

Danish report of 8 September 2020 – translation made on 23 September 2020

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

Alpha Insurance A/S in bankruptcy, CVR no 21064440

The Bankruptcy Division of the Danish Maritime and Commercial High Court - K 1623/18-B

.....

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 bankruptcy estate.

Firstly, I refer to my previous report under section 125(1) of the Bankruptcy Act of 29 May 2018, the report under section 125(2) of the Bankruptcy Act of 7 September 2018 as well as my previous reports under section 125(4) of the Bankruptcy Act of 7 March 2019, 6 September 2019 and 6 March 2020.

The estate's assets at this point in time are as follows:

1. ASSETS

1.1 Accounts

When the bankruptcy order was issued on 8 May 2018 Alpha Insurance A/S (now in bankruptcy) had a total of 37 open bank accounts with Sydbank A/S, 13 bank accounts with DNB in Norway, including eight in Norway, five in the UK and six accounts with UBS in Switzerland.

Considering the fact that the trustee decided to continue the operations in the company in collaboration with the Guarantee Fund for Non-Life Insurers for the purpose of winding up the insurance activities, the trustee decided to keep a number of the company's bank accounts as payments are still being made to and from the company's accounts in connection with the day-to-day operations.

Since the issue of the bankruptcy order the trustee has closed 18 bank accounts with Sydbank A/S that the trustee found were not relevant to the winding up of the insurance activities. The trustee has opened four new bank accounts with Sydbank A/S for the day-to-day operations. It means that the company has 26 open bank accounts (including a custody account) with Sydbank A/S. The trustee has closed all the accounts with DNB in the UK. The bankruptcy estate still has eight open bank accounts with DNB in Norway as well as six open accounts with UBS in Switzerland.

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

1.2 Registered assets

The registered assets have been provided as security for the insurance obligations, see section 167(4) of the then current Danish Financial Business Act. It primarily means the claimants' claims for damages and the policyholders' claims for return of premiums under the insurance contract, see paragraph 2.1 below. The registered assets also cover the necessary costs relating to closing out the portfolio as specified.

The registered assets as at 31 July 2020 were booked at:

1. Deposits

The bankruptcy estate's deposits in the bank as at 8 May 2018 amounted to DKK 61,277,557. On 31 July 2020 the bankruptcy estate's deposits amounted to DKK 718,950,601.

The increase in the deposits in the period is primarily a result of the bankruptcy estate's sale and maturity of securities, price adjustments, interest income and gains of DKK 268,570,000 (item 2), payments of reinsurance receivables of DKK 456,410,000 (item 4) and payments of receivables by agents/claims examiners of DKK 103,730,000 in total (item 5). The reason for the deviation compared to item 5 is that bigger payments have been made to the bankruptcy estate than booked in respect of the individual items. The deviation will presumably be eliminated over time.

Throughout the entire period after the issue of the bankruptcy order expenses relating to continuing the operations of the bankruptcy estate in the amount of approximately DKK 97,610,000 in total have also been paid.

Reinsurance premium and profit commission of DKK 19,510,000 has also been paid (item 4).

Finally, an interim fee relating to the registered assets has been paid to the trustee (see item 9 below for details) as well as a translation adjustment of DKK 20,620,000.

DKK 718,950,601.00

2. Securities

As at 8 May 2018 the bankruptcy estate's securities were booked at DKK 659,853,899. On 31 July 2020 the bankruptcy estate's shareholding amounted to DKK 367,124,774.

The difference in the portfolio of securities in the period is a result of the bankruptcy estate's sale and maturity of shares and bonds of approximately DKK 268,570,000 in total as well as price adjustments and relating interest of approximately DKK 24,130,000. The proceeds from the sale of securities have been included in the deposits in item 1 above.

DKK 367,124,774.00

3. The part of the reinsurance of the provision for claims outstanding (expected receivable)

The bankruptcy estate has a booked asset consisting of claims against reinsurers which is the part of the reinsurance of the expected calculated provisions for unearned premiums and the provisions for claims outstanding (items 23 and 24).

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 23 and 24) that are made regularly. When a loss has been established and the receivable from the reinsurer has consequently become a fact, the receivable will be included in item 4 below. As at 8 May 2018, the receivable amounted to DKK 1,266,860,089. On 31 July 2020 the receivable amounted to DKK 697,583,329.

The primary reason for the difference in the value of the receivable is a reduction in the premium reserve of DKK 218,200,000 (item

23), a reduction in the provisions for claims outstanding of DKK 351,290,000 (item 24) and an increase in the provisions for substantial claims outstanding of DKK 78,530,000 (but reduced from DKK 83,400,000 since 31 January 2020), translation adjustment of DKK 53,460,000, general depreciation and adjustment of profit commission of DKK 24,860,000 in total.

DKK 697,583,329.00

4. Receivables from reinsurers (actual receivable)

The bankruptcy estate has an actual receivable from reinsurers which amounted to DKK -2,315,273 on 8 May 2018. It means that at the time the bankruptcy estate owed the reinsurers. On 31 July 2020 the receivable amounted to DKK 188,121,814.

The primary reason for the difference in the period is that the bankruptcy estate's reinsurance receivable relating to returned premiums has increased by DKK 322,300,000 (note that depreciation of DKK 66,800,000 had been set off by a mistake against this item in the previous reports), that the reinsurers have paid DKK 456,410,000 in total to the bankruptcy estate throughout the period which has been added to the deposits (item 1), and that the part of the reinsurance relating to the provisions for claims outstanding has increased by DKK 362,530,000 because a number of claims have been processed which resulted in the loss on the insurance contracts (the provisions for claims outstanding in item 24 were written down at the same time).

The bankruptcy estate has also paid reinsurance premium and profit commission of DKK 19,510,000.

There have also been depreciation and translation adjustments of DKK 57,490,000.

DKK 188,121,814.00

5. Receivables from agents and claims examiners

On 8 May 2018, the receivable amounted to DKK 244,299,656. On 31 July 2020 the receivable amounted to DKK 17,210,000. The reason for the reduction in the receivable is that the trustee has made a technical bookkeeping amendment to the bankruptcy estate's booked receivables with the result that the bankruptcy estate's

outstanding payable premiums are now being deducted from the provisions (item 25) compared to section 5, para (4), in the then current Statutory Order on registration of assets in insurance companies and company pension funds. As the bankruptcy estate's outstanding payable premiums are paid to the bankruptcy estate the funds will be added to the deposits (item 1).

The bankruptcy estate has received payments of DKK 97,340,000 in total (compared to the booked items) which have been included in the deposits (item 1), including, *inter alia*, as a result of the trustee's collection of premiums owed by agents of DKK 44,100,000 in total and collection of funds in claims examiners' accounts of DKK 17,400,000 in total, payment of settlement amounts of DKK 17,520,000 in total relating to legal actions brought by Alpha Insurance A/S (now in bankruptcy) before the bankruptcy relating to loss and claims for contribution, payments of receivables relating to tax on premiums in the amount of DKK 12,700,000 and received profit commission of DKK 5,940,000. A technical bookkeeping amendment has also been made to the receivable regarding the profit commission of DKK 320,000.

The bankruptcy estate has also paid claims handling costs of DKK 24,420,000.

Finally, a number of technical bookkeeping amendments have been made regarding, *inter alia*, other loss on receivables, adjustments for time lag as well as translation adjustments of DKK 112,390,000 in total.

DKK 17,210,000.00

6. Fee from Danish Labour Market Insurance for work carried out

The trustee has carried out work relating to Labour Market Insurance in connection with its payments to claimants in the period until Labour Market Insurance was able to arrange for the administration of the industrial injury portfolio.

The trustee has invoiced the work that amounted to DKK 93,750 inclusive of VAT which has been included in the deposit in the account (item 1).

DKK 0.00

Registered assets etc in total (provisionally calculated)

DKK 1,988,990,518.00

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

1.3 Unencumbered assets

The unencumbered assets are to be used to pay all the bankruptcy estate's ordinary creditors as well as the part of the insurance claims not covered by the registered assets, see paragraph 1.2 above.

The unencumbered assets as at 31 July 2020 were booked at:

7. Deposit in client account

On 31 July 2020 the receivable amounted to DKK 61,169,539.79. It is noted that the expenses relating to the unencumbered assets have regularly been paid out of the deposit, including payment of the admitted and filed claims under section 94 as well as the payment of the current expenses relating to the unencumbered assets. In addition, an interim fee relating to the unencumbered assets has been paid to the trustee (see item 9 below for details).

DKK 61,086,628.50

8. Receivable from New Nordic Holding Limited

The bankruptcy estate has received a payment of DKK 68,383,561.64 inclusive of interest as the trustee has entered into a settlement with New Nordic Holding Limited by New Nordic Holding Limited paying DKK 65,000,000 plus interest of 10% annually.

The settlement amount has been paid into the bankruptcy estate's account and is included in the deposit in the client account (item 7).

DKK 0.00

9. Receivables from consolidated companies

The bankruptcy estate has receivables of DKK 74,047,370 in total from the consolidated companies, Alpha Holding A/S and Ahpla ApS.

As bankruptcy proceedings have been commenced against both consolidated companies and it is consequently estimated that they are unable to pay, the asset has been included at a reminder value of

DKK 1.00

10. Receivable from Intercede 2408 Limited

The receivable as at 31 July 2020 was booked at DKK 42,709,725 inclusive of interest. For the time being the claim is included at its full book value even though the value of the claim to the estate is unclear.

DKK 42,709,725.00

11. Staff loans

An employee with Alpha Insurance A/S (now in bankruptcy) received a loan from Alpha Insurance A/S (now in bankruptcy) of DKK 1,500,000 on 11 April 2013. A payment agreement was entered into after the bankruptcy. Instalments of DKK 675,000 in total had been paid as at 31 July 2020 which are included in the deposit in the client account (item 7). The amount owed consequently amounts to DKK 907,662 including accrued interest. The asset is included at the residual value.

DKK 907,662.00

12. Receivable from Beta Re AG

The receivable as at 8 May 2018 was booked at DKK 8,000,000. The trustee has entered into a payment agreement with Beta Re AG about paying off the debt. Instalments of DKK 640,000 in total had been paid as at 31 July 2020 which are included in the deposit in the client account (item 7). The asset is included at the residual value.

DKK 7,360,000.00

13. 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 July 2020 were booked at DKK 168,879. The assets were valued at DKK 277,600 by SFT Group ApS at a forced sale, which is why for the time being the asset is included at the valuation.

DKK 277,600.00

14. Rent deposit

The bankruptcy estate's offices were rented. As at 8 May 2018, the rent deposit was booked at DKK 2,120,056. The asset as at 31 July 2020 was booked at DKK 1,124,343.

The reason for the difference in the period is that the bankruptcy estate had rented out rooms to INSR and ASG Forsikringsagentur A/S (now in bankruptcy) which have both paid deposits for the leased premises. The room that was rented out to ASG Forsikringsagentur A/S (now in bankruptcy) has been deleted from the bankruptcy estate's lease and the deposit has been adjusted. In addition, an estimated deposit to be paid by Qudos Insurance A/S in bankruptcy which has sublet a part of the leased premises has been included in the bookkeeping.

It is noted that the bankruptcy estate is obliged to repair the leased premises, which is why, for the time being, the asset is included at a reminder value of

DKK 1.00

15. Receivable regarding sublet premises

Before the bankruptcy Alpha Insurance A/S (now in bankruptcy) sublet premises to CBL Insurance Services ApS (now in the process of being compulsorily dissolved). No rent was paid for 2018. The receivable as at 8 May 2018 was booked at DKK 86,614. A settlement by the payment of DKK 28,871.40 inclusive of

VAT in full and final settlement of the receivable was subsequently concluded.

The settlement amount has been paid into the bankruptcy estate's account and is included in the deposit in the client account (item 7).

DKK 0.00

16. Vehicle

When the bankruptcy order was issued the bankruptcy estate owned a Mercedes-Benz, model Viano, 3.0 CDI MPV Lang Aut. The vehicle was sold for DKK 150,000 exclusive of VAT on 8 June 2018 and the amount has been paid into the bankruptcy estate's account and is included in the deposit in the client account (item 7).

DKK 0.00

17. Intangible assets

The intangible assets relate to software equipment used in the operation of the bankruptcy estate. The asset as at 31 July 2020 was booked at DKK 0, which is why it is assessed that the asset has no value.

DKK 0.00

18. Art and designer furniture

The bankruptcy estate owns designer furniture and art, including paintings. The asset was booked at DKK 115,000 as at 31 July 2020. The assets were valued at DKK 318,600 by SFT Group ApS at a forced sale, which is why for the time being the asset is included at the valuation.

DKK 318,600.00

19. Sale of various minor assets

At this point in time the trustee has sold two iPhones X, one iPhone 8, one Google Pixie, one Samsung S7 Edge, one Lenovo ThinkCentre and one Fujitsu Siemens Esprimo. The assets were sold for DKK 11,720 in total exclusive of VAT and the amount has been paid into the bankruptcy estate's account and is included in the deposit in the client account (item 7).

DKK 0.00

20. Sale of furniture

The bankruptcy estate has sold four desks and five chairs. The assets were sold for DKK 11,500 in total exclusive of VAT and the amount has been paid into the bankruptcy estate's account and is included in the deposit in the client account (item 7).

DKK 0.00

21. Repayment from Dagbladet Børsen (a Danish newspaper)

The bankruptcy estate has terminated the company's newspaper subscription and has consequently received a repayment of DKK 6,586.07 which has been deposited into the bankruptcy estate's account and is part of the deposit in the client account (item 7).

DKK 0.00

22. Repaid taxes from Italy

The bankruptcy estate has received repaid taxes from Italy of EUR 878,879.39 (translated into DKK 6,557,670.68). The amount of DKK 6,557,670.68 has subsequently been deposited into the bankruptcy estate's account and is part of the deposit in the client account (item 7).

DKK 0.00

Unencumbered assets in total (provisionally calculated)

DKK 112,660,217.50

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

The liabilities that have a priority right to receive cover from the bankruptcy estate's registered assets are listed below, see paragraph 1.2 above.

23. Expected claims for return of premiums

The provisions for unearned premiums have been calculated as a premium paid by the policyholders, but which Alpha Insurance A/S (now in bankruptcy) had not yet earned because

of the bankruptcy which is why the amount is expected to be offset by claims for the return of premiums raised by policyholders. The booked provisions for unearned premiums amounted to DKK 555,790,663 as at 8 May 2018. As at 31 July 2020, the booked provisions for unearned premiums amounted to DKK 394,143,328.

The primary reason for the difference in the period is accrual of premium until the termination of the policies (11 August 2018), transfers of portfolios and that the Danish Guarantee Fund for Non-life Insurers has started repaying the premiums. These repayments and the consequent decrease in the provisions for unearned premiums will be offset by a corresponding claim from the Guarantee Fund for Non-life Insurers.

It is noted that since the most recent report further claims for the return of premiums have been filed.

DKK

394,143,328.00

24. Expected claims

The provisions for claims outstanding are the amount set aside to cover the policyholders'/the claimants' claims. The claim is a calculated value and may consequently vary depending on the actual claims. The provisions for claims outstanding as at 8 May 2018 were booked at DKK 2,176,518,057. As at 31 July 2020, the booked claims outstanding provisions amounted to DKK 1,581,104,603.

The primary reason for the difference in the amount in the period is that the Guarantee Fund for Non-life Insurers has paid claims of approximately DKK 1,075,380,320, which is why the provisions for claims outstanding have been reduced. These payments and the consequent decline in the provisions for claims outstanding will be offset by a corresponding claim from the Guarantee Fund for Non-life Insurers. Moreover, the loss reserves regarding a number of substantial claims outstanding of DKK 142,720,000 has increased (but reduced from

DKK 148,300,000 as at 31 January 2020) and price adjustments have been made. DKK 1,581,104,603.00

25. Deduction of half of the outstanding payable premiums

Under section 5, para (4), in 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. On 31 July 2020 the deduction amounted to DKK -27,220,000.00

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

On 31 July 2020 claims proved in respect of the registered assets amounted to DKK 805,725,980.78 in total. It is noted that this is only a provisional calculation of the proved claims as the various guarantee fund schemes are still making payments, and the trustee therefore expects to receive further claims. DKK 805,725,980.78

Expected liabilities in total DKK 2,753,753,911.78

It is noted in respect of the above calculation that the expected claims for the return of premiums and the claims later on in the estate administration will be replaced by actual claims (as stated in item 26 above) as the claims for repayment of premiums are calculated and the claims are finalised, including from the Guarantee Fund for Non-life Insurers and other national guarantee fund schemes that are subrogated to the policyholders' and the claimants' claims against the bankruptcy estate under the registered assets, see paragraph 5.1.4.4 below for details. The various guarantee fund schemes are still making payments.

As at 31 July 2020, the Guarantee Fund for Non-life Insurers paid a total of DKK 1,075,380,320 to cover both the admitted claims and the claims for the return of premiums.

2.2 Other liabilities relating to the unencumbered assets

The liabilities covered by the bankruptcy estate's unencumbered assets are specified below, see paragraph 1.3 above.

Proofs of claim lodged under section 82 of the Bankruptcy Act	DKK	471,061,553.00
Proofs of claim lodged under section 93 of the Bankruptcy Act	DKK	76,140.00
Proofs of claim lodged under section 94 of the Bankruptcy Act	DKK	1,388,181.13

Proofs of claim lodged under section 95 of the Bankruptcy Act	DKK	34,065,611.74
Proofs of claim lodged under section 97 of the Bankruptcy Act	DKK	120,384,309.21
Proofs of claim lodged under section 98 of the Bankruptcy Act	DKK	155,553,209.41
Other liabilities in total	DKK	782,529,004.49

It is generally noted that the proofs of claim lodged under section 94 of the Bankruptcy Act have been paid to the creditors.

It is noted in respect of the lodged proofs of claim that several claims could potentially be included in both the expected claims/the claims for return of premiums under the registered assets, see paragraph 2.1 above, and at the same time have been separately filed against the bankruptcy estate under the unencumbered assets, see paragraph 2.2. 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 unsecured claims have not yet been examined.

3. VOIDABLE TRANSACTIONS AND REPAYMENT CLAIMS

The trustee has concluded the investigations relating to avoidance in the bankruptcy estate.

As stated in the previous reports the trustee established four general issues in connection with the estate administration that could be voidable and the trustee therefore conducted further investigations into these issues. In that connection the trustee received accounting assistance from an external firm of accountants because of the big business volume in Alpha Insurance A/S (now in bankruptcy) and the significant number of entries each month.

Based on the conducted investigations the trustee established two issues that could be voidable, including a possible claim for avoidance of DKK 60,000,000 as well as a possible claim for avoidance of DKK 562,500. Suspension agreements were concluded in both matters.

In the past period the trustee carried out further examinations of the two possible claims for avoidance.

As for the possible claim for avoidance of DKK 60,000,000, the trustee established that according to the information available no party had been preferred over another by the transaction which is why the bankruptcy estate withdrew the claim, and the suspension agreement was terminated.

The suspension agreement regarding the possible claim for avoidance of DKK 562,500 is still in force, but it is noted that the possible claim for avoidance has now been reduced to DKK 284,715 as part of the

trustee's further examinations. In the past period the trustee had talks and correspondence with the beneficiary about the possible claim for avoidance, and the talks are still taking place.

As stated in the previous reports, the trustee also established that to a certain extent Alpha Insurance A/S (now in bankruptcy) seems to have paid expenses of a private nature on behalf of former members of the management or their connected persons. The reason for this conclusion is, *inter alia*, the type of the expense and the size of the amounts and the fact that according to the information available the expenses do not seem to be connected to the operations of Alpha Insurance A/S (now in bankruptcy).

The paid expenses are all of a private nature, but they have nevertheless been paid by use of the company credit card and have been booked as company-related expenses. The expenses do not seem to have been booked according to the previous guidelines for payment of private expenses, which is why the persons in question have not been charged the paid amounts in full by set-off against subsequent payments of salary. The potential claims for recovery against the former management and the individual connected persons amount to DKK 2,975,552 in total inclusive of interest. The trustee has raised the claims against the beneficiaries under section 215 of the Danish Companies Act, cf section 210, which is about illegal loans to shareholders and management. It must be expected that to the extent that it can be proved that a part of the expenses related to the operations of Alpha Insurance A/S (now in bankruptcy), the bankruptcy estate will withdraw parts of the raised claims.

So far the trustee has received DKK 25,710 from one of the former members of the management and the trustee is currently in dialogue with the remaining former members of the management and their connected persons about the claim for repayment.

4. CRIMINAL OFFENCES

It is regularly investigated in connection with the estate administration whether there is any basis for the trustee filing a police report under section 110(4) of the Bankruptcy Act.

The trustee's ongoing investigations in this regard are still taking place.

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

The trustee's work in the period since the most recent report and until 31 July 2020 has primarily focused on the following tasks:

5.1 The time spent on the registered assets and the relating liabilities

5.1.1 Securities

The bankruptcy estate's portfolio of securities still primarily consists of corporate bonds and government bonds that were booked as at 31 July 2020 at DKK 367,124,774 in total, see paragraph 1.2, item 2.

In the past period the trustee has managed the portfolio of securities and has regularly assessed the bankruptcy estate's securities investment policy, including the need for adjusting the policy. The assessments have been made together with UBS and Sydbank that still administer the bankruptcy estate's portfolio of securities.

In the past period the trustee also sold a part of the portfolio of securities to pay the bankruptcy estate's current operating expenses.

The trustee is still managing the portfolio of securities and assesses whether the securities investment policy is adequate and ensures that the bankruptcy estate has funds to pay for the operations.

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

5.1.2 Reinsurance

The bankruptcy estate's most important asset in the registered assets is still the receivables relating to the reinsurance contracts concluded by the bankruptcy estate and the reinsurance part of the provisions for unearned premiums and the provisions for claims outstanding and the receivables from the reinsurers, see paragraph 1.2, items 3 and 4.

It is noted that the trustee's work relating to the reinsurance has resulted in the payment of DKK 456,410,000 in total to the bankruptcy estate from the reinsurers since the company went bankrupt (calculated as at 31 July 2020).

In the past period the handling of the bankruptcy estate's reinsurance still focused on calculating and collecting the bankruptcy estate's reinsurance receivable. Dealing with the reinsurance still involves complicated issues which the trustee is assessing and making decisions about on an ongoing basis. In that connection the trustee has had discussions with the reinsurers on a daily basis regarding reconciliation and payment to the bankruptcy estate as well as other operational matters.

For example, in the past period the trustee has intensified the discussions with the brokers that act as the intermediary between the bankruptcy estate and the biggest Asian reinsurers as part of the collection of the receivables. It is noted that particularly the reconciliation of the receivable in respect of one Asian reinsurer has been complicated. One of the reasons for this is that the reports that the bankruptcy estate received from the claims examiners were not in the same format as before the company went bankrupt. The reason was that the claims examiners had taken on new staff. In the past period the trustee has solved the issue and it must be expected as a consequence that the bankruptcy estate will receive a significant receivable in the near future.

The trustee still receives assistance from Beta Re AG with the reconciliation and collection of the receivables owed to the bankruptcy estate by the reinsurers as well as assistance with dealing with various ad-hoc issues regarding the reinsurers in respect of whom Beta Re AG was the broker before the company went bankrupt. The trustee has consequently held regular meetings and has had regular discussions with Beta Re AG in the past period.

The trustee has also launched processes to ensure that the payments are made directly to the bankruptcy estate to the widest extent possible and not through the bankruptcy estate's insurance brokers.

An example of the ad-hoc issues that the trustee has dealt with in the past period relating to the reinsurers is that the bankruptcy estate and one reinsurer disagreed on the interpretation of the provisions of the reinsurance contracts. Several reinsurers also withheld amounts as they expected to receive repayments from the bankruptcy estate because of future adjustments. The parties have had extensive discussions and correspondence in that connection.

In the past period the trustee has also started on the work of commutating the first reinsurance contracts. The trustee's initial focus is on commutation of the small reinsurance contracts where the run-off can be determined with great probability or where the trustee is contractually obliged to commute certain years.

The trustee has also established procedures for reporting substantial claims to ensure correct follow-up in respect of the various reinsurers that have obligations to the bankruptcy estate in connection with substantial claims.

Finally, on 22 July 2020 the trustee sent a semi-annual update to the reinsurers containing information about the handling of the reinsurance and the general status in the bankruptcy estate. It is expected that the letter to the reinsurers will be sent during the month of December 2020.

The trustee is regularly assessing and considering the process relating to the bankruptcy estate's collection of receivables, including also considering the ongoing contractual relationships with the various reinsurers.

Approximately 867 hours have been spent by lawyers on such work since the most recent report.

5.1.2.1 Danish industrial injury

After the company went bankrupt the bankruptcy estate's portfolio of industrial injury insurance was transferred to be administered by Labour Market Insurance ("AES"), see section 54 of the Danish Industrial Injury Insurance Act.

In the past period the parties have also had intensive talks about how to deal with the reinsurance of the portfolio, including the involvement of an external claims examiner.

In the past period the trustee has had extensive discussions with AES about entering into a chargee administration agreement regarding the bankruptcy estate's costs of administering the portfolio. The trustee has also spent time on discussions with AES regarding handing over data in AES's possession in the cases covered by the industrial jury portfolio.

In the past period the trustee has also held both physical meetings and conference calls with the group of reinsurers that have reinsured the bankruptcy estate's industrial injury insurance portfolio, partly to keep them updated on the development in the portfolio and partly to ensure payment from the reinsurers. During the meetings the trustee also informed the participants of the bankruptcy estate's work of establishing loss reserves in the portfolio.

To make sure that the bankruptcy estate is still able to report correctly and fully to the reinsurers of the portfolio the trustee has also spent time on entering into an agreement with an external claims examiner regarding the administration of the portfolio. The agreement was finally entered into in March 2020 and the agreement entails that the claims examiner is to update the loss reserves in the portfolio. The trustee has corresponded with the claims examiner in that connection.

In the past period the trustee has also spent a lot of time on manually collecting material in about 4,200 industrial labour cases from AES's system (called "Se sag") to which the trustee has received access. The work has entailed manually collecting and storing PDF files regarding all the industrial labour bases that are being administered by AES because of the bankruptcy as well as subsequently handing out this material to the claims examiner. The work has also entailed reconciliation and systematisation of the collected data with the bankruptcy estate's own information in the claims bordereaux.

Finally, the trustee has spent time on going through about 200 payout files from AES in cases which were unknown to the bankruptcy estate on the basis of the information available and which could not therefore be reconciled with the bankruptcy estate's claims bordereaux. The trustee has corresponded with AES in that connection regarding the payout files and has worked on identifying and verifying the cases to ensure that Alpha Insurance A/S (now in bankruptcy) was actually an insurance company when the loss was incurred in the cases in question. This work is still taking place.

The trustee has also spent time on corresponding with the Guarantee Fund for Non-life Insurers and Insurance and Pension Denmark about the portfolio.

The trustee will send out separate updates to the insurers about the development in the portfolio of Danish industrial injury insurance.

The trustee is also regularly assessing and considering the process relating to the bankruptcy estate's collection of receivables, including also considering the ongoing contractual relationship.

Approximately 532 hours have been spent by lawyers on such work since the most recent report.

The trustee has also calculated the hours spent by lawyers in the period before 31 July 2020 which amounts to approximately 88 hours spent by lawyers. To this number of hours should be added the time spent by employees employed by the bankruptcy estate which the trustee is in the process of calculating.

5.1.3 *Receivables from agents, claims examiners, etc*

The bankruptcy estate's receivables from agents and claims examiners under the registered assets amounted to DKK 58,957,443 as at 31 January 2020, see paragraph 1.2, item 5. The asset mainly covers the bankruptcy estate's receivable consisting of the premium receivables from agents, including the instituted legal proceedings against agents and claims examiners.

As for the bankruptcy estate's premium receivable, the trustee has intensified the collection process in the past period regarding the collection of the bankruptcy estate's receivables from agents and claims examiners, including started collecting premium receivables and funds in loss accounts. In that connection the trustee has sent claims for payment, and the trustee has also pressed for payment of the receivables. The trustee is regularly assessing the status of the collection of the receivables, including whether legal steps are to be taken.

In the past period the trustee has issued a writ of summons against two former agents that have not paid premium receivables to Alpha Insurance A/S (now in bankruptcy). A detailed account has been provided in paragraph 5.1.4.7.

The trustee has also collected the excess from policyholders of motor vehicle insurance.

In the past period the trustee has also reviewed the bankruptcy estate's legal position in respect of a number of business partners.

The investigations include studying Danish law, EU law, concluded agreements and industry standards on which the various contracts with Alpha Insurance A/S (now in bankruptcy) are based.

The investigations are still being conducted.

Approximately 292 hours have been spent by lawyers on such work since the most recent report.

5.1.4 *The operations*

Firstly, it is noted that the trustee's work in the past period of dealing with and adapting various issues because of the COVID-19 pandemic that hit Denmark in March 2020 has been extensive.

The work has been described in detail below, see paragraphs 5.1.4.1-5.1.4.9.

5.1.4.1 *Claims handling*

As previously stated, the trustee decided after the issue of the bankruptcy order to continue the operations of the bankruptcy estate together with the Guarantee Fund for Non-life Insurers to minimise the bankruptcy estate's liabilities and to secure the bankruptcy estate's receivables from the reinsurers, see paragraph 1.2, items 3 and 4, which are still the bankruptcy estate's most important asset. It was decided in that connection to continue the claims handling by the existing claims examiners to the extent possible so that the ongoing claims handling in compliance with the existing claims handling agreements continued to the widest extent possible. Some loss portfolios were subsequently transferred to new claims examiners.

The trustee's claims handling in the past period continued to be extensive as the trustee's work in the period has consisted of ensuring proper claims handling. The trustee has had to adjust and follow up on the claims handling by the claims examiners attached to the bankruptcy estate because of the COVID-19 pandemic.

It is noted that the majority of the claims examiners attached to the bankruptcy estate operate outside of Denmark, including especially in the UK, Ireland, Greece, France, Italy and Germany that have all been hit by the COVID-19 pandemic. Several of the claims examiners have also been forced to work from home, which is why it has not been possible for the claims examiners to process the claims at the same speed as previously. As a consequence, the trustee has focused on following up on the issues and trying to maintain the progress of the claims handling.

In that connection the trustee has had in-depth discussions and correspondence with the attached claims examiners to ensure that irrespective of the development in the pandemic, proper and efficient claims handling was carried out so that the bankruptcy estate was still able to calculate the claims correctly and make correct reporting to the reinsurers which means that the bankruptcy estate's asset consisting of the receivables from the reinsurers was secured.

The trustee's talks and correspondence with the claims examiners in the past period have continued to be about the general claims handling, including the procedure for rejecting claims notified after the termination of the policies, the procedure for notifying the bankruptcy estate of accepted claims, the Guarantee Fund for Non-life Insurers and/or other national guarantee fund schemes as well as the claims handling of specific claims. Several of the open claims are of such an amount and complexity that they still require the trustee's continuous involvement in the handling of the specific claims, including also in respect of the determination of the reserves.

It is noted in that connection that currently 77 insurance portfolios out of 99 insurance portfolios in total have open claims as they are run-off cover for claims raised before the company went bankrupt. A significant number of claims are consequently still to be examined.

Approximately 1,717 hours have been spent by lawyers on such work since the most recent report.

5.1.4.2 Position on other bilateral agreements

In the past period the trustee continued to spend time on administering and approving payments regarding the contracts to which the bankruptcy estate has become a party because of the continued operations. The payments include the payment of various operating expenses such as rent, utilities, insurance covering the bankruptcy estate's employees, staff canteen, etc.

In the past period the trustee has also spent time on reviewing the costs that Alpha Insurance A/S in bankruptcy has paid regarding the service charges and other operating expenses of the leased premises because Qudos Insurance A/S in bankruptcy is now to pay a proportionate part of the service charges of

the leased premises and other operating expenses because of the sublease with Alpha Insurance A/S in bankruptcy and the agreement on apportionment of costs between Alpha Insurance A/S in bankruptcy and Qudos Insurance A/S in bankruptcy (the "agreement on apportionment of costs"). The trustee has also been in contact with the suppliers about splitting up the individual periodical invoices between Alpha Insurance A/S in bankruptcy and Qudos Insurance A/S in bankruptcy where possible.

The trustee has started on the re-invoicing from Alpha Insurance A/S in bankruptcy to Qudos Insurance A/S in bankruptcy in respect of the proportionate part of the costs paid that Qudos Insurance A/S in bankruptcy is to pay according to the sublease and the agreement on apportionment of costs.

Approximately 156 hours have been spent by lawyers on such work since the most recent report.

5.1.4.3 The bankruptcy estate's employees

In the past period the trustee spent a significant amount of time on dealing with the bankruptcy estate's employees, particularly because of the COVID-19 pandemic.

Because the Danish Government urged all Danish businesses in March 2020 to make sure that as many employees as possible worked from home, the trustee decided in accordance with the Government's advice that the bankruptcy estate's employees were to work from home to the widest extent possible. However, some of the trustee's employees and the key employees in the bankruptcy estate were physically present in the company to keep the business operating and ultimately securing the bankruptcy estate's assets, including the significant reinsurance receivables. In that connection the trustee made sure that the health authorities' guidelines for dealing with COVID-19 were observed.

The trustee has consequently spent time on dealing with the employees in respect of COVID-19, including drafting COVID-19 guidelines for the bankruptcy estate's employees reflecting the ongoing development in the pandemic. The trustee has also participated in daily conference calls and video conferences with the bankruptcy estate's employees to ensure the continued operations and progress of the claims handling and to ensure the wellbeing of the employees in this new and unusual situation.

It is noted that the majority of the bankruptcy estate's employees are now back working at the company's premises every day if safe to do so.

The trustee has also dealt with usual employee matters as in any other operating business, including regarding illness, pregnancy, resignations, etc. It is noted in this connection that in the past period the trustee has taken on a new bookkeeper to replace a former employee in the bankruptcy estate's finance department.

The trustee is regularly assessing the bankruptcy estate's staff, including whether there is any need for adding more resources to the bankruptcy estate.

Approximately 117 hours have been spent by lawyers on such work since the most recent report.

5.1.4.4 Talks with guarantee funds

In the past period the trustee continued to have regular talks with the Guarantee Fund for Non-life Insurers and its administration company, Topdanmark Forsikring A/S, green card agencies, including the Danish Motor Insurers' Bureau (DFIM), and other national guarantee fund schemes, including the Financial Service Compensation Scheme ("FSCS") (UK), CONSAP-F.G.V.S. (Italy) and the Norwegian guarantee fund.

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

It is noted that the guarantee funds are still processing and paying out claims/claims for return of premium to the policyholders/claimants. The trustee is involved in the guarantee funds' processing and payment of the notified claims/claims for return of premium.

There have also been talks on a regular basis with guarantee funds and public authorities in other European countries.

The trustee's talks and coordination with the various guarantee funds are still taking place.

Approximately 143 hours have been spent by lawyers on such work since the most recent report.

5.1.4.5 Correspondence with the policyholders and the claimants

In the past period the trustee had regular correspondence with the policyholders and the claimants about their claims for return of premiums and claims against Alpha Insurance A/S in bankruptcy.

As at 31 July 2020, the trustee had received approximately 6,034 e-mails in the inbox that the trustee's is handling.

In the past period the emails were primarily about questions from the policyholders about when they can expect to receive the payouts from their claims for return of premiums from the guarantee funds and/or the bankruptcy estate as well as questions about specific claims handled by the attached claims examiners or attorneys.

It is noted in this connection that FSCS and the Guarantee Fund for Non-life Insurers are still repaying premiums on a regular basis. FSCS, the Guarantee Fund for Non-life Insurers, CONSAP-F.G.V.S. and the Norwegian guarantee fund make regular payouts of accepted claims to claimants.

The trustee has also regularly updated the bankruptcy estate's website, www.alphagroup.dk, with relevant information to the policyholders and the claimants about their insurance products and other relevant information about the estate administration.

Approximately 46 hours have been spent by lawyers on such work since the most recent report.

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

In the past period the trustee has spent time on the legal actions brought against Alpha Insurance A/S in bankruptcy after the issue of the bankruptcy order.

The legal actions have primarily been brought before the claimant's/the policyholder's home court and the legal actions are therefore still primarily being handled by external attorneys in compliance with the agreements entered into with the relevant claims examiners and the bankruptcy estate. It is noted in this connection that several writs of summons are also still being served on the attached claims examiners that previously had a very independent role in handling the legal actions. In the past period the trustee and the bankruptcy estate's employees have therefore had extensive correspondence and discussions with the attached claims examiners and the lawyers handling the legal actions in question.

It is noted that the trustee's request sent at the end of 2019 to be informed of the status of these legal actions brought after the issue of the bankruptcy order has still not been answered by several lawyers and claims examiners. The trustee believes that the primary reason for the lack of answers is that several claims examiners and lawyers have had to work from home because of COVID-19, which is why they do not have the same access to information about claims as previously. The trustee is following the legal actions closely and regularly requests to be informed of the status of the current legal actions.

To the extent that new legal actions are brought against the bankruptcy estate after the issue of the bankruptcy order the trustee is still instructing the attorneys to request a dismissal of the cases by stating that the writ of summons has been lodged after the issue of the bankruptcy order and without the claim

having been examined, which is why the legal action has not been brought in compliance with the rules of part 16 of the Bankruptcy Act regarding examination of claims.

In this way the trustee makes sure to the widest extent possible that the creditors against the bankruptcy estate are treated the same way across the various jurisdictions. The trustee follows the legal actions closely.

It is noted in this connection that the bankruptcy estate has been granted leave to appeal to a third instance to the Supreme Court in Norway. The case was dismissed by the Norwegian district court, but the Norwegian high court allowed a hearing of the case on the merits. The case has been set down for trial on 20 and 21 October 2020 in Oslo, Norway. It is the trustee's assessment that the legal action is of a precedent-setting nature, which is why the trustee follows the case closely and also expects to be present at the trial, depending on the development in COVID-19.

The clarification of the facts in the other legal actions is still taking place, and the trustee regularly assists with the drafting of various pleadings.

The work relating to the legal actions brought after the issue of the bankruptcy order is still going on.

Approximately 121 hours have been spent by lawyers on such work since the most recent report.

5.1.4.7 Legal actions to which the bankruptcy estate has become a party or which have been brought by the bankruptcy estate

In the past period the trustee has spent time on the legal actions to which Alpha Insurance A/S (now in bankruptcy) 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. The trustee has corresponded and has had conversations in that connection with the attorneys about the individual cases. The trustee is still involved in the legal actions on an ongoing basis.

1. Legal action brought against a former agent and claims examiner in the UK before the issue of the bankruptcy order:

The trustee has spent time on a legal action against a former agent and claims examiner brought by Alpha Insurance A/S (now in bankruptcy) before the issue of the bankruptcy order. The case is pending before the Copenhagen City Court, and the trial hearing was originally scheduled for 27-29 April 2020, but because of COVID-19 the trial hearing has been postponed to 17-19 November 2020. The current claim is payment of DKK 116,888,230.91 (previously DKK 125,151,364.15) plus statutory interest. The

primary reason for the reduction in the amount claimed is that the original amount claimed also included a claim for contribution regarding a loss that Alpha Insurance A/S (now in bankruptcy) had yet not paid. It is expected that the amount claimed can only be finally determined when all claims regarding the portfolio have been paid. There are still several open claims in the portfolio.

The parties have exchanged pleadings in the case on an ongoing basis. The trustee currently awaits to receive the other party's final comments.

2. Legal action brought against a former agent in Germany after the issue of the bankruptcy order:

On behalf of Alpha Insurance A/S in bankruptcy the trustee brought a legal action after the issue of the bankruptcy order against a former agent in Germany. The claim was payment of EUR 2,212,952.33 plus interest under the Danish Interest Act as from 10 February 2019, in the alternative plus interest on EUR 668,304 as from 3 May 2019 and plus interest on EUR 1,544,648.33 as from the filing of the Reply. The amount claimed related to non-payment of insurance premium to Alpha Insurance A/S (now in bankruptcy).

It is noted that the claim was increased in the Reply as the original claim was EUR 891,073 which was part of the total insurance premium owed to Alpha Insurance A/S (now in bankruptcy).

In the past period the trustee has gone through the other party's Rejoinder and has filed Pleading 1 with the bankruptcy estate's comments. The trustee also handled the trial hearing before the Copenhagen City Court on 2 June 2020. The trustee has consequently spent time on preparing the case and on making the bundle of legal documents, the time schedule and the trial bundle.

On 30 June 2020, the Copenhagen City Court ordered the former agent to pay EUR 2,212,952.33 to Alpha Insurance A/S in bankruptcy plus statutory interest under the Danish Interest Act as from 10 February 2019. Alpha Insurance A/S in bankruptcy was also awarded legal costs of DKK 456,718.75.

The former agent appealed against the judgment in its entirety before the expiry of the time within which enforcement proceedings must be brought, and the case is therefore pending before the Danish Eastern High Court.

3. Legal action brought against a former agent in the UK after the issue of the bankruptcy order:

On 26 March 2020, the trustee brought a legal action against a former agent in the UK, claiming payment of GBP 4,536,923.95 for not having paid insurance premium to Alpha Insurance A/S (now in bankruptcy). The legal action was brought before Business and Property Courts of England and Wales Commercial

Court as this was the choice of court agreed by the parties in the Binder Agreement. The bankruptcy estate has engaged an English barrister to safeguard Alpha Insurance A/S in bankruptcy's interests in the case.

The other party filed its Defence in the case on 29 May 2020, and on 16 June 2020 the English barrister representing Alpha Insurance A/S in bankruptcy filed the Reply in the case. The trustee has provided ongoing assistance by commenting on the drafting of both the Writ of Summons and the Reply and the trustee and the bankruptcy estate's employees have also contributed to clarifying facts in the case.

The case is still pending.

4. Legal action brought against a former agent and claims examiner in Ireland after the issue of the bankruptcy order:

On 6 July 2020, the trustee brought a legal action against a former agent and claims examiner in Ireland, claiming payment of EUR 318,146.39 for non-payment of funds in an account belonging to Alpha Insurance A/S (now in bankruptcy). The legal action was brought before the Copenhagen City Court as this is the venue agreed on between the parties.

It is noted that the other party has previously admitted to the trustee to having a bank deposit of EUR 344,711.39 belonging to the bankruptcy estate, but despite this fact the other party has not paid the deposit to the bankruptcy estate as it believes that it can set off a number of claims against this deposit. The trustee is of the opinion that the other party is not entitled to a right of set-off.

The trustee is currently waiting for the other party to be served.

Approximately 133 hours have been spent by lawyers on such work since the most recent report.

5.1.4.8 *Compliance and audits*

As stated in the previous reports, the trustee has spent a lot of time as part of continuing the operations of the bankruptcy estate on implementing and carrying out audits of the claims examiners. This work is ongoing as long as the various claims examiners have open claims.

The purpose of the audit is to ensure proper claims handling by the attached claims examiners and that no claims are accepted for which there is no cover under the insurance policy regardless of whether the

claim should be covered by the Guarantee Fund for Non-life Insurers, another national guarantee fund or is to be raised against the bankruptcy estate.

In the past period the trustee planned an audit for 2020 of all the bankruptcy estate's attached claims examiners. It is noted that because of COVID-19 fewer audits were carried out in the past period than the number that had originally been planned. Now that the countries have started to slowly open up again, the process of auditing the claims examiners has resumed. The trustee and the bankruptcy estate's employees have had ongoing discussions and correspondence with the claims examiners about coordinating and preparing the audit, including drawing up instructions for the auditors with guidelines for conducting the audit of the various claims examiners. It is expected that most of the claims examiners will have been audited at the end of 2020 at the latest. It is noted in that connection that the completion of the audit of the claims examiners depends very much on the development in the COVID-19 pandemic in the various countries.

In the past period the trustee has also drawn up data processing agreements with the bankruptcy estate's business partners, including in particular the attached claims examiners to make sure that the business partners comply with their obligations under the General Data Protection Regulation to the widest extent possible. The work in this connection of assessing the risk relating to the claims examiners, drawing up the data processing agreements and negotiations with the claims examiners in this regard has been significant. The work has also involved coordination, including considerations as to erasure dates, issues relating to termination of agreements, return of data, etc. The work has also consisted of assessing existing data processing agreements entered into with the bankruptcy estate's other suppliers and business partners (service and IT providers, etc.)

Approximately 134 hours have been spent by lawyers on such work since the most recent report.

5.1.4.9 Audit and bookkeeping

In the past period the trustee has had discussions with KPMG about the bankruptcy estate's situation as KPMG is still assisting the trustee with the bankruptcy estate's accounts.

In the past period the trustee, with the assistance of KPMG, has dealt with the VAT treatment of the re-invoicing between Alpha Insurance A/S in bankruptcy and Qudos Insurance A/S in bankruptcy, including also hiring out employees. As stated in paragraph 5.1.4.2, the trustee has started re-invoicing the proportionate share that Qudos Insurance A/S in bankruptcy is to pay. In the past period the trustee, with the assistance of KPMG, has dealt with the bankruptcy estate's right to deduct VAT and the calculation of such right. There has also been work involving other VAT issues in the bankruptcy estate. This work is still taking place.

It is noted in respect of the bookkeeping that the trustee's employees are still assisting with the bookkeeping of the day-to-day running of the bankruptcy estate, and that the trustee's employees still approve all payments by the bank and declares direct and indirect taxes. The trustee's employees are therefore still present in person at the company every day. In this connection the trustee ensures that the procedures for the payment of the claims handling expenses and other expenses relating to the operations prepared by the trustee are adequate.

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

The trustee is also still in dialogue with the Norwegian claims examiner and the Norwegian authorities about how to treat and calculate the Norwegian RTV tax.

Approximately 472 hours have been spent on such work since the most recent report of which 312 hours have been spent by the trustee's employees skilled in accounts.

5.1.5 General work on planning the notification process and the examination of claims process

In the past period the trustee continued to spend time on planning and developing the notification process in the bankruptcy estate, including handling the claims for the return of premiums, accepted claims and complaints regarding rejected claims, see paragraphs 5.1.5.1-5.1.5.3 below for details.

The trustee has spent time on developing and maintaining the new register of debts and claims for the purpose of registering the claims under the registered assets, including the policyholders' claims for return of premiums and the claimants' claims. In that connection the trustee has continued to hire external consultancy assistance.

5.1.5.1 Web form, repayments

In the past period the trustee continued to spend time on handling the claims for return of premiums against the bankruptcy estate and the Guarantee Fund for Non-life Insurers filed via the web form designed by the bankruptcy estate in collaboration with the Guarantee Fund for Non-life Insurers.

As at the beginning of July 2020, a total of 20,770 claims for the return of premium had been filed by using the web form. To this number should be added mass reporting of claims for return of premium, so -

called bulks, where for example an agent reports bulks of claims by policyholders against the bankruptcy estate and perhaps the Guarantee Fund for Non-life Insurers in connection with moving a portfolio to a new insurer.

In the past period the trustee continued to have regular talks with the Guarantee Fund for Non-life Insurers and FSCS about the calculation of the returned premium regarding the various insurance products as the guarantee funds subrogate to the policyholders' claims against the bankruptcy estate when the payments are made to the policyholders. The bankruptcy estate agrees on the calculation method regarding return of premium with the Guarantee Fund for Non-life Insurers and/or FSCS on an ongoing basis where relevant and has devised an automated procedure for calculating the claim for return of premium in that connection.

To the extent that incorrect information has been provided in the web form by the policyholders, the individual claims are taken out for manual processing. The bankruptcy estate is also exchanging information with the Guarantee Fund for Non-life Insurers to ensure that no payouts are made twice to the policyholders.

It is noted that both the Guarantee Fund for Non-life Insurers and FSCS made payouts regarding claims for return of premium to the policyholders in the past period and continue to process the filed claims for return of premium.

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

5.1.5.2 Notification of claims from claims examiners

In the past period the trustee continued to spend time on developing a procedure for the claims examiners' notification of the accepted claims to the bankruptcy estate as well as maintaining and developing the new register of debts and claims to handle the claims filed under the registered assets. It is noted that the trustee has designed a specific notification format for the claims examiners to be used when notifying the bankruptcy estate of accepted claims. With assistance from the trustee's IT experts as well as external IT consultants, the trustee has also made a guide for notification by the claims examiners.

The notification procedure has been planned in such a way that the admitted and final claims will be registered through a semi-automatic process in the bankruptcy estate's register of debts and claims for claims filed under the registered assets.

The trustee is assessing the need for adjustments and development of the notification process on a regular basis.

The trustee has also corresponded and had talks with the individual claims examiners about the process for notifying the accepted claims, including also in respect of the interaction with the existing ongoing notification to the bankruptcy estate. It is noted that several claims examiners have notified the bankruptcy estate of accepted claims in the past period and that several claims examiners have also asked to be allowed to make notifications, which is why the trustee expects that several accepted claims will be notified shortly.

Approximately 45 hours have been spent by lawyers on such work since the most recent report.

5.1.5.3 Web form for claims (complaint form)

In the past period the trustee dealt with the complaints opened through the complaint form on the bankruptcy estate's website, www.alphagroup.dk. The complaints are recorded in the bankruptcy estate's register of debts and claims on an ongoing basis.

The complaints have mainly been complaints about situations where the claims examiner has rejected to process the claim, including because it was a claim based on a terminated policy (a loss suffered after 11 August 2018) and/or that the claimant disagrees with the claims examiner about the payout. Several claims for return of premium have also been registered incorrectly by the policyholder in the complaint form. The trustee is dealing with them separately and makes sure that they are registered correctly.

The trustee started on processing the complaints in the past period. The processing of the complaints is planned in such a way that at first the complaints are considered by the bankruptcy estate's employees who, if necessary, will get input from the claims examiner in question about the specific complaint to determine whether the complaint is justified and is therefore to be referred to the claims examiner with instructions for re-processing, or whether the complaint is unjustified and must therefore be formally rejected at the trustee's future examination of claims. The bankruptcy estate's employee prepares a recommendation for each complaint, and the trustee then considers the complaint and subsequently formally examines the claims in compliance with the rules of part 16 of the Bankruptcy Act.

It is noted that the trustee has prepared specific procedures for the processing of the complaints so that the trustee has ensured that the processing of the complaints is efficient and consistent.

As at 31 July 2020 a total of 31 complaints had been made against the bankruptcy estate by using the complaint form. It is registered that the bankruptcy estate's employees have finished the processing of six of them. The processing of the complaints is still taking place.

The trustee intends to start examining the rejected complains in 2021/2022.

Approximately 47 hours have been spent by lawyers on such work since the most recent report.

5.1.6 *The creditors' special status, if any, in relation to reinsurance receivables and other assets*

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

In the past period the trustee continued to have talks and correspondence with the Guarantee Fund for Non-life Insurers and its administration company, Topdanmark Forsikring A/S, about whether the Guarantee Fund for Non-life Insurers has a special legal status in the bankruptcy estate.

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

Approximately 19 hours have been spent by lawyers on such work since the most recent report.

5.1.6.2 *Danish Labour Market Insurance (AES)*

In the past period the trustee continued to have talks and correspondence with AES represented by Plesner Law Firm about whether AES has a special legal status in the bankruptcy estate.

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

The time spent has been included in paragraph 5.1.2.1.

5.1.7 *Examination of claims proved in respect of the registered assets*

On 8 June 2020, the trustee examined a large claim of DKK 4,888,880.55 that had been proved in respect of the bankruptcy estate's registered assets under section 167(4) of the then current Danish Financial Business Act.

The proved claim was a claim for professional liability, so-called finite risk insurance, where the trustee was of the opinion that under the underlying agreement Alpha Insurance A/S (now in bankruptcy) was to be exempted from suffering a financial loss. In that connection the trustee has reviewed whether this finite risk insurance is qualified as an insurance contract under Danish law.

Because Alpha Insurance A/S (now in bankruptcy) was to be exempt from suffering any loss under the underlying agreement which is why the risk had not been transferred/ensured, the trustee recommended that the proved claim in respect of the registered assets be rejected, see section 167(4) of the then current Financial Business Act, as, however, the trustee admitted the claim as an unsecured claim under section 97 of the Bankruptcy Act to be covered by the bankruptcy estate's unencumbered assets, see paragraph 1.3 above.

No creditors participated in the examination of claims meeting on 8 June 2020. The trustee did not either receive any objections to the recommendation made, which is why the trustee's recommendation was final after the expiry of the deadline of four weeks as from 8 June 2020 under section 133(1) of the Bankruptcy Act, cf section 133(2) of the Bankruptcy Act.

The trustee has corresponded with the creditor about the trustee's decision and the trustee has also spent time on preparing the recommendation and holding the examination of claims meeting.

Approximately 63 hours have been spent by lawyers on such work since the most recent report.

It means that 4,922 hours in total have been spent on work relating to the registered assets of which approximately 312 hours have been spent by the trustee's employees skilled in accounts.

5.2 Time spent on the unencumbered assets and the claims filed in respect of the unencumbered assets

5.2.1 *Receivable from Intercede 2408 Limited*

Intercede 2408 Limited ("Intercede") owes the bankruptcy estate a booked receivable in the amount of DKK 42,709,725 according to a loan agreement of 21 December 2012 between the parties. Intercede is a subsidiary of the reinsurer CBL Insurance Limited that went bankrupt on 12 November 2018.

It has been established in connection with the estate administration that on 21 December 2012 CBL Insurance Limited issued a guarantee in security of Intercede's repayment of the loan to Alpha Insurance A/S (now in bankruptcy).

Alpha Insurance A/S's (now in bankruptcy) loan to Intercede was extended several times, and according to the agreement the loan was to be repaid on 1 November 2020. However, the trustee has established that CBL Insurance Limited's guarantee in security of Intercede's repayment to Alpha Insurance A/S

(now in bankruptcy) was not extended in connection with the extension of the loan and that the guarantee thus expired in 2017.

Intercede was dissolved on 6 August 2019 by a compulsory strike-off from the British Companies House. The consequence of the dissolution is that Intercede is no longer a legal entity and the company's assets, if any, have become the property of the British Crown that is believed to have frozen any assets. As CBL Insurance Limited's guarantee expired in 2017 the trustee has abandoned pursuing the claim against CBL Insurance Limited.

In the past period the trustee has been in dialogue with the British authorities about the process of re-establishing Intercede 2408 Limited. The trustee has sent a formal request to the British authorities to re-establish Intercede 2408 Limited for the purpose of subsequently filing the claim from Alpha Insurance A/S in bankruptcy.

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

5.2.2 *Staff loans*

An employee with Alpha Insurance A/S (now in bankruptcy) owes the bankruptcy estate DKK 975,732, see paragraph 1.3, item 11. In the past period the trustee made sure that payments were made under the concluded payment agreement.

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

5.2.3 *Receivable from Beta Re AG*

Beta Re AG owes the bankruptcy estate DKK 7,360,000, see paragraph 1.3, item 12. In the past period the trustee continued to have talks and correspondence with Beta Re AG about the receivable and the agreed repayments under the payment agreement and talks about Beta Re AG's continued assistance to the bankruptcy estate in connection with the collection of the bankruptcy estate's reinsurance receivable, see paragraph 5.1.2 for details.

Approximately 7 hours have been spent by lawyers on such work since the most recent report.

5.2.4 *Investigations relating to avoidance and claim for repayment*

In the past period the trustee carried out further examinations of the two possible claims for avoidance, including the possible claims for avoidance of DKK 60,000,000 and DKK 284,715 (previously DKK

562,500) respectively. The trustee has also carried out additional examinations of whether Alpha Insurance A/S (now in bankruptcy) paid expenses of a private nature for former members of the management and their connected persons.

An account of the trustee's work can be found in paragraph 3.

The trustee's work is still taking place.

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

5.2.5 *Investigations relating to management liability*

As stated in previous reports, the trustee identified a number of issues that gave rise to further investigations. The trustee has been in dialogue with the Guarantee Fund for Non-life Insurers regarding the identified issues and has also obtained external expert accounting assistance for the investigations.

The trustee's investigations have not yet been concluded and are still being conducted.

Approximately 1,446 hours have been spent by lawyers on such work since the most recent report.

5.2.6 *Other estate administration*

Approximately 122 hours have been spent by lawyers on the general estate administration, including corresponding with the creditors and the bankruptcy court, registering the proved claims in the bankruptcy estate's register of debts and claims under the unencumbered assets and on preparing this report.

It means that 1,659 hours in total have been spent on the unencumbered assets.

6. SUMMARY OF THE TIME SPENT

It means that approximately 6,581 hours in total have been spent on the estate administration, including approximately 4,610 hours by lawyers and approximately 312 hours by members of the finance department on work relating to the registered assets, see paragraph 1.2, and approximately 1,659 hours by lawyers relating to the unencumbered assets, see paragraph 1.3, in the period from 1 February 2020 and up to 31 July 2020.

7. THE FUTURE ESTATE ADMINISTRATION AND THE WINDING-UP OF THE BANKRUPTCY 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. It is noted in this connection that there are still significant open claims.

As a consequence of the many estimates relating to both the calculation of the assets and the liabilities it is still not yet possible to estimate the expected dividend in the bankruptcy estate, including the cover from the registered assets and the unencumbered assets. It is also not possible to estimate when it can be expected that the bankruptcy estate will be wound up.

8. INTERIM FEE

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

It is noted that on 9 December 2019, the Bankruptcy Division of the Danish Maritime and Commercial High Court approved an interim fee of DKK 30,000,000 plus VAT. The bankruptcy court approved the interim fee subject to the final approval of the fee when the bankruptcy estate is wound up. The fee was paid proportionately by the bankruptcy estate's funds under the registered assets and the unencumbered assets.

9. NEXT CREDITOR INFORMATION

The next creditor information under section 125(4) of the Bankruptcy Act will be sent on 8 March 2021 at the latest to the bankruptcy court and the creditors.

Copenhagen, 8 September 2020

Boris Frederiksen
Partner, Attorney