

Danish report of 7 October 2024 – translation made on 21 October 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, 16 October 2023 and most recently of 16 April 2024.

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 part of continuing the bankruptcy estate's operations the trustee decided for practical reasons to keep a number of the bankruptcy estate's bank accounts so that it was still possible to receive payments and make payments in connection with the continued operations. Keeping the bankruptcy estate's bank and account set-up also ensures separation between the bankruptcy estate's unencumbered and registered assets as the funds related to the bankruptcy estate's unencumbered assets are deposited in a separate

client account with the trustee from which payments are also made of expenses relating to the unencumbered assets. Reference is made to the previous reports which contain accounts of the previous changes/adjustments in respect of the bankruptcy estate's accounts.

The trustee has not found any reason to make changes to the bankruptcy estate's account set-up for the past six months, and as a consequence the bankruptcy estate still had 18 open bank accounts with Nordea Bank Danmark on 31 August 2024. The powers of attorney for the bankruptcy estate's accounts have been adjusted on an ongoing basis in connection with departures of employees.

It is expected that bank accounts will be closed on an ongoing basis as the insurance activities are wound up/terminated.

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.

It is noted that the calculation below describes the movements from the date of the bankruptcy order of 20 December 2018 until 31 August 2024. This is a change from the most recent reports which only described the movements compared to (at that time) the most recent report. The reason for the change is to provide a better overview of the development in the bankruptcy estate and the estate administration from the bankruptcy order on 20 December 2018 and until 31 August 2024.

The registered assets as at 31 August 2024 were booked at the following values:

1. Government bonds

The bankruptcy estate's government bonds as at 20 December 2018 were booked at DKK 6,827,828. As at 31 August 2024, the bankruptcy estate's government bonds amounted to DKK 0 as the bankruptcy estate has sold/drawn all the government bonds. The bankruptcy estate has received proceeds of DKK 7,338,720 in total and a capital gain of DKK 510,892 in that connection. The proceeds have been included in the bankruptcy estate's deposits in paragraph 4 below. The asset has been included at book value.

DKK

0.00

2. Corporate bonds

The bankruptcy estate's corporate bonds were booked at DKK 184,187,327 as at 20 December 2018. The bankruptcy estate's corporate bonds amounted to DKK 4,689,413 on 31

August 2024. The reason for the reduction is the bankruptcy estate's sale/drawing of bonds of DKK 151,498.55 in total (DKK 297,437 in the past six months), a capital loss of DKK 410,449 and previous write-downs of DKK 27,588,911. The proceeds have been included in the bankruptcy estate's deposits in paragraph 4 below. The asset as at 31 August 2024 was included by

DKK 4,689,413.00

3. Shares in subsidiary

The shares in ASG Forsikringsagentur A/S (now in bankruptcy) were booked at DKK 0 as at 20 December 2018. As bankruptcy proceedings have been commenced against ASG Forsikringsagentur A/S and as only a small dividend is expected for the unsecured creditors, the assets is still included at the book value.

DKK 0.00

4. Deposit

As at 20 December 2018, the bankruptcy estate's deposits amounted to DKK 32,051,703. The bankruptcy estate's deposits were booked at DKK 468,102,570 as at 31 August 2024.

It has been taken into account in connection with the calculation that DKK 185,000,000 has been paid to the Guarantee Fund for Non-life Insurers and that a fee on account has been paid to the trustee. Moreover, the reason for the increase in the deposits from when the company went bankrupt is primarily a result of the bankruptcy estate's sale/drawing of bonds of DKK 158,837,275 (it is noted in respect of items 1 and 2 that the capital gain/loss is not included in this amount), payments of reinsurance receivables of DKK 620,563,353 (item 6), payments of interest and fees of DKK 21,612,087, payment of receivables from claim examiners/coverholders of DKK 19,529,000, subrogation payments of DKK 9,115,300, payment of DKK 21,474,283 in relation to court cases and repayment of DKK 2,557,287 from the English Motor Insurers' Bureau. A number of expenses relating to continuing the operations of the bankruptcy estate of DKK 143,309,985 in total, reinsurance premium of DKK 3,402,393 (item 6) in total and other costs including translation adjustments, etc of DKK 29,322,427 in total have also been paid throughout the entire period. The asset has been included at book value.

DKK 468,102,570.00

5. The part of the reinsurance of the provision for unearned premiums and the provision for claims outstanding (expected receivable)

The bankruptcy estate has a booked asset consisting of expected claims against its reinsurers. The amount is consequently only a calculation for the purpose of the bookkeeping as the amount of the final asset is not yet known. The value of the asset may vary depending on the fluctuations in the calculation of the bankruptcy estate's provisions for unearned premiums and the provisions for claims outstanding (items 18 and 19) that are made regularly. When a loss has been established, notified and examined and the receivable from the reinsurer has consequently become a fact, the receivable will be included in item 6 below. The receivable amounted to DKK 1,360,106,427 as at 20 December 2018. The receivable amounted to DKK 330,176,811 as at 31 August 2024.

The primary reason for the difference in the value of the receivable is a reduction in the provisions for claims outstanding of DKK 1,108,717,099, a reduction in the provisions for unearned premiums of DKK 170,796,588, an increase in the provisions for excess of loss of DKK 209,247,738, discounting of loss reserve of DKK 3,434,999 and a translation adjustment of DKK 36,901,335. The asset has been included at book value.

DKK 330,176,811.00

6. Receivables from reinsurers (actual receivable)

The bankruptcy estate has an actual receivable from reinsurers which amounted to DKK 113,086,871 as at 20 December 2018. The receivable amounted to DKK 86,934,494 as at 31 August 2024.

