

Danish report of 8 September 2021 – translation made on 21 September 2021

# 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

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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 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, 6 March 2020, 8 September 2020 and most recently of 8 March 2021.

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

## 1. ASSETS

### 1.1 Accounts

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

As the trustee decided to continue the operations in the bankruptcy estate 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 bankruptcy estate's bank accounts as payments are still being made to and from the bankruptcy estate's accounts in connection with the day-to-day operations.

Since the issue of the bankruptcy order the trustee has closed 20 bank accounts with Sydbank A/S that the trustee found were no longer relevant to the winding up of the insurance activity. The trustee has opened five new bank accounts with Sydbank A/S for the day-to-day operations. It means that the bankruptcy estate now has 22 open bank accounts (including custody accounts) with Sydbank A/S. The trustee has closed all the accounts with DNB in Great Britain. 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 activity 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 compensation 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 2021 were booked at:

### **1. Deposits**

The bankruptcy estate's deposits in the bank as at 8 May 2018 amounted to DKK 61,277,557. As at 31 July 2021, the bankruptcy estate's deposits amounted to DKK 1,133,717,881.

The increase in the deposits in the period is primarily a result of the bankruptcy estate's sale and maturity of securities, interest income and gains of DKK 441,260,000 (item 2), payments of reinsurance receivables of DKK 673,930,000 (item 4) and payments of receivables by coverholders/claims examiners of DKK 142,160,000 in total (item 5). The reason for the deviation compared to item 5 below is that bigger payments have been made to the bankruptcy estate than what was 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 132,240,000 in total have also been paid.

Reinsurance premium and profit commission of DKK 19,620,000 have also been paid (item 4).

Finally, an interim fee relating to the registered assets has been paid to the trustee (see item 9) as well as exchange rate adjustments of DKK 4,250,000.

DKK 1,133,717,881.00

## 2. Securities

As at 8 May 2018, the bankruptcy estate's securities were booked at DKK 659,853,899. As at 31 July 2021, the bankruptcy estate's shareholding amounted to DKK 186,313,391.

The reduction 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 441,260,000 in total as well as price adjustments and relating interest of approximately DKK 32,280,000. The proceeds from the sale of securities have been included in the deposits in item 1 above.

DKK 186,313,391.00

## 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 28 and 29).

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 28 and 29) 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. As at 31 July 2021, the receivable amounted to DKK 756,826,466.

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 28), a reduction in the provisions for claims outstanding of DKK 360,700,000 (item 29) and an increase in the provisions for substantial claims outstanding of DKK 185,730,000, exchange rate adjustments of DKK 27,820,000, general depreciation and adjustment of profit commission of DKK 89,050,000 in total.

DKK 756,826,466.00

#### 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. As at 31 July 2021, the receivable amounted to DKK 173,509,860.

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, that the reinsurers have paid DKK 673,930,000 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 603,690,000 because a number of claims have been processed which resulted in the loss on the insurance contracts (the provisions for claims outstanding in item 29 were written down at the same time).

The bankruptcy estate has also paid reinsurance premium and profit commission of DKK 19,620,000.

There have also been general depreciation, write-downs and exchange rate adjustments of DKK 93,210,000 in total.

DKK 173,509,860.00

#### 5. Receivables from coverholders and claims examiners

As at 8 May 2018, the receivable amounted to DKK 244,299,656. As at 31 July 2021, the booked receivable amounted to DKK 0. It is noted that debt to coverholders and claims examiners was

previously included in this item. A division has now been made, and the debt can now be found in item 32.

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 30) under section 5, para (4), of 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 137,900,000 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 coverholders of DKK 79,550,000 in total and collection of funds in claims examiners' accounts of DKK 17,400,000 in total, payment of settlement amounts of DKK 22,310,000 in total relating to legal actions brought by Alpha 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 36,940,000.

Finally, a number of technical bookkeeping amendments have been made regarding, *inter alia*, loss on receivables, adjustments for time lag, exchange rate adjustments as well as general depreciation and write-down of receivables of DKK 130,220,000 in total.

