register of debts and claims.

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 25 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 became a party to a number of legal actions that primarily are about rejected claims and which were already being handled by external lawyers.

The legal actions are still being handled primarily by external lawyers. The trustee has corresponded and has had discussions with the lawyers about the cases.

The legal actions that Qudos handled directly are now being handled by the trustee. The same predominantly applies to actions brought after the bankruptcy.

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 action brought against a coverholder:

The bankruptcy estate lodged a writ of summons against a coverholder on 5 March 2020 by which the bankruptcy estate raised a claim for payment of DKK 1,868,578.49. On 10 May 2021, the coverholder was ordered to pay DKK 1,868,578.49 to the bankruptcy estate. The judgment was appealed 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 of the district court of 10 May 2021 is therefore upheld.

The trustee subsequently filed the claim against the coverholder's bankruptcy estate. The bankruptcy estate is currently awaiting the payment of any dividend. It is still unclear whether and the extent to which the bankruptcy estate's claim will be covered.

Legal actions about subrogation etc:

Two legal actions are currently pending concerning subrogation.

As written in the most recent report, a trial hearing was held in one of the cases on 9 and 10 May 2023 before the District Court of Sønderborg. The District Court of Sønderborg delivered its judgment in the case on 7 June 2023 and the bankruptcy estate was successful in its claim. The opposing party subsequently appealed against the judgment to the Danish Western High Court. The case is currently pending the appeal proceedings where there have been an extensive exchange of pleadings about a new expert survey and appraisal and supplementary questions to the expert. The case is currently pending setting down the case for trial before the Danish Western High Court.

As also written in the most recent report, the bankruptcy estate lodged a writ of summons in the other case. In the previous period, the trustee spent time on going through the opposing party's defence, drafting the reply and preparing and conducting the expert survey and appraisal. The case is currently pending the supplementary questions to the expert and setting down the case for trial.

The trustee also refers to previous reports in which the trustee gave a detailed account of the work in connection with the legal actions about subrogation etc.

Since the most recent report approximately 164 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.

6.1.4.7 Legal actions brought against the bankruptcy estate

The trustee has spent time on legal actions brought against the bankruptcy estate after the issue of the bankruptcy order. The legal actions are primarily being handled by external lawyers. The trustee has had many discussions with the external lawyers about the cases and has instructed them to make a plea of no case to answer in the cases in compliance with section 141 of the Bankruptcy Act.

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

As written in previous reports, a number of legal actions have been brought against the bankruptcy estate with a request for prior taking of evidence out of court. The actions have been brought against the bankruptcy estate in connection with the assessment of losses under a number of change of ownership insurance policies and buildings insurance policies and relate to conducting an expert survey and appraisal prior to a possible legal action.

Two cases concerning the taking of evidence out of court were closed in the previous period. In one of the cases the bankruptcy estate was awarded the legal costs and entered into a settlement in the other case, according to which the bankruptcy estate was partly to pay the repair costs.

It means that three legal actions are currently pending concerning the taking of evidence out of court concerning assessment of losses under the change of ownership insurance policies and buildings insurance policies.

In connection with the cases the trustee has spent time on going through the request for the taking of evidence out of court with exhibits, including the questions. The trustee has also had discussions with the expert and the opposing party and in some of the cases the trustee has also participated in settlement negotiations. 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. In one of the cases the trustee has also drafted pleadings concerning a stop to any more questions to the expert.

Since the most recent report approximately 90 hours have been spent by lawyers on the legal actions brought against the bankruptcy estate.

6.1.4.8 Compliance, GDPR and audits

The trustee determines on an ongoing basis the agreements with the bankruptcy estate's business partners including the coverholders and claims examiners that require a data processing agreement. The work of making sure that the bankruptcy estate is wound up in compliance with the GDPR to the widest extent possible is an ongoing process and will continue in future.

The trustee's additional work has included determining the need for entering into or updating data processing agreements with the attached insurance brokers and claims examiners and taking a decision on the exchange of personal data in connection with various legal actions and investigations, etc.

In the previous period, the trustee also arranged for audits of several of the bankruptcy estate's attached claims examiners and service providers where claims handling is still taking place. 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.

Audits of five claims examiners were conducted in 2023. The trustee is also planning to conduct audits of approximately eight claims examiners in 2024.

Audits of the claims examiners are conducted once annually by external or internal auditors. The internal audit is being conducted by the bankruptcy estate's employees in the legal department.

There were a number of data breaches in the previous period at one of the claims examiners hired by the bankruptcy estate, which is why the trustee has spent quite a lot of time on dealing with such data breaches.

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

Approximately 155 hours have been spent by lawyers on such work since the most recent report.

6.1.4.9 Audit and bookkeeping

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

In the previous period, the trustee also had discussions and correspondence with the consultants about the bankruptcy estate's VAT liability and payroll tax liability for 2021 and 2022.

The bankruptcy estate has asked the Danish Tax Agency to reopen the bankruptcy estate's payroll tax liability for 2021 and has requested repayment for the period in the same connection. The calculation of the payroll tax liability, and consequently the claim for repayment, is based, among other things, on the Danish Tax Agency's binding assessment notice concerning the calculation of the VAT deduction percentage in the bankruptcy estate.

The bankruptcy estate has also made amended VAT declarations for 2021. The Danish Tax Agency has received the underlying documentation of the post-entries on request. The trustee is currently waiting for the decision by the Danish Tax Agency on the amended declarations.

Finally, the bankruptcy estate has started going through the bankruptcy estate's VAT declarations for 2022. This work is therefore still taking place.

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 188 hours have been spent on such work since the most recent report of which 138 hours have been spent by the trustee's employee skilled in accounts.

6.1.5 *General work on planning the notification process and the examination of claims process*

In the previous period, the trustee continued to spend time on maintaining the bankruptcy estate's register of debts and claims on an ongoing basis for the purpose of registering the claims under the registered assets, including the policyholders' claims for return of premiums and the claimants' insurance claims against the bankruptcy estate.

The bankruptcy estate has continued, when needed, to hire external consultancy assistance from IT developers to provide assistance in this connection. IT experts from the trustee's office have also continued to provide assistance.

In the previous period, the trustee also spent time on the general and overall planning of the examination of the claims filed under the registered assets.

The trustee conducted in-depth research into whether a language requirement applies to the recommendations and whether the recommendations concerning filed claims that are not recommended to be admitted (ie recommended for partial rejection or rejection) may be sent to the policyholder/the claimant by email.

The special regulation of the Solvency II Directive generally imposes a number of obligations on the trustee that extend beyond the regulation of the Bankruptcy Act including due to a number of protection/consumer considerations for the policyholders/the claimants. The regulation concerns, among other things, the language requirements to the trustee's communication with the policyholders/the claimants and the policyholders'/claimants' rights in connection with the filing of claims against the bankruptcy estate.

Based on the trustee's detailed research, it is the trustee's opinion that the Solvency II Directive, including its implementation order, generally distinguishes between general information to the creditors not subject to any language requirements but only to be drafted "in a suitable form" and notices/letters to the policyholders/claimants about their individual claims against the estate (*inter partes*) that must be drafted in the official language of the policyholder's/the claimant's home country. Against this

background, it is the trustee's opinion that the recommendations must be translated into the official language of the policyholder's/the claimant's home country.

As for the method of delivery, it is the trustee's opinion that if the recommendation is that the claim is not to be admitted as it has been proved (ie the recommendation is partial rejection or rejection), the recommendation must be sent to the policyholder/the claimant by registered letter and by standard post or sent by messenger.

The other planning of the examination of claims process is still taking place.

Approximately 70 hours have been spent by lawyers on the general work of planning the notification and examination of claims process.

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

In the previous period, the trustee continued to spend time on handling the filed claims for return of premiums against the bankruptcy estate and the Guarantee Fund for Non-life Insurers filed via a shared web form. Reference is made to the previous reports for a detailed account of the process for filing claims for return premium.

It is noted that the trustee and the Guarantee Fund for Non-life Insurers decided to close the web form on 20 December 2023 partly because no further claims were filed via the form and partly because new claims for return premium would be barred by limitation in the trustee's opinion. But it is still possible to file claims for return premium against the bankruptcy estate by writing to the trustee's email address (debts@poulschmith.dk).

Moreover, the trustee continued to have in-depth discussions with Topdanmark Forsikring A/S that functions as the administrator for the Guarantee Fund for Non-life Insurers in connection with the transfer of data from the web form to the bankruptcy estate's register of debts and claims.

The trustee has prepared a specific format for the loading in connection with the transfer so that it is ensured that the trustee will likely have the necessary information for the future examination of claims, including a calculation of the amount of the claim for return premium, whether FSCS and/or the Guarantee Fund for Non-life Insurers have made any payouts, the status of the processing of the claim, etc. The work in this connection is still taking place.

It is noted that additional information will be added to the loaded claims as the claims for return premium covered by the guarantee funds are closed and paid by the Guarantee Fund for Non-life Insurers to the respective policyholders and if there should be any changes to the filed claims.

Finally, the trustee started to plan the initial steps of the examination of claims process concerning the claims for return premium. This work is still taking place.

It is noted that the trustee does not yet know when the examination of the filed claims for return premium can be expected to start.

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

6.1.5.2 Notification of claims from claims examiners

As written in previous reports, the trustee has designed a specific notification format and a guide for notifying the bankruptcy estate of accepted insurance claims. It is expected that the notification sheet will contribute to the trustee getting sufficient documentation for the future examination of the insurance claims.

The notification sheet is to be used by both the bankruptcy estate's attached claims examiners in respect of the approved insurance claims not covered by the Guarantee Fund and by the various guarantee funds that subrogate to the claimant's claim against the estate.

As a consequence, the trustee stated in the previous period to hold meetings and have discussions with the various guarantee fund schemes about the process of notifying their subrogation claims and the other claims for documentation as well as the various claims examiners and attorneys concerning the status of the reporting of approved insurance claims not covered by the guarantee funds.

Several claims examiners have informed the trustee in this connection that the number of insurance claims not covered by the guarantee funds is limited, which is why it is expected that the claims examiners will only file a limited number of losses for registration in the register of debts and claims. The trustee is still in the process of verifying whether this is correct which includes going through the information in the bordereaux in details including making comparisons with bordereaux for previous periods. This work is still taking place.

But the trustee still expects that a significant number of proofs of claim will be filed against the bankruptcy estate in future and has therefore intensified the focus on the reporting from the respective claims examiners and attorneys. This should be seen in the light that several insurance claims have now been finally examined, see also paragraph 6.1.4.1.

Approximately 55 hours have been spent by lawyers on such work since the most recent report.

6.1.5.3 Web form for complaints

As mentioned in previous reports, the bankruptcy estate's complaints are dealt with through the complaint form on the bankruptcy estate's website that links up to a form hosted by the trustee so that the complaints are automatically registered in the bankruptcy estate's register of debts and claims.

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

As at 29 February 2024, 41 complaints had been made and registered in the bankruptcy estate through the complaint form (no changes for the past six months). In connection with the complaint handling procedure the trustee reclassified several cases as they were not actually complaints about rejected insurance coverage but filing of claims for return premium.

In the previous period, the trustee started to examine the complaints, see also paragraph 6.1.6.

Approximately 45 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 examined the filed complaint claims and drafted preliminary recommendations in that connection.

It is noted that several complaints were reclassified in connection with the examination of claims as the claims were actually claims filed for return of premium. An examination of claims meeting has not yet been convened, but it is expected that an examination of claims meeting will be convened in 2024.

The work has also included general planning of the examination of claims, including dealing with the many foreign creditors and carrying out (future) mass examination of claims. It is noted that the trustee does not yet know when the examination of the filed claims for return premium and insurance claims can be expected to start as it cannot start before there is an overview of the liabilities which cannot be obtained until all the claims examiners and guarantee fund schemes have finally filed their claims against the bankruptcy estate.

The work relating to the examination of claims process is therefore still taking place.

Approximately 197 hours have been spent by lawyers on such work since the most recent report.

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

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

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

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

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

On 1 November 2022, the Guarantee Fund for Non-life Insurers lodged a writ of summons against Alpha Insurance A/S in bankruptcy. On 15 May 2023, an interim hearing was held in the case in which connection the final hearing was planned to take five days in court in May 2024.

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

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

6.1.7.2 *The EFTA Court*

As written in previous reports, 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 the bankruptcy proceedings should be deemed to be a preferential claim within the meaning of the Directive. The EFTA Court delivered its decision in the case on 10 March 2020.

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

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

It is the trustee's assessment in this connection that the ruling of the EFTA Court in respect of the issue of whether the claim for return premium that arises after the bankruptcy is an "insurance claim" within the meaning of the Solvency II Directive is not a correct interpretation of the provisions of the Solvency II Directive. The decisive factor in this connection seems to be that the EFTA Court applies inference a contrario based on Article 268(1)(g), second limb, of the Solvency II Directive which is not correct in the trustee's opinion. On the contrary, Article 268(1)(g), second limb, supports, in the trustee's opinion, that the claims for return premium are comprised by the definition of "insurance claims" regardless of whether they arose before or after the company went bankrupt.

Against this background, it is the trustee's summarising assessment that it follows from section 167 of the then current Danish Financial Business Act that the policyholders' claims for return premium must be covered by the registered assets and that this is in compliance with Article 275 of the Solvency II Directive, see Article 268(1)(g).

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

It means that approximately 3,182 hours in total have been spent on work relating to the registered assets of which 138 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 2023 and up to 29 February 2024 has focused on the following tasks:

6.2.1 Rent deposit - Købmagergade 22

Qudos had a lease on Købmagergade 22, 1250 Copenhagen K, Denmark before it went bankrupt. In connection with vacating the premises the landlord originally raised a claim for DKK 1,097,731.15 exclusive of VAT concerning rent owed for Q4 2018 and a claim for DKK 1,053,700 exclusive of VAT concerning repair costs. The landlord set off the claims against the deposit of DKK 2,103,006.88.

As written in the most recent report, the trustee assessed that the matter between the bankruptcy estate and the former landlord was to be handled by an ad-hoc trustee. The ad-hoc trustee has had discussions in this connection with the landlord about the claim calculated by the landlord in respect of rent owed and repair costs.

The result was that the landlord reduced its claim for repair costs against the bankruptcy estate to DKK 83,883.56 exclusive of VAT. On 5 September 2023, the landlord repaid DKK 786,239.61 of the paid deposit to the bankruptcy estate. On 2 October 2023, the bankruptcy estate received accrued interest of an additional DKK 2,156.

The ad-hoc trustee has assessed the contractual basis with the landlord, the contractual basis between the third party and the landlord and the other circumstances concerning the bankruptcy estate's lease and has concluded on such basis that the bankruptcy estate does not have any further claims against the landlord in respect of the lease entered into concerning the premises situated at Købmagergade 22, 1250 Copenhagen K, Denmark.

The case has therefore been closed.

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

6.2.2 *Sale of assets*

In connection with the move to smaller leased premises, see paragraph 6.1.4.2, the trustee went through the bankruptcy estate's furniture and office supplies with a view to a sale. The trustee has arranged for a sale of desks, shelving units, chairs and lamps, etc through an auction house. The bankruptcy estate has not yet received the purchase price and the sale is still on. The trustee's work has therefore included the sale and dialogue with the auction house.

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

6.2.3 *Litigation regarding claims for avoidance and recovery 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.

6.2.3.1 *Legal action regarding claim for compensation against two members of the former management of Qudos*

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

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

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

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

The defendants subsequently applied to the Danish Appeals Permission Board for leave to appeal against the ruling of the Copenhagen City Court of 6 March 2023 to the Danish Eastern High Court and requested at the same time that the continued preparation of the merits of the case before the Copenhagen City Court was stayed. The Copenhagen City Court found by the court records of 28 March 2023 that the defendants' request for a stay on the decision by the Danish Appeals Permission Board and perhaps the decision by the Danish Eastern High Court was not to be allowed, but on the contrary that the matter was to be proceed with.

The defendants were granted leave from the Danish Appeals Permission Board on 22 May 2023 to appeal against the ruling on the merits of the case of the Copenhagen City Court of 6 March 2023 to the Danish Eastern High Court. The defendants subsequently requested the Copenhagen City Court again to stay the case before the Copenhagen City Court until the decision in the appeal proceedings by the Danish Eastern High Court.

The Copenhagen City Court found, see the court records of 8 June 2023, that the case was still to be proceeded with, which is why the request for a stay was not allowed. The substantive question before the

Copenhagen City Court and the appeal on the merits of the case before the Danish Eastern High Court are consequently still pending in parallel.

The defendants have requested oral proceedings in the appeal proceedings before the Danish Eastern High Court and the bankruptcy estate filed a defence on 25 August 2023.

The Danish Eastern High Court scheduled the case for trial on 13 May 2025, see the court records of 9 November 2023.

As for the merits of the case before the Copenhagen City Court, one of the defendants once again requested on 22 November 2023 that the consideration of the merits of the case be stayed until the Danish Eastern High Court has made a decision about the issue of rejection in the appeal proceedings.

The bankruptcy estate filed an extensive reply in the case before the Copenhagen City Court on 20 December 2023 where the bankruptcy estate has requested an expert survey and appraisal of the loss suffered.

The Copenhagen City Court found, see the court records of 24 January 2024, that the case was still to be proceeded with, which is why the third request for a stay was not allowed. The court set a deadline of 25 March 2024 for the defendants to file a pleading. The trial hearing before the Copenhagen City Court has not yet been scheduled.

In the period since the most recent report, the bankruptcy estate's work has included exchanging pleadings in both the appeal proceedings before the Danish Eastern High Court and exchanging pleadings about the substantive issue before the Copenhagen City Court. The bankruptcy estate has exchanged pleadings with the court and the parties about scheduling the appeal proceedings for trial. In the case before the Copenhagen City Court on the substantive issue, the bankruptcy estate's work has included exchanging pleadings about the defendants' further request for a stay and drafting and filing an extensive reply.

The exchange of pleadings in the case and the work performed are characterised by complex issues. Moreover, the issues claimed in the case are being examined concurrently with the exchange of pleadings.

In addition to the work mentioned above, the work has included following up on the forwarded notifications of third parties in the case.

Approximately 66 hours in total have been spent by lawyers on the above work since the most recent report.

6.2.3.2 Legal action about claims for recovery and compensation against Qudos's parent company and other consolidated companies about illegal financing using funds generated from operations

On 22 December 2020, the bankruptcy estate brought a legal action against Qudos's ultimate parent company and two other consolidated companies claiming payment of DKK 52,825,500 to the bankruptcy estate plus interest under the rules of 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 made available for the acquisition of Qudos by Qudos'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 financing using funds generated from operations laid down in section 206(1) of the 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 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.

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

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

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

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

However, after a long process FSR - Danske Revisorer informed the parties in the spring of 2023 that it was not possible for FSR - Danske Revisorer to find a suitable expert in Denmark who did not have any conflict of interest in respect of the parties to the case. The bankruptcy estate is now looking into the possibility of finding and appointing a suitable expert in another way from Denmark, Sweden and/or Norway who does not have any conflict of interest.

The bankruptcy estate, the defendants and the Copenhagen City Court and others had and still have extensive correspondence about the process of the expert survey and appraisal.

A trial hearing in the case before the Copenhagen City Court has been scheduled for June 2023. As the expert survey and appraisal has not yet been carried out due to the practical challenges of appointing a qualified expert, the Copenhagen City Court decided on 18 April 2023 to cancel the scheduled trial hearing in June 2023 and reschedule the trial hearing.

The Copenhagen City Court has not yet fixed any new dates for the trial hearing.

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

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

6.2.3.3 Claims for avoidance, repayment and compensation against a person with a connection to Qudos and this person's company

On 20 December 2019, the bankruptcy estate brought a legal action against a person attached to Qudos 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 the legal costs of the case of DKK 633,000 to the bankruptcy estate.

The defendant person appealed against the judgment of the District Court of Lyngby of 30 June 2021 to the Danish Eastern High Court, and the bankruptcy estate cross-appealed against a claim in part of DKK 500,000 in which the bankruptcy estate was unsuccessful before the District Court.

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

On 7 October 2022, the Danish Eastern High Court passed a judgment in the appeal proceedings where the High Court upheld the judgment of the District Court with the amendment that the defendants 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 defendants were to pay DKK 16,140,942 plus statutory interest from 20 December 2019 and legal costs before both courts of DKK 1,000,000 in total to the bankruptcy estate, ie approximately DKK 20.5 million, within two weeks from the passing of the judgment.

As previously stated, the bankruptcy estate notified the other members of the former management of Qudos in this connection. 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 defendants or if the defendants do not have the required ability to pay.

On 11 October 2022, the defendants applied to the Danish Appeals Permission Board for leave to appeal against the judgment of the Danish Eastern High Court to the Danish Supreme Court.

As the defendants had not paid the amount owed to the bankruptcy estate on expiry of the time allowed for payment the bankruptcy estate filed a petition in bankruptcy against the defendant company. It is noted that according to the facts of the case the person in question lives abroad, but a subsequent collection has not been ruled out.

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

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

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

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

The Danish Appeals Permission Board decided on 22 May 2023 that there was no basis for granting leave to appeal to a third instance.

The judgment delivered by the Danish Eastern High Court on 7 October 2022 is therefore final.

The bankruptcy estate was contacted by the attorney representing the parties in question after the decision by the Danish Appeals Permission Board about the possibility of one or several third parties repaying and consequently assuming the bankruptcy estate's claim of approximately DKK 21.5 million with the consequence that the (now bankrupt) company was to be released to the shareholder under section 144 of the Bankruptcy Act in connection with repayment and/or obtaining consent from all the creditors against the bankruptcy estate.

A process for releasing the company under section 144 of the Bankruptcy Act was started in July 2023 following prolonged discussions. The bankruptcy estate received DKK 21,586,388.75 in that connection on 4 July 2023.

The bankruptcy estate has had additional work concerning the process under section 144. The bankruptcy court gave a ruling on 7 August 2023 which resulted, according to its wording, in a release of the assets but not the company to the shareholder.

The Danish Eastern High Court remitted the case by a decision of 29 September 2023 to the bankruptcy court where the company in question is subject to bankruptcy proceedings. Attorney Boris Frederiksen is still the trustee of the bankruptcy estate of the company in question. On 27 October 2023, the company and the shareholder in the company applied to the Danish Appeals Permission Board for leave to appeal the judgment of 29 September 2023 by the Danish Eastern High Court to the Danish Supreme Court. The Danish Appeals Permission Board decided on 8 December 2023 that there was no basis for granting leave to appeal to a third instance.

Partly because the bankruptcy estate's possible claim against the parties that have been served notice on becomes statute-barred one year after the judgment of the Danish Eastern High Court of 7 October 2022 and partly because of the uncertainty about the section 144 proceedings, the bankruptcy estate has entered into a suspension agreement with the parties that have been served notice on where the parties have suspended the period of limitation under the rules of the Danish Limitation Act.

Against the above background, the bankruptcy estate has drafted a writ of summons against the parties that have been served notice on if the parties that have been served notice on did not want to enter into a suspension agreement and has had correspondence about the conclusion of the suspension agreement.

Approximately 105 hours in total have been spent by lawyers on the above work since the most recent report.

6.2.3.4 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. The Copenhagen City Court delivered its judgment in the case on 26 November 2021. The bankruptcy estate was successful in its claim, and the third party and the consolidated company were consequently ordered jointly and severally to pay the bankruptcy estate DKK 5,000,000 plus statutory interest.

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

The bankruptcy estate has served notice on the members of the former management of Qudos. 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 remaining amounts from the defendant parties.

The defendants have appealed against the judgment of the Copenhagen City Court to the Danish Eastern High Court where the appeals are now being tried together.

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

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

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

Approximately 3 hours in total have been spent by lawyers on the above work since the most recent report.

6.2.4 Case regarding liability in damages against the former management and external auditor of Qudos

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

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

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

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

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

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

After a long process FSR - Danske Revisorer informed the parties in the spring of 2023 that it was not possible for FSR - Danske Revisorer to find a suitable expert in Denmark who does not have any conflict of interest in respect of the parties to the case.

A hearing before the District Court of Lyngby was held over the telephone on 13 April 2023 to discuss the further preparation of the case including the completion of an expert survey and appraisal and the time and date of the trial hearing. The District Court of Lyngby decided after the hearing over the telephone that the trial hearing scheduled for February, March and April 2024 was to be rescheduled as the expert survey and appraisal had not yet been completed and that the possibility of appointing a suitable expert from Sweden or Norway was to be clarified.

The bankruptcy estate, the defendants and the District Court of Lyngby corresponded extensively in the period from April 2023 to December 2023 about the process of the expert survey and appraisal.

On 19 October 2022, the District Court of Lyngby gave a ruling in respect of the request for discovery made by the bankruptcy estate against the former auditor of Qudos which was partly honoured.

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

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

The Danish Appeals Permission Board announced on 9 June 2023 and 12 June 2023 respectively that the request of the bankruptcy estate and the former auditor of Qudos for leave to partly appeal against the ruling on discovery of 19 October 2022 by the District Court of Lyngby to the Danish Eastern High Court had not been granted.

The ruling on discovery of 19 October 2022 by the District Court Lyngby was consequently final, which is why the bankruptcy estate has again asked the former auditor of Qudos to surrender the working papers ordered by the disclosure by litigants.

The former external auditor of Qudos has not yet surrendered the working papers according to the discovery according to the ruling of 19 October 2022 by the District Court of Lyngby.

The bankruptcy estate filed a request for third-party discovery with the District Court of Lyngby in the other audit documentation that was not granted by the ruling of 19 October 2022 of the District Court of Lyngby and which has been exchanged between the former auditor of Qudos and an email account belonging to a British company. The District Court of Lyngby has stated that the request for discovery was passed on for service of process on 19 January 2024.

A consolidated company of Qudos has also brought a legal action against the former external auditor of Qudos, claiming damages of approximately DKK 120,000,000 before the District Court of Lyngby. The subject-matter of the case is whether the former external auditor of Qudos has engaged in actionable conduct in respect of the auditor's audit of the 2016 annual report of Qudos. The trial hearing in the case took ten days in court in November and December 2023. The bankruptcy estate had a representative present during all the days in court as the case could be important to the legal action brought by the bankruptcy estate against the former management and external auditor of Qudos.

The District Court of Lyngby ruled on 21 December 2023 that the case preparation is to be concluded on 1 May 2024. The reason given by the court is that a further extension of the deadline to find an expert is not proper in respect of the defendants.

One of the defendant parties to the case filed a pleading on 1 February 2024 on the clarification and preparation of the case with a view to discussing the further preparation of the case.

The bankruptcy estate applied to the Danish Appeals Permission Board for leave to appeal against the ruling of 21 December 2023 to the Danish Eastern High Court on 4 January 2024. On 15 January 2024 and 1 February 2024 respectively, the defendants filed comments on the bankruptcy estate's application for leave to appeal.

A hearing over the telephone was held in the case on 5 February 2024 for the purpose of discussing the further preparation of the case and setting down the case for trial. The trial hearing in the case has been scheduled for 16-17, 23-24 February 2026, 2-3, 9-10, 16-17, 23-24 March 2026, 13-14, 20-21, 27-28 April 2026, 4-5, 11-12, 18-19, 26 og 28 May 2026. As the same time the court set a number of deadlines for the parties to the case to file additional pleadings before the preparation of the case is concluded on 1 May 2024.

Because the trial has been scheduled to take place 21 months after the conclusion of the preparation of the case on 1 May 2024, the bankruptcy estate submitted supplementary comments on 13 February 2024 on the bankruptcy estate's application for leave to appeal against the ruling of 21 December 2023 of the District Court of Lyngby with the Danish Appeals Permission Board.

On 15 February 2024, two of the defendants submitted their comments on the bankruptcy estate's supplementary comments of 13 February 2024 with the Danish Appeals Permission Board.

On 6 February 2024 and 19 February 2024 respectively, the defendants filed pleadings in the case with answers to the requests made by the bankruptcy estate in the reply of 2 May 2022.

The District Court of Lyngby has set a deadline of 15 March 2024 for the bankruptcy estate to file a pleading in the case.

The exchange of pleadings in the case and the work performed are characterised by complex issues and an extensive amount of material in the case. Moreover, the issues claimed in the case are being examined concurrently with the exchange of pleadings.

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

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

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

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

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

Approximately 851 hours have been spent by lawyers on such work since the most recent report.

80 hours have been spent by lawyers since the most recent report on coordinating the task of translating the exhibits of the court case.

6.2.4.1 Complaint before the Danish Disciplinary Board on Auditors (Revisornævnet)

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

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

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

The former external auditor of Qudos filed a rejoinder in the case before the Danish Disciplinary Board on Auditors on 15 May 2023. In addition, the parties subsequently filed a comprehensive case summary with the Danish Disciplinary Board on Auditors.

A meeting was held at the Danish Disciplinary Board on Auditors on 3 October 2022 in which the parties participated and answered the question to the Danish Disciplinary Board on Auditors.

On 9 January 2024, the Danish Disciplinary Board on Auditors gave its ruling and it found that the former external auditor had acted contrary to generally accepted auditing standards in respect of one out of six complaints and imposed a fine of DKK 30,000. It is the bankruptcy estate's opinion that the ruling is not correct in respect of the other five complaints. Against this background, the bankruptcy estate brought the ruling of 9 January 2024 before the courts on 6 February 2024, claiming reversal of the ruling

in respect of five of the complaints and remission for re-consideration by the Danish Disciplinary Board on Auditors.

The legal action was brought before the Copenhagen City Court where it is currently pending.

In the previous period, the bankruptcy estate therefore prepared and attended in person the hearing before the Danish Disciplinary Board on Auditors on 3 October 2023, went through the ruling of 9 January 2024 of the Danish Disciplinary Board on Auditors and drafted an extensive writ of summons.

Approximately 374 hours have been spent by lawyers on such work since the most recent report.

6.2.5 *Other costs paid by Qudos 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 concerning a claim for advisor costs paid by Qudos relating to the acquisition of shares in Qudos by the parent company in March 2017. The total claim amounted to DKK 17,619,500.

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

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

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

6.2.6 *Other estate administration*

Approximately 201 hours have been spent by lawyers on the general estate administration since the most recent report, including corresponding with the creditors relating to the operations and the bankruptcy court, registering the proofs of claim in the register of debts and claims of the bankruptcy estate and on preparing this report under section 125(4) of the Bankruptcy Act.

It means that 1,772 hours in total have been spent on the unencumbered assets.

7. SUMMARY OF THE TIME SPENT

It means that approximately 4,954 hours in total have been spent on the estate administration, including approximately 3,182 hours on work relating to the registered assets, see paragraph 6.1, and

approximately 1,772 hours relating to the unencumbered assets, see paragraph 6.2, in the period from 1 September 2023 and up to 29 February 2024.

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

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

The core of the trustee's work is still to ensure by winding up the insurance activities that the claims handling is carried out correctly and properly. The objective is to limit the bankruptcy estate's liabilities and to collect the bankruptcy estate's significant receivables from the bankruptcy estate's reinsurers which requires proper claims handling and consequently a correct calculation of the insurance claims, among other things, The foundation of the trustee's continued work of winding up the insurance activities is therefore to ensure proper claims handling and defend the point of view that the creditors must be treated the same in compliance with the rules to this effect of the Bankruptcy Act.

As a consequence of the many estimates relating to both the calculation of the assets and the liabilities and the outcome of the pending legal actions, 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 at this point in time to estimate when it can be expected that the bankruptcy estate will be wound up.

9. INTERIM FEE

The trustee has not requested or 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.

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 2024 at the latest to the bankruptcy court and the creditors.

Copenhagen, 16 April 2024

Boris Frederiksen
Partner, Attorney