The primary reason for the reduction in the period is that the bankruptcy estate's reinsurers have paid DKK 620,563,353 in total (DKK 11,322,159 during the past six months) which has been added to the deposits (item 4), and that the part of the reinsurance relating to the provisions for claims outstanding has increased by DKK 567,353,827 because a number of claims have been processed which resulted in the loss having been finally determined and calculated (the provisions for claims outstanding in item 19 were written down at the same time). Adjustments have also been made including translation adjustments and

provisions for bad debts of DKK 23,654,757 and premiums of DKK 3,402,393 in total have been paid to reinsurers. The receivable has been included at book value. DKK 86,934,494.00

7. Receivable from insurance brokers/coverholders, etc

The bankruptcy estate had a booked asset with the company's insurance brokers/coverholders as at 20 December 2018 of DKK -15,055,940 (ie a booked liability). The reason is that up to the issue of the bankruptcy order several coverholders transferred portfolios and corrected the bordereaux which resulted in a liability. The item was subsequently eliminated and the book value was DKK 0 as at 31 August 2024. The receivable has been included at book value. 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 (item 4 above). Legal actions are currently pending about this issue, see paragraph 6.1.3.4. 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 889,903,289.00

1.3 Unencumbered assets

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

The unencumbered assets as at 31 August 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 31 August 2024 were booked at DKK 50,000. The assets are still being used in the DKK 1.00

day-to-day operations, which is why for the time being the asset is included at a value for memory purposes of

10. Receivable from consolidated companies

The bankruptcy estate has a booked asset consisting of receivables from consolidated companies. The receivables as at 31 August 2024 were booked at DKK 3,456,616. The bankruptcy estate has collected receivables on an ongoing basis which have been deposited into the client account (item 16) and has filed a claim against the consolidated company which is now subject to bankruptcy proceedings. The claim has been examined and admitted. The bankruptcy estate awaits the distribution of dividend. Afterwards this item can probably be finally settled. The bankruptcy estate's receivables are currently included at the book value by

DKK 3,456,616.00

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 as at 31 August 2024 was booked at

DKK 982,912.00

12. Rent deposit - Kongevejen 371

The receivable relating to the rent deposit is not 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 31 August 2024 the asset was booked at

DKK 0.00

14. Rent deposit - London

DKK 0.00

The receivable relating to the rent deposit is not deemed to be of any value to the estate as previously stated. The asset has been included at book value.

15. Intangible assets

The intangible assets are software equipment used in the operation of the bankruptcy estate and goodwill. The asset as at 31 August 2024 was booked at DKK 0. The asset has been included at book value.

DKK 0.00

16. Deposit in client account

As at 31 August 2024, the deposit amounted to DKK 33,302,269. Expenses relating to the unencumbered assets have regularly been paid out of the deposit, including expenses in connection with the legal actions that have been brought and the pending legal actions under the unencumbered assets as well as an interim fee to the trustee. It is noted that the deposit includes a total amount of DKK 13,943,450.26 relating to the receipt of repayment of VAT liability for 2019 and 2020, payroll tax liability for 2020 and payment of interest. A significant part of the amount (approximately DKK 11.7 million) relates to the registered assets which will therefore be eliminated/transferred to the registered assets when the final calculation is made. In addition, an amount of approximately DKK 5 million will be included which is currently the subject-matter of appeal proceedings, see paragraph 6.2.2.4, and paid provision of security for conducting the court cases.

As at 31 August 2024 the asset was booked at

DKK 33,302,269.00

17. Legal actions concerning claims for avoidance, recovery and damages

The bankruptcy estate has brought a number of legal actions concerning avoidance, recovery and damages against a number of consolidated and related companies as well as members of the former management of Qudos and the former external auditor and others and has raised a number of claims for payment where suspension agreements have been entered into, see the trustee's previous reports under section 125(4) of the Bankruptcy Act and paragraphs 6.2.2-6.2.4 below.

Legal actions have been brought and claims have been raised of a nominal amount of DKK 403,953,735 plus interest under the provisions of the Danish Interest Act.

Five legal actions with claims of a total nominal amount of DKK 34,998,141 have been concluded which has resulted in the bankruptcy estate receiving DKK 29,207,767 including statutory interest and legal costs. The amount is included in the deposit in the bankruptcy estate's client account (item 16). The amount received includes DKK 5 million which is the subject-matter of pending appeal proceedings, see paragraph 6.2.2.4.

In one of the concluded legal actions the bankruptcy estate has received a judgment against a consolidated company of DKK 280,183 plus interest, but it was established through the subsequent bankruptcy of the consolidated company that the bankruptcy estate's claim will not be covered. As for the result of the concluded individual legal actions, reference is made to the trustee's previous reports under section 125(4) of the Bankruptcy Act.

Legal actions concerning the claims for avoidance, recovery and damages are still pending and there are talks about claims raised of a total nominal amount of DKK 368,955,594, see paragraphs 6.2.2-6.2.4 for details. As the legal actions are still pending, the total claim is included at an estimated value for memory purposes at this point in time.

DKK 50,000,000

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

DKK 10,000,000.00

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.

Reference is made to the previous reports in which the trustee has stated that it is the trustee's assessment that the notified claims for return premium can be paid by the bankruptcy estate's registered assets.

18. Expected claims for return premium

The booked provisions for unearned premiums amounted to DKK 620,179,154 as at 20 December 2018. As at 31 August 2024, the booked provisions for unearned premiums amounted to DKK

104,497,820. 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 must be emphasised that the trustee is of the opinion that the claims for repayment of premiums have become barred by limitation, which is why in future the item will be included without any value.

DKK 0.00

19. **Expected insurance claims**

The expected insurance claims are a calculation for the purpose of the bookkeeping of the amount put aside to cover the policyholders'/the claimants' insurance claims. The claim is a calculated value and may consequently vary depending on the development in the actual insurance claims. The provisions for claims outstanding as at 20 December 2018 amounted to DKK 1,876,899,585. As at 31 August 2024, the booked provisions amounted to DKK 394,222,821.

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 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 Guarantee Fund for Non-life Insurers and other national funds.

DKK 394,222,821.00

20. **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. Because the receivable as at 20 December 2018 amounted to DKK 0, the deduction is included at

DKK 0.00

21. **Claims proved so far in respect of the registered assets**

As at 31 August 2024, claims proved in respect of the registered assets amounted to DKK 3,094,843,396.13 in total. It is noted that this is still 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. In addition, some creditors have proved current claims as well as expected future claims. This creates significant uncertainty as to the final calculation of the claims under the registered assets, and it must also be expected that several claims have been proved twice. It is expected that an overview of the claims that have been proved twice can only be made in connection with the examination of claims. It is expected that the number of claims that have been proved twice will be eliminated over time.

DKK 3,094,843,396.13

Expected liabilities in total

DKK 3,489,066,217.13

It is noted in respect of the above calculation that the expected claims for return premium and the insurance claims (items 18 and 19) later on in the estate administration will be replaced by actual claims (item 21) as the claims for return premium and the insurance claims are paid, 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 and no final claims have therefore been received from the biggest creditors.

As at 31 August 2024, the various guarantee fund schemes have reported to the bankruptcy estate that a total of DKK 1,536,324,661 has been paid to cover both the accepted insurance claims and the claims for return premiums. As stated in a previous report, the amount reported to the bankruptcy estate 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 which the bankruptcy estate is not to cover. 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 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.

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	32,663,836.49
Liabilities in total	DKK	35,301,445.48

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 6.2.2 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 March 2024 to 31 August 2024 has continued to be extensive.

A general account of the main groups on which the trustee has primarily 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*

As it appears from the list of assets in paragraph 1.2, item 1, all the government bonds have been drawn, which is why the bankruptcy estate's portfolio of securities mainly consists of corporate bonds which were booked at DKK 4,689,413 as at 31 August 2024, see the list of assets in paragraph 1.2, item 2.

Since the most recent report, DKK 297,437 in total of the bankruptcy estate's corporate bonds has been drawn which has been added to the deposit used for operating the bankruptcy estate, see paragraph 1.2, items 1 and 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 meetings in person or online to ensure the calculation and collection/recovery of receivables.

The overall result is that it is possible that the reinsurer has a small 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. Our current assessment is that the only outstanding issue is that one claims examiner calculates a number of losses and the reserves in respect of such losses, which is why the trustee is still expecting that the issue will be solved in 2024/2025 through close dialogue with the reinsurer.

Since the most recent report the trustee has continued the mentioned discussions with the above insurer concerning the losses on the English and Irish motor insurance and reconciliation of such losses. The reconciliation work is progressing, albeit not at the speed that the trustee had hoped. As also written in the most recent report, the reinsurer asked before the turn of the year to carry out an inspection in person at the bankruptcy estate's address.

The inspection was carried out in spring 2024 and the reinsurer was especially focused on the IT system implemented by the estate and the estate's handling of data from the claims examiners. A number of follow-up points were identified which the estate and the reinsurer in collaboration had subsequently to solve. In that connection the trustee has participated in meetings with both employees from the estate and representatives of the reinsurer.

In the middle of August 2024 there were only three follow-up points left and the trustee therefore expects that the inspection can be concluded in 2024.

The reconciliation of the losses on the English and Irish motor insurance has meant that the reinsurer has withheld a significant amount, but in light of recent developments, including the positive feedback from the reinsurer, the bankruptcy estate expects that the amount will be released soon.

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 158,197 and EUR 210,624 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. Since the most recent report the bankruptcy estate has continued to determine whether it would be expedient to move the handling of the English excess of loss to another insurance broker as the trustee has previously assessed that the bankruptcy estate's losses were not given sufficient priority. But the trustee has assessed that for various reasons it will not be expedient to move the losses to another insurance broker.

Moreover, the trustee is in regular contact with the bankruptcy estate's English consultant that handles the English and Irish excess of loss 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 continues to index 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 also 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.

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.

Quite some time has been spent in the previous period on discussions with the English lawyer about follow-up.

Moreover, the same Asian reinsurer has informed the trustee that the reinsurer has a receivable against the bankruptcy estate in respect of excess of loss. The trustee's investigations of this issue are still being conducted, and for the time being it is the trustee's opinion that the reinsurer does not have any receivable

from the bankruptcy estate. The trustee is also still ensuring that the reinsurer pays 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. Legal analyses and assessments by an actuary are being made in that connection. The trustee expects to intensify the commutation work for the rest of 2024 and onwards.

Approximately 627 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 -15,055,940 (ie a booked liability) as at 20 December 2018, see paragraph 1.2, item 7. The reason is that up to the issue of the bankruptcy order several coverholders transferred portfolios and corrected the bordereaux which resulted in a liability. The item has since then been eliminated, and as at 31 August 2024 the book value amounted to DKK 0.

6.1.3.1 *Excess amounts*

The trustee continued collecting outstanding excess amounts from several policyholders. There were a total of 36 open cases in this connection. The trustee has closed 33 of these cases and 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.

6.1.3.2 *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.

6.1.3.3 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 still waiting for the decision by the Danish National Tax Tribunal concerning the bankruptcy estate's complaint about the decision from the Danish Tax Agency.

The trustee has appealed against the British tax authorities' rejection of the bankruptcy estate's claim for a refund. Time has been spent on procedural law matters including discussions concerning the examination of witnesses in the case, preparation of additional pleadings as well as procurement of extensive documentation. The case is still pending and is handled in collaboration with an external lawyer in Britain.

Moreover, the bankruptcy estate has appealed against the rejection by the French tax authorities of the bankruptcy estate's claim for repayment, and since the most recent report the French tax authorities have rejected the bankruptcy estate's claim for a refund of IPT. As is the case in Britain, this case is being handled in collaboration with an external lawyer in France with whom the trustee has discussed the rejection.

The trustee has stopped the work of reclaiming IPT in France since the most recent report. A possible case against the French tax authorities must await repayment of premium to the French policyholders.

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

Approximately 125 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 6.1.3.4 below, since the most recent report.

6.1.3.4 Reclaiming unearned coverholder commission

The bankruptcy estate has raised claims for repayment of unearned coverholder commission against a number of the bankruptcy estate's former coverholders. Reference is made to the previous reports for a detailed account of the work previously performed by the trustee.

1) 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 has looked into the possibility of receiving the judgment debt from the coverholder's insurer which has rejected coverage. These investigations are still being conducted as the insurance company has maintained its rejection and has rejected to hand over the policies and the underlying insurance terms to the bankruptcy estate's attorney in France who has not yet had the opportunity to assess whether the rejection is justified.

The trustee expects that legal steps will be taken in 2024 for the purpose of receiving the policies.

2) 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, but at this point in time dividend is not expected.

3) Legal action against a former coverholder in Denmark

On 17 December 2021, the bankruptcy estate brought a legal action against another 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.

In the previous period, the trustee raised a claim for damages against the former management and the coverholder's auditor, see paragraph 6.2.2.5 for details.

4) 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, GBP 103,465.67 concerning premium receivables and a claim of EUR 1,540,663.21 concerning unearned coverholder commission.

On 19 May 2023, the Irish lawyer filed a request for discovery on behalf of the bankruptcy estate by which the bankruptcy estate clarified a number of the facts in dispute of which the defendant was 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 trustee has continued the work of collecting and going through extensive documentation for discovery. Several meetings have been held in that connection between the trustee and the lawyer in Ireland, partly about the discovery process and partly about the progress of the case.

The trustee has also spent time on answering internal inquiries from the lawyer in Ireland for the purpose of the case.

The case is still pending on the parties' replies to the outstanding particulars of discovery. On 20 September 2024, discovery material was exchanged, and the bankruptcy estate expects that the trial hearing will take place in 2025.

5) Claims against a former coverholder in England

The bankruptcy estate has raised a significant claim running into millions against an English coverholder and a reinsurer.

The trustee's work relating to recovering the claim against the coverholder and the reinsurer is still being performed, and as a consequence the trustee has continued to have ongoing discussions with the bankruptcy estate's lawyers in England.

The trustee has entered into a suspension agreement with the coverholder which expired at the end of March 2024. But in the period since the most recent report the parties reached an agreement on extending the suspension agreement which runs until 1 July 2025.

Approximately 211 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 to 6.1.4.9.

6.1.4.1 *Claims handling*

Reference is made to the previous reports for a detailed account of the continuation and management of the claims handling. The claims handling continued in the previous period.

The trustee's work relating to the continued claims handling still took up a lot of time in the previous period. The work has included ensuring on an ongoing basis correct and proper claims handling by the respective claims examiners. As several insurance portfolios have now been closed as the handling of the claims has been completed, the trustee is focused on ensuring that correct reporting is made/continues to be made in the claims bordereaux as well as reporting of accepted insurance claims to the bankruptcy estate for the purpose of registration in the bankruptcy estate's register of debts and claims, see paragraph 5.1.5.1 for details.

In that connection the trustee has continued to have in-depth discussions and correspondence with the attached claims examiners regarding the process of reporting the accepted claims that are not covered by any guarantee fund scheme 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 been involved in a number of big

and complicated personal injury cases, including about determining the reserves, which has also required a dialogue with and ongoing information to the bankruptcy estate's reinsurers in order to ultimately secure the bankruptcy estate's significant receivables from reinsurers.

20 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 June 2024 could be calculated to be 763 open claims in total based on the claims examiners' reporting to the bankruptcy estate,

The trustee is still going through the individual loss portfolios on an ongoing basis for the purpose of verifying the claims examiners' reporting/the number of open claims.

It is noted in that connection that the trustee's employees are still present in person at the company to ensure the progress of the claims handling.

As written in the most recent report, 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. The trustee has continued to spend time on making sure that the open claims with the external claims examiner are managed properly to ensure that the claims are still being examined and that in future the claims will be notified directly to the bankruptcy estate, bypassing the coverholder.

The trustee has corresponded with the claims examiner in that connection on an ongoing basis including for the purpose of entering into a claims examination agreement, but such an agreement has not yet been concluded. Discussions are therefore still being held about the individual provisions and terms of the agreement.

Approximately 717 hours have been spent since the most recent report on dealing with the ongoing claims handling.

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.

It is noted in this connection that since the most recent report the bankruptcy estate moved to smaller leased premises with a reduced rent.

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.

Approximately 27 hours have been spent by lawyers on such work since the most recent report.

6.1.4.3 The bankruptcy estate's employees and attached consultants

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.

Two employees resigned in the previous period.

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 25 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, including FSCS (Great Britain).

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.

Approximately 74 hours have been spent by lawyers on such work since the most recent report.

6.1.4.5 Correspondence with policyholders and claimants

In the previous period, the trustee continued to have regular correspondence with the policyholders and the claimants about their claims for return premiums and insurance claims against Qudos.

It is noted that the trustee has received approximately 8,426 inquiries in the email inbox that the trustee's office is dealing with on an ongoing basis (approximately 30 inquiries in the previous period). Add to this that a large number of emails was also sent to the trustee's office and employees, inquiries over the telephone, post and service of documents.

The emails are 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 the previous period, the trustee also continued to ensure that the bankruptcy estate's website (www.qudosinsurance.dk) is kept up to date with relevant information about the estate administration.

Approximately 31 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

The trustee continued to spend time on the legal actions to which Qudos was a party before the issue of the bankruptcy order and on the legal actions brought by the trustee on behalf of the bankruptcy estate. Please find below an account of the court cases that do not concern unearned coverholder commission (described in paragraph 6.1.3.4 above).

1) Legal action brought against a Danish coverholder:

The bankruptcy estate brought a legal action 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 has subsequently filed the bankruptcy estate's claim against the coverholder's bankruptcy estate, but at this point in time dividend is not expected.

2) Legal actions about subrogation etc:

Two legal actions are currently pending concerning subrogation.

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 survey and appraisal and supplementary questions to the expert. The case has been set down for trial on 14 October 2024 and one full day in court has been reserved.

In the other case the bankruptcy estate brought a legal action against a technical consultant before the District Court of Holbæk on 21 April 2023. The trustee spent time in the previous period on going through the supplementary questions to the expert. The case is currently pending on the expert's answers to the supplementary questions and on fixing a date for the trial hearing.

Since the most recent report approximately 15 hours have been spent on the legal actions brought by the bankruptcy estate or to which the bankruptcy estate has become a party.

6.1.4.7 Legal actions brought against the bankruptcy estate after the issue of the bankruptcy order

Reference is made to the previous reports for a detailed account of the work previously performed by the trustee including the bankruptcy estate's instructions for the external liaison lawyers to claim dismissal in the cases brought against the bankruptcy estate after the issue of the bankruptcy order.

As judgments are being delivered in more legal actions, the trustee has intensified the focus on the processes and the procedures for entering/registering the claims in the bankruptcy estate's register of debts and claims. The work has included in-depth analysis of the reporting by the liaison lawyers and studying the serviced documents.

Cases concerning the taking of evidence out of court

As written in previous reports, a number of legal actions have also 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.

Another case concerning the taking of evidence out of court has been closed since the most recent report. The case was closed without the court making any decision on the legal costs as it had been agreed between the bankruptcy estate and the opposing party that each party was to bear its own costs.

The bankruptcy estate has been named as a respondent in another case about the taking of evidence out of court since the most recent report.

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.

It means that three legal actions are still 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.

The trustee has also spent time on dealing with cases that have not (yet) resulted in a legal action, but where a decision has either been made by the Danish Insurance Complaints Board or where there have been discussions with opposing parties and/or their representatives.

Approximately 216 hours have been spent by lawyers on the work relating to the legal actions brought against the bankruptcy estate and other cases since the most recent report.

6.1.4.8 *Compliance, GDPR and audits*

In the previous period, the trustee's work included planning the audits of several of the bankruptcy estate's claims examiners in respect of 2024. So far, audits of about eight claims examiners have been planned this year. The audits of the claims examiners will be conducted by external or internal auditors. The internal audit is being conducted by the bankruptcy estate's employees in the legal department.

In connection with the planning of the audits the trustee and the bankruptcy estate's employees had ongoing discussions and correspondence with the claims examiners about coordinating the audits, including drawing up specific instructions for the auditors with guidelines for conducting the audit of the various claims examiners. This work is important for the ongoing claims handling including in respect of securing the bankruptcy estate's receivable from reinsurers. In addition to focusing on the quality and progress of the claims handling by the claims examiners, the trustee updates the instructions on an ongoing basis based on the experiences gained from the audits that were previously carried out. Discussions and correspondence about the focal points of the audit are still taking place.

The trustee has continued to spend time on ensuring that the operations of the bankruptcy estate are wound up in compliance with the General Data Protection Regulation to the widest extent possible. Reference is made to the previous reports for a detailed account in this regard.

The work in the previous period included drafting and updating data processing agreements with the bankruptcy estate's attached business associates. There has also been a lot of work relating to the compulsory supervision and updating of the risk assessment of the claims examiners, drawing up and updating the data processing agreements and coordination, including matters regarding termination of agreements, return of data, etc. This work will be performed as long as the external claims examiners examine claims. Finally, the trustee's work has included taking a decision on the exchange of personal data in connection with various legal actions and investigations, etc.

Approximately 86 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 final decision by the Danish Tax Agency on the amended declarations for 2021.

Finally, the bankruptcy estate is still 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 122 hours have been spent on such work since the most recent report of which 80 hours have been spent by the trustee's employee skilled in accounts.

6.1.5 Examination of claims proved in respect of the registered assets

The trustee has spent a lot of time on planning the future examination of the claims filed under the registered assets. The purpose is to commence the examination of claims when the claims have become final including from the respective guarantee fund schemes, claims examiners and individual policyholders whereby it is expected that there will be clarity and an overview as to the liabilities.

The trustee currently expects to commence the examination of the claims filed under the registered assets during 2025 or 2026. But it depends on receipt of final claims from, among others, the respective guarantee fund schemes including documentation of their subrogation claims, see below for details. The examination of insurance claims cannot therefore commence before the receipt of final claims.

6.1.5.1 Insurance claims

The trustee has had extensive work concerning the planning of structured processes to ensure that accepted insurance claims not covered by the guarantee funds will be reported by the respective claims examiners to the bankruptcy estate for the purpose of registration in the bankruptcy estate's register of debts and claims. Reference is made to the previous reports for a detailed account of the processes for registering the claims in the bankruptcy estate's register of debts and claims, including the prepared reporting sheets for the reporting.

The planned processes include a structured review of the contractual basis and claims bordereaux to determine the number/extent of closed accepted insurance claims not covered by the guarantee funds to be registered in the register of debts and claims. The work is performed in collaboration with the bankruptcy estate's employees and weekly meetings are being held in that connection to discuss and go through the individual loss portfolios.

As previously stated, the quality of the reported claims bordereaux from the claims examiners varies and it has therefore been necessary to a certain extent and following a specific assessment for the bankruptcy estate's employees to manually update/correct the bordereaux based on knowledge about the development in claims in the portfolio so that the overview of claims will be true. This work is still taking place.

It is noted that despite the fact that several claims examiners have stated that it is expected that only a small number of claims will be reported to be registered in the register of debts and claims, it is nevertheless still the trustee's expectation that a large number of claims will be filed against the bankruptcy estate in the next period.

The trustee has also planned processes for obtaining the underlying data/proof of the accepted insurance claims not covered by the guarantee funds and also insurance claims not covered by the guarantee funds that have been rejected by the claims examiner in the period after the issue of the bankruptcy order. The purpose of this is to ensure that the trustee has all the documentation concerning the individual insurance claims. The work of obtaining the underlying documentation has started and it will be intensified in the next period as several loss portfolios are being closed.

The trustee has also participated in several meetings and has had discussions with the various guarantee fund schemes about the process of notifying their final subrogation claims relating to the insurance claims and the documentation requirements in that connection. It is noted that all the guarantee fund schemes have received the same reporting sheet and guide for the reporting of the underlying claims to which the respective guarantee fund schemes have subrogated.

The discussions with the respective guarantee fund schemes are still taking place.

Approximately 332 hours have been spent by lawyers on such work since the most recent report.

6.1.5.2 Claims for return premium

The trustee has continued the work of planning the initial steps in the process of examining the claims for return premium including both in relation to the merits of the claims and the examination of claims process in general. This work is still taking place.

Approximately 77 hours have been spent by lawyers on such work since the most recent report.

6.1.5.3 *Complaints*

Reference is made to the previous reports for a detailed account of the types of complaint and the process concerning the handling of the complaints.

As at 31 August 2024, 42 complaints had been made and registered in the bankruptcy estate through the complaint form (one additional complaint has been made and registered since the most recent report).

The trustee continued to plan the examination of claims in the complaints in the previous period.

Approximately 21 hours have been spent by lawyers on such work since the most recent report.

6.1.5.4 *The special status of the Guarantee Fund for Non-life Insurers in relation to receivables from reinsurers and other assets*

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 damages 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 commenced claims adjudication proceedings against Alpha Insurance A/S in bankruptcy. The hearing of the case took four days in court in May 2024, on 7, 8, 14 and 15 May 2024 respectively.

The Danish Maritime and Commercial High Court passed its judgment in the case on 5 July 2024 where the court found for Alpha Insurance A/S in bankruptcy.

The Guarantee Fund for Non-life Insurers filed a notice of appeal with the Danish Eastern High Court on 12 July 2024, and on 21 August 2024 Alpha Insurance A/S in bankruptcy filed its defence.

It is still 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 continues to follow the development in the case closely.

This issue is therefore still the subject of discussions and correspondence between the parties, and approximately 25 hours have been spent since the most recent report.

It means that approximately 2,746 hours in total have been spent on work relating to the registered assets of which 80 hours have been spent by the trustee's employees skilled in accounts.

6.2 Time spent on the unencumbered assets

The trustee's work relating to the unencumbered assets in the period since 1 March 2024 and up to 31 August 2024 has focused on the following tasks:

6.2.1 *Sale of assets*

In connection with the move to smaller leased premises the trustee went through the bankruptcy estate's furniture and office supplies with a view to a sale, see the most recent report. The trustee has arranged for a sale of desks, shelving units, chairs and lamps, etc through an auction house and the sale has generated DKK 8,732.50 inclusive of VAT (equal to DKK 6,986.00 exclusive of VAT). The trustee's work has therefore included the sale and dialogue with the auction house.

6.2.2 *Litigation regarding claims for avoidance, recovery and claims for damages*

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

The individual cases are described below.

6.2.2.1 *Legal action regarding claim for damages against two members of the former management of Qudos*

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

25,800,000. Following prolonged settlement discussions, the bankruptcy estate and the liquidators of the foreign company entered into a settlement on 26 October 2022 and the legal action in Guernsey was withdrawn. The settlement terms are subject to a confidentiality clause.

At the same time as the legal proceedings in Guernsey the bankruptcy estate had reserved the right to raise a personal claim for damages of the same amount of DKK 25,800,000 against the members of the management involved in the transaction.

The bankruptcy estate consequently 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 damages of DKK 25,800,000 where the bankruptcy estate's loss is now being pursued. The subject-matter of the claim for damages relates to the involvement of the two former members of the management in the transaction from which the bankruptcy estate's claim for recovery and/or avoidance against the foreign company in Guernsey arose.

At the same time as the legal action was brought before the Copenhagen City Court 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 damages against the former members of the management if the claim for damages 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 dismissal of the case 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 of proceedings pending 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 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 and the court set a deadline for the defendants to file a pleading.

The defendants filed rejoinders concerning the substantive issues on 19 and 26 April 2024 respectively and the bankruptcy estate filed an additional pleading on 6 September 2024.

The trial hearing before the Copenhagen City Court has not yet been scheduled.

In the period since the most recent report, the work has included exchanging pleadings about the substantive issue before the Copenhagen City Court. The trustee's work has included going through the defendants' rejoinders and drafting an additional pleading.

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

6.2.2.2 Legal action about claims for recovery and damages 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/damages 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 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 subsequently looked 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 extensive correspondence about the process of the expert survey and appraisal.

A trial hearing in the case before the Copenhagen City Court was 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 bankruptcy estate proposed a specific expert by a notice of 17 May 2024. The expert is the same as the expert that the bankruptcy estate has proposed in the "legal proceedings concerning liability in damages", see paragraph 6.2.3.2 for details, as there is a significant overlap between the questions for the expert in the two cases. Pleadings were subsequently exchanged between the bankruptcy estate and the defendants in the case about the expert proposed by the bankruptcy estate where the defendants raised a number of objections.

The expert has stated that he is of the opinion that he is qualified and does not have any personal interest in the task of answering the questions for the expert in the case.

The Copenhagen City Court decided by a ruling of 25 June 2024 based on the exchange of pleadings in the case to appoint the expert that the bankruptcy estate had proposed. The expert has a deadline of 25 March 2025 to submit the report and the proposed fee.

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

6.2.2.3 *Claims for avoidance, repayment and damages 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 damages 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/recovery 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 entered

into a suspension agreement with the parties that have been served notice on where the parties suspended the period of limitation under the rules of the Danish Limitation Act.

As a result of the above, the bankruptcy estate has followed up on and dealt with the section 144 process and approximately one hour has been spent by a lawyer since the most recent report.

6.2.2.4 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 damages 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.

The bankruptcy estate filed an additional appeal notice with the Danish Eastern High Court on 30 August 2024.

In the period since the most recent report the work has included drafting an additional appeal notice and starting on preparing the trial hearing of the case. Time has also been spent on following up on the forwarded notifications of third parties in the case.

Approximately 9 hours in total have been spent by lawyers on the above work since the most recent report.

6.2.2.5 Claims for damages against the former management and auditor of a Danish coverholder

As described in paragraph 6.1.3.3 above, the trustee has filed a claim of DKK 114,320,545.17 concerning unearned coverholder commission against the bankruptcy estate of a former coverholder in Denmark.

Together with the trustee of the bankruptcy estate of the coverholder the trustee has conducted extensive investigations to uncover whether there is any basis for raising a claim against the former management or auditor. The work has included going through and assessing extensive material received from the bankruptcy estate of the coverholder. The trustee found that there was a basis for raising a claim for damages against the former management and auditor as a result of a number of illegal and wrongful distributions of dividend and illegal financing using funds generated from operations.

The trustee of the bankruptcy estate of the coverholder did not have sufficient funds to pursue a claim against the former management and auditor and the trustee therefore requested to bring a legal action according to the procedure of section 137 of the Bankruptcy Act. The trustee made it a condition that any proceeds from a legal action against the former manager and auditor was first to be used to cover the trustee's costs relating to the case and that the bankruptcy estate was first to receive 50% of any remaining proceedings.

The other creditors against the coverholder in bankruptcy were given the opportunity to finance a legal action or bring a legal action themselves on the same or better terms by the creditor information of 16 April 2024, but none of the other creditors wanted to pursue this opportunity. This is why the bankruptcy estate brought a legal action on 30 April 2024 against the coverholder's former management and auditor, ten people in total, claiming payment of up to DKK 90,473,153. The case is currently pending on the defendants filing defences.

Approximately 467 hours in total have been spent by lawyers on the above work.

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

6.2.3.1 The background of the case in brief

The bankruptcy estate lodged a writ of summons on 3 May 2021 against the members of the former management of Qudos and the former external auditor, claiming payment of DKK 110,000,000 ("the legal proceedings concerning liability in damages"). 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 on 31 January 2022 when the trial hearing in the case was scheduled for February, March and April 2024. The trial hearing was subsequently rescheduled, see below for details.

6.2.3.2 *Expert surveys and appraisals*

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.

For a long period of time the bankruptcy estate has tried to find qualified experts who do not have any personal interests in the case to conduct the expert survey and appraisal in the case, which turned out to be more difficult than what it was possible to foresee.

Following efforts over a long period of time the bankruptcy estate proposed, by pleading 5 of 15 April 2024 and pleading 6 of 14 June 2024, a retired auditor who until 2018 was certified by the Danish FSA to audit insurers, pension funds and banks as well as an actuary who has more than 30 years of experience in non-life insurance companies to be joint experts.

The District Court of Lyngby has not yet made a decision about the bankruptcy estate's proposed experts.

6.2.3.3 *Appeal against the court's ruling/decision to end the case preparation*

The District Court of Lyngby ruled on 21 December 2023 that the case preparation was to be concluded on 1 May 2024. The reason given by the court was that a further extension of the deadline to find an expert was 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 of the District Court of Lyngby 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 was 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 and 28 May 2026. At 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 was to be concluded on 1 May 2024.

Because the trial is scheduled to take place 21 months after the preparation of the case was to be concluded 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.

The Danish Appeals Permission Board granted the bankruptcy estate leave to appeal against the ruling of 21 December 2023 of the district court in March 2024. The bankruptcy estate then brought the ruling of 21 March 2024 of the District Court of Lyngby before the Danish Eastern High Court where the case pended with an extensive exchange of pleadings between the parties of a total of nine pleadings.

Concurrently with the pending appeal before the Danish Eastern High Court, the District Court of Lyngby decided, however, by a notice of 19 April 2024 to set a deadline for the statement of loss and the final pleading from the bankruptcy estate of 14 June 2024 and final pleadings from the defendants of 30 August 2024, and the preparation was therefore to end on 27 September 2024 instead of 1 May 2024.

On 23 May 2024, the Danish Eastern High Court ruled to reject the bankruptcy estate's appeal against the ruling of 21 December 2023 of the District Court of Lyngby. The reasoning of the Danish Eastern High Court was that the appeal against the ruling could not be heard on its merits as the ruling no longer

applied because of the new decision of the District Court of Lyngby of 19 April 2024 to end the case preparation on 27 September 2024 rather than on 1 May 2024. The Danish Eastern High Court also found that the decision of 19 April 2024 of the District Court of Lyngby could not be reviewed without prior leave from the Danish Appeals Permission Board.

Prior to the decision by the Danish Eastern High Court, the bankruptcy estate had once again applied just in case to the Danish Appeals Permission Board for leave to appeal against the decision of 19 April 2024 of the District Court of Lyngby. Pleadings were again exchanged before the Danish Appeals Permission Board about the right now to appeal against the decision.

On 12 August 2024, the Danish Appeals Permission Board (again) granted the bankruptcy estate leave to appeal against the decision of the District Court of Lyngby of 19 April 2024. The bankruptcy estate then filed a notice of appeal with the Danish Eastern High Court on 23 August 2024, claiming that the decision of the District Court of Lyngby of 19 April 2024 that the case preparation was to end on 27 September 2024 was to be cancelled and that the case preparation was to resume.

Five of the defendants filed the respondent's notice on 18 September 2024 in the appeal proceedings and therefore after the deadline for this report. They claimed that the decision by the district court to end the case preparation was to be upheld.

On 23 September 2024, the Danish Eastern High Court ruled in favour of the bankruptcy estate and changed the decision of the District Court of Lyngby so that the case preparation did not end on 27 September 2024. The case is currently pending the District Court of Lyngby setting the deadlines for the continued preparation in light of the ruling by the Danish Eastern High Court.

6.2.3.4 *Disclosure*

On 19 October 2022, the District Court of Lyngby gave a ruling on the basis 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 handed over the working papers subject to discovery according to the ruling of 19 October 2022 by the District Court of Lyngby and has informed the court and the bankruptcy estate that the auditor does not intend to comply with the discovery order.

On 13 November 2023, 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 request for discovery was then delivered for service in Great Britain. It was confirmed on 23 August 2024 following a long process that service had been effected. Pleadings are currently being exchanged about the issue of discovery.

6.2.3.5 The legal action against the former external auditor of Qudos pending in parallel

A consolidated company of Qudos also brought a legal action in 2018 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 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.

On 25 March 2024, the District Court of Lyngby delivered its judgment and the court found on the evidence that the external auditor of Qudos had engaged in actionable conduct when the auditor issued an unqualified auditors' report in the 2016 annual report of Qudos as the auditor's report should have expressed a disclaimer of opinion or an adverse opinion. The former auditor of Qudos was subsequently found liable in damages for the claim raised.

In the previous period, the bankruptcy estate spent time on going through and analysing the judgment of about 300 pages in total which is now part of the legal proceedings concerning liability in damages, see paragraph 6.2.3.7 for details.

The former auditor of Qudos has appealed against the judgment to the Danish Eastern High Court where the appeal proceedings are currently pending.

6.2.3.6 Translation of the exhibits in the case

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

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

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.

On 7 March 2024, the bankruptcy filed more than 300 translated exhibits in the case.

In the previous period, the trustee's work 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 including the pleadings and exhibits produced in the period.

The work of translating the exhibits in the case is still being performed.

6.2.3.7 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 audit 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 of the Danish Disciplinary Board on Auditors 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 with a request to commit the case to the Danish Eastern High Court. The defendant auditor and the Danish Disciplinary Board on Auditors filed defences in the case on 31 May 2024 and 14 June 2024 respectively and a meeting over the telephone has been scheduled for 10 October 2024.

6.2.3.8 Other exchange of pleadings in the legal proceedings concerning liability in damages before the District Court of Lyngby

In the previous period, the bankruptcy estate filed a total of four pleadings of approximately 150 pages in total plus related exhibits with the District Court of Lyngby to which should be added a number of procedural notices.

The bankruptcy estate has also spent time on going through the pleadings and exhibits produced by the defendants in the case.

By the bankruptcy estate's pleading 6 of 14 June 2024 in the legal proceedings concerning liability in damages based on the judgment of 25 March 2024 of the District Court of Lyngby where the former external auditor of Qudos was found liable in damages in connection with the audit of the 2016 annual report of Qudos, see paragraph 6.2.3.5 for details, the bankruptcy estate increased the amount claimed to approximately DKK 177 million. It is a result of the trustee's assessment that the point of no return

can now be determined with the necessary certainty to be 7 March 2017 when the 2016 annual report of Qudos was presented and endorsed.

The bankruptcy estate has also spent time on recalculating the statement of loss in respect of the former management and external auditor of Qudos.

The former external auditor of Qudos has disputed the basis for increasing the amount claimed by the pleading of 9 July 2024, including because of the objections as to the liabilities and limitation of actions. It is also submitted in the pleading that the issue is to be heard separately and be subject to oral proceedings.

Against this background, the bankruptcy estate filed pleading 7 of 15 August 2024 by which the bankruptcy estate maintained the basis for the increased claim and disputed the former auditor's objections.

The District Court of Lyngby has not yet taken a position on the statements made in the pleading of 9 July 2024 and pleading 7 of 15 August 2024, but has stayed the case, see the court records of 27 August 2024, pending the decision of the Danish Eastern High Court on the appeal concerning the end of the case preparation as mentioned in paragraph 6.2.3.3. At the same time the District Court of Lyngby postponed the deadline for the defendants' final pleadings which should have been filed on 30 August 2024.

In addition to the above, the bankruptcy estate has spent time on following up on the forwarded notifications of third parties in the case.

Approximately 1,150 hours have been spent by lawyers on the work described in paragraphs 6.2.3.2-6.2.3.8 since the most recent report.

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.

6.2.4 *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 three hours have been spent by lawyers on such work since the most recent report.

6.2.5 Other estate administration

Approximately 119 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 1,861 hours in total have been spent by lawyers on the unencumbered assets.

7. SUMMARY OF THE TIME SPENT

Approximately 4,607 hours in total have been spent on the estate administration, including approximately 2,746 hours on work relating to the registered assets, see paragraph 6.1, and approximately 1,861 hours relating to the unencumbered assets, see paragraph 6.2, in the period from 1 March 2024 and up to 31 August 2024.

8. INTERIM FEE

The trustee has not requested or received any interim fee since the most recent report.

9. 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.

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.

10. NEXT CREDITOR INFORMATION

The next creditor information with a report under section 125(4) of the Bankruptcy Act will be sent on 7 April 2025 at the latest to the bankruptcy court and the creditors.

Copenhagen, 7 October 2024

Boris Frederiksen
Partner, Attorney