For the time being the asset is included at a reminder value of DKK 1.00

**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 WCA 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

**7. Unearned coverholder commission**

The trustee has established that the bankruptcy estate has a claim against the coverholders that previously sold insurance on Alpha's behalf. For the time being, a settlement has been entered into with a coverholder on payment of GBP 600,000 in full and final settlement of the claim. So far, GBP 150,000 has been paid into the bankruptcy estate's account which is included in the deposit in the account (item 1). The trustee has also calculated a receivable from the other coverholders relating to unearned coverholder commission of approximately DKK 282,000.00 that the trustee has started to collect. It is uncertain whether and the extent to which the former coverholders will be able to pay the bankruptcy estate's claims, which is why for now the calculated asset is included at a reminder value of

DKK 1.0

**Registered assets etc in total**

DKK 2,250,367,600.00

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 other creditors, including the ordinary creditors relating to the operations, 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 2021 were booked at:

**8. Deposit in client account**

As at 31 July 2021, the receivable amounted to DKK 58,456,300.11. 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, negative interest 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 paragraph 8 below. It is also noted that the deposit includes paid excess amounts of a total of DKK 107,602.41 (after deduction of paid expenses) and the trustee is still in the process of determining whether the amount relates to the bankruptcy estate's unencumbered or registered assets. Finally, total expenses of DKK 3,003,059.49 relating to the administration of the Danish WCA portfolio, including the claims handling, have been paid. This amount will subsequently be paid by either the registered assets or by AES (now the Guarantee Fund for Non-life Insurers, see paragraph 5.1.6.2) when it has been finally clarified whether the Guarantee Fund for Non-life Insurers holds a special position in the bankruptcy estate.

DKK 58,456,300.11

**9. Receivable from New Nordic Holding Limited**

The bankruptcy estate 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 in full and final settlement of the outstanding balance. DKK 68,383,561.64 inclusive of interest was subsequently deposited into the bankruptcy estate's account and is part of the deposit in the client account (item 8).

DKK 0.00

**10. Receivables from consolidated companies**

The bankruptcy estate has receivables of DKK 99,047,370 in total from the consolidated companies,

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Alpha Holding A/S in bankruptcy, Ahpla ApS in bankruptcy and Ahpla SPV ApS in bankruptcy. As bankruptcy proceedings have been commenced against all consolidated companies and it is consequently estimated that they are unable to pay, the asset has, for the time being, been included at a reminder value of DKK 1.00

#### 11. Receivable from Intercede 2408 Limited

As at 31 July 2021, the receivable amounted to DKK 42,709,725 inclusive of interest. As the actual value of the asset is still uncertain, the asset is included, for the time being, at a reminder value of DKK 1.00

#### 12. Staff loans

An employee with Alpha received a loan from Alpha of DKK 1,500,000 on 11 April 2013. A payment agreement was entered into after the bankruptcy with monthly payments of DKK 25,000 and annual addition of interest of 3%. On 3 November 2020, an agreement was concluded on the payment of DKK 800,000 in full and final repayment of the amount outstanding which the bankruptcy estate has received. DKK 1,575,000 in total has consequently been deposited into the bankruptcy estate's account and is part of the deposit in the client account (item 8). DKK 0.00

#### 13. Receivable from Beta Re AG

The receivable as at 8 May 2018 was booked at DKK 8,000,000. After the bankruptcy the trustee entered into a payment agreement with Beta Re AG about paying off the debt. Instalments of DKK 640,000 in total (DKK 726,844.34 inclusive of interest) had been paid as at 31 July 2021 which are included in the deposit in the client account (item 8). It is noted that bankruptcy proceedings were commenced against Beta Re AG on 9 March 2021. The trustee has filed the claim against the bankruptcy estate. As it is uncertain whether any dividend will be distributed, the



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asset is, for the time being, included at a reminder value of DKK 1.00

**14. 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 2021 were booked at DKK 23,485. 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

**15. Rent deposit**

The bankruptcy estate's offices are rented. As at 8 May 2018, the rent deposit was booked at DKK 2,120,056. The asset was booked at DKK 899,068 as at 31 July 2021.

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) and they 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. Qudos Insurance A/S in bankruptcy which has sublet a part of the leased premises has also paid a part of the deposit. 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

**16. Receivable regarding sublet premises**

Before the bankruptcy Alpha 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 of a payment of DKK 28,871.40

inclusive of VAT in full and final payment 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 8).

DKK 0.00

#### 17. 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 8).

DKK 0.00

#### 18. Intangible assets

The intangible assets relate to software equipment used in the operation of the bankruptcy estate. The asset as at 31 July 2021 was booked at DKK 0, which is why it is assessed that the asset has no value.

DKK 0.00

#### 19. Art and designer furniture

The bankruptcy estate owns designer furniture and art, including paintings. On 4 November 2020, the bankruptcy estate sold art by Maria Rubinke. The bankruptcy estate has received proceeds of DKK 13,440.00 exclusive of VAT from such sale. The proceeds are included in the deposit in the client account (item 8).

The asset was then booked at DKK 70,000 as at 31 July 2021. 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 less the proceeds in connection with the bankruptcy estate's sale.

DKK 305,160.00

**20. Sale of various minor assets**

At this point in time the trustee has sold three iPhones X, one iPhone 8, one Google Pixie, one Samsung S7 Edge, one Lenovo ThinkCentre, one Fujitsu Siemens Esprimo, two Lenovo ThinkPads, two Dell monitors, two Lenovo ThinkPad Ultra Dock, one Canon printer and mice and keyboards. The bankruptcy estate has received total proceeds of DKK 24,920 exclusive of VAT for the sale of such items which are included in the deposit in the client account (item 8).

DKK 0.00

**21. 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 8).

DKK 0.00

**22. Repayment from Dagbladet Børsen (a Danish newspaper)**

The trustee has terminated the bankruptcy estate'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 8).

DKK 0.00

**23. 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 included in the deposit in the client account (item 8).

DKK 0.00

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**24. Repaid fee from the Danish Motor Vehicle Agency**

The bankruptcy estate has received a repayment of prepaid fees of DKK 2,402.50 (for the period from 3 April 2018 to 31 August 2018) regarding a previously leased Porsche from the Danish Motor Vehicle Agency. The amount has been paid into the bankruptcy estate's account and is included in the deposit in the client account (item 8).

DKK 0.00

**25. Claims for repayment**

The bankruptcy estate has raised claims for repayment against the former members of the management and their next of kin for paid private expenses, see paragraph 3 below. DKK 25,710 and DKK 100,000 have consequently been paid into the bankruptcy estate's account and are included in the deposit in the client account (item 8). For the time being the asset is included at a reminder value of

DKK 1.00

**26. Legal action against a former coverholder in Great Britain**

Prior to the bankruptcy Alpha issued a writ of summons against a former coverholder in Great Britain, claiming payment of DKK 125,151,364.15 (subsequently adjusted to DKK 116,794,647.06) in consequence of the coverholder, according to Alpha, having breached the parties' contractual relationship. The bankruptcy estate subsequently became a party to the legal action, see paragraph 5.1.4.7 below. The opposing party admitted a claim of DKK 2,151,899.79 during the final hearing, and the amount has been paid into the bankruptcy estate's account and is included in the deposit in the client account (item 8). Appeal proceedings regarding two other subdivided claims are currently pending. For the time being the asset is included at a reminder value of

DKK 1.00

**27. Claim for damages against two former members of the management**

On 7 December 2020, the trustee sent a letter to two former members of the management, claiming payment of a loss suffered by the bankruptcy estate, see paragraph 5.2.4 below. For the time being the asset is included at a reminder value of

DKK 1.00

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

DKK 58,000,000.00

**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.

**28. Expected claims for return premium**

The provisions for unearned premiums have been calculated as a premium paid by the policyholders, but which Alpha 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 2021, the booked provisions for unearned premiums amounted to DKK 344,627,650.

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 various guarantee fund schemes are repaying the premiums. It is expected that these repayments and the consequent decrease in the provisions for unearned premiums will be offset by corresponding claims from the various guarantee fund schemes. Exchange rate adjustments are also to be taken into account.

It is noted for the avoidance of doubt that the trustee is currently examining whether the claims for return premium could become barred by limitation. This could obviously be a factor of decisive importance to this item.

DKK 344,627,650.00

## 29. Expected insurance claims

The provisions for claims outstanding are 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 actual insurance claims. The provisions for claims outstanding as at 8 May 2018 were booked at DKK 2,176,518,057. As at 31 July 2021, the booked claims outstanding provisions amounted to DKK 1,699,115,685.

The primary reason for the difference in the amount in the period is that the various guarantee fund schemes have made payments and that the provisions for claims outstanding have been adjusted on an ongoing basis.

It is noted for the avoidance of doubt that there could be insurance claims that have also been proved under the registered assets (item 31) which is why there may be a certain overlap between items 29 and 31. It is expected that this overlap will be eliminated over time.

DKK 1,699,115,685.00

## 30. 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. As at 31 July 2021, the receivable amounted to DKK 63,732,644. As the bankruptcy estate's outstanding payable premiums are paid to the bankruptcy estate the funds will be added to the deposits (item 1). As at 31 July 2021, the deduction amounted to

DKK -31,866,322.00

## 31. Claims proved so far in respect of the registered assets

As at 31 July 2021, claims proved in respect of the registered assets amounted to DKK 2,364,917,060.62 in total. It is noted

that this is only a provisional calculation of the proved claims as the various guarantee fund schemes are still making payouts. 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. The trustee therefore expects to receive additional/adjusted proofs of claim. Moreover, there may be proved claims that have also been included in the expected insurance claims (item 29) which is why there may be a certain overlap between items 29 and 31. It is expected that this overlap will be eliminated over time.

DKK 2,364,397,117.84

### 32. Debt to coverholders and claims examiners

As at 31 July 2021, the bankruptcy estate had booked debt to coverholders and claims examiners of DKK 50,298,083. The debt was previously included in item 5.

DKK 50,298,083.00

### Expected liabilities in total

DKK 4,426,572,213.84

It is noted in respect of the above calculation that later on in the estate administration the expected claims for the return of premiums and the insurance claims will likely be replaced by actual claims (as stated in items 28 and 29 above) as the claims for repayment of premiums are calculated and the insurance claims are finalised, including from the Guarantee Fund for Non-life Insurers and other national guarantee fund schemes that are subrogated to the policyholders' and the claimants' claims against the bankruptcy estate under the registered assets, see paragraph 5.1.4.4 below. The various guarantee fund schemes are still making payouts.

As at 31 July 2021, the various guarantee fund schemes paid a total of DKK 1,605,644,053 to cover both the accepted insurance claims and the claims for the return of premiums.

As previously mentioned, it is also noted that the trustee assumes that some creditors have proved claims twice which obviously affects the calculation of the expected liabilities.

## 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.

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Proofs of claim lodged under section 82 of the Bankruptcy Act	DKK	606,217,577.99
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 (paid)	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	114,254,277.85
Proofs of claim lodged under section 98 of the Bankruptcy Act	DKK	155,553,209.41
<b>Other liabilities in total</b>	<b>DKK</b>	<b>911,554,998.12</b>

It is noted that the proofs of claim lodged under section 94 of the Bankruptcy Act were paid to the creditors following the examination of claims on 20 August 2019 when the filed claims were admitted.

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It is noted in respect of the lodged proofs of claim that several claims could potentially be included in both the expected insurance claims/the claims for return of premiums under the registered assets, see paragraph 2.1, item 28 and 29, and at the same time have been separately proved against the bankruptcy estate under the unencumbered assets, see paragraph 2.2 above, and could also have been proved under the registered assets, see paragraph 2.1, item 31. It means that the same claim could be included several times in the above calculations. At this point in time the scope of any claims that have been proved twice is not yet clear as, *inter alia*, 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 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.

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 was subsequently reduced to DKK 284,715 as part of the trustee's further examinations. The trustee still has talks and correspondence on an ongoing basis with the beneficiary about the possible claim for avoidance.

As stated in the previous reports, the trustee also established that to a certain extent Alpha seems to have paid expenses of a private nature on behalf of former members of the management or their next of kin. The reason for this conclusion is, *inter alia*, the type of the expenses 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.

The paid expenses are all of a private nature, but they were nevertheless paid by using the company credit card and booked as company-related expenses. The potential claims for recovery against the former management and the next of kin were calculated to amount to DKK 2,975,552 in total inclusive of interest. The trustee raised the claims against the beneficiaries under section 215 of the Danish Companies Act, see section 210, which is about illegal loans to shareholders and management.

The trustee subsequently corresponded with the beneficiaries about the claims raised and in that connection the beneficiaries proved to the trustee that a part of the expenses related to the operations of Alpha.

On 9 June 2020, the bankruptcy estate received DKK 25,710 from one of the former members of the management. Moreover, the trustee entered into an agreement with another former member of the management on 22 December 2020 on payment of DKK 100,000 in full and final settlement of the bankruptcy estate's claim regarding payment of private expenses.

On 16 March 2021, the trustee issued, on behalf of the bankruptcy estate, a writ of summons against a next of kin of a former member of the management, claiming repayment of the payment received of DKK 274,120 in total plus interest as from the various dates of payment. In the previous period the beneficiary filed a defence in the case and the trustee subsequently filed a reply on behalf of the bankruptcy estate. The trustee is currently awaiting the filing by the opposing party of the rejoinder in the case. The final hearing has been scheduled for 3 February 2022.

Moreover, the trustee issued, on behalf of the bankruptcy estate, a writ of summons on 28 April 2021 against a next of kin of another former member of the management with a claim for the amount received of DKK 596,947 in total plus interest as from the date of payment. In the previous period the beneficiary filed a defence in the case and the trustee started drafting the reply in the case in the previous period.

The pursuit of the claims for repayment continues.

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#### 4. CRIMINAL OFFENCES

It is regularly investigated in connection with the estate administration whether there is any basis for filing a police report under section 110(4) of the Bankruptcy Act. For now, the trustee's examinations in this regard have been concluded.

If a creditor wants to receive detailed information about the result of the trustee's investigations, the creditor is kindly asked to contact the trustee directly.

#### 5. THE ESTATE ADMINISTRATION AND THE TIME SPENT IN THE PREVIOUS PERIOD

The trustee's work in the period since the most recent report and until 31 July 2021 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 2021 at DKK 186,313,391 in total, see paragraph 1.2, item 2.

In the previous period the trustee managed the portfolio of securities and regularly assessed the bankruptcy estate's securities investment policy, including the need for adjusting the policy which is still done in cooperation with UBS and Sydbank A/S that administer the bankruptcy estate's portfolio of securities.

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. It is noted that due to the bank charging negative interest the trustee is making sure on an ongoing basis that the bankruptcy estate's sale of a part of the portfolio of securities is sensible considering the need for funds. No part of the portfolio of securities was therefore sold in the previous period.

Moreover, the trustee has looked into the bankruptcy estate's possibilities to invest the bankruptcy estate's cash at bank and in hand. This work is still taking place in dialogue with the relevant parties.

The ongoing management of the portfolio of securities is still taking place.

Approximately 11 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 bankruptcy estate's reinsurance contracts, the reinsurance part of the provisions for unearned premiums and the provisions for claims outstanding respectively, 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 approximately DKK 673,930,000 in total to the bankruptcy estate from the reinsurers since the company went bankrupt (calculated as at 31 July 2021).

In the previous 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 handling on an ongoing basis. In that connection the trustee has had discussions with the reinsurers on a daily basis regarding calculations, reconciliation and payment of receivables from reinsurers to the bankruptcy estate as well as other operational matters.

After the termination of the cooperation agreement with the reinsurance agency Beta Re AG at the end of 2020, in which connection the bankruptcy estate started to handle all tasks that had previously been handled by Beta Re AG, the trustee has had discussions with the bankruptcy estate's reinsurers about the effects of the termination of the cooperation and in that connection the trustee has consequently been responsible for the ongoing operations/handling the bankruptcy estate's receivable from reinsurers.

The trustee has implemented procedures to ensure the bankruptcy estate's receivable from reinsurers and has opened a separate inbox for correspondence with the bankruptcy estate's reinsurers and for reconciliation and collection of the bankruptcy estate's receivables on an ongoing basis. The ad-hoc issues arising on an ongoing basis in respect of the reinsurers are also dealt with by the trustee.

The trustee is still focused on ensuring that the payments from the reinsurers are made directly to the bankruptcy estate and not through the bankruptcy estate's other insurance brokers. The trustee has been in dialogue with the bankruptcy estate's insurance brokers about the further cooperation on the reinsurance, and the trustee has informed the insurance brokers that in future payments must be made directly to the bankruptcy estate and not through the bankruptcy estate's brokers. The bankruptcy estate has also informed the insurance brokers that in future the bankruptcy estate will also deal with the direct communication with the reinsurers itself.

In the previous period the trustee dealt with inquiries from reinsurers requesting bordereaux and large amounts of data for the purpose of reconciling the bankruptcy estate's reinsurance receivable. The result has been that the trustee has been able to collect large receivables from a number of reinsurers, including from one reinsurer that had not made any payments to the bankruptcy estate after the bankruptcy.

The trustee has also dealt with all reporting of substantial claims to the reinsurers. In that connection the trustee has implemented a new automated reporting format for reporting substantial claims to the reinsurers. The reporting format facilitates and clarifies the general development in the insurance claims. The reporting format has also made the report to the reinsurers easier and at the same time ensures efficient and punctual reporting.

In the previous period the trustee prepared the commutation of the first reinsurance contracts, including the commutation of the small reinsurance contracts where the run-off can be determined with a great degree of probability or where the bankruptcy estate is contractually obliged to commute certain years.

It is noted that the trustee has generally intensified his discussions and correspondence with a number of reinsurers and therefore expects more commutations in the next period. In that connection the trustee has drafted and implemented processes for the continued work of commuting reinsurance contracts as it is expected that to a great extent the estate administration going forward will involve commutation.

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

Approximately 669 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 that connection the trustee was in dialogue with AES represented by Plesner Law Firm about the handling of the reinsurance of the portfolio, including the involvement of the external claims examiner with which the bankruptcy estate entered into an agreement in March 2020 on the administration of the portfolio.

The agreement with the external claims examiner entails among other things that the external claims examiner is to update the loss reserves of the portfolio so that the bankruptcy estate is still able to report correctly and fully to the reinsurers of the portfolio.

The trustee had correspondence and discussions on an ongoing basis with the external claims examiner, including about clarifying the practical and general questions relating to the claims examiner's work for the bankruptcy estate.

The bankruptcy estate entered into an agreement with AES ensuring that the bankruptcy estate still has access to data about the WCA claims being handled by AES.

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

In the previous period the trustee had regular conversations and meetings with the external claims examiner. One of the subjects of the discussions was the status of the claims examiners' examination of the claims for the purpose of adjusting the provisions for claims outstanding, reconciling payment files with AES, the monthly/quarterly status reporting to the bankruptcy estate and the general development in the WCA portfolio.

The trustee has also drafted an addendum to the claims handling agreement so that the claims examiner's services now also include deleting any duplicates in the database. The reporting procedures regarding substantial claims have also been clarified in the claims handling agreement.

The trustee will still send out separate updates to the insurers about the development in the Danish WCA portfolio. The trustee is also regularly assessing and considering the process relating to the bankruptcy estate's collection of receivables from reinsurers, including also considering the ongoing contractual relationship.

Approximately 166 hours have been spent by lawyers on such work since the most recent report.

### **5.1.3      *Receivables from coverholders, claims examiners, etc***

The bankruptcy estate's receivables from coverholders and claims examiners under the registered assets as at 31 July 2020 amounted to DKK 0, see paragraph 1.2, item 5, but it is noted that the bankruptcy estate's receivable of DKK 63,732,644 consisting of payable premiums is included with a deduction of 50% of the value (DKK 31,866,322) of the bankruptcy estate's liabilities attached to the registered assets, see

paragraph 2.1, item 30, under section 5, para (4), of the then current Statutory Order on registration of assets in insurance companies and company pension funds.

The asset mainly covers the bankruptcy estate's receivable consisting of the premium receivables from coverholders, including the instituted legal proceedings against coverholders and claims examiners.

As written in the most recent report, the trustee has collected all funds in loss accounts. Only a premium receivable from two coverholders was then outstanding. It is noted that in the previous period the trustee lodged a writ of summons against one coverholder (together with a claim for unearned coverholder commission), and the trustee is currently conducting settlement discussions with the other coverholder.

In the previous period the trustee also continued the collection of outstanding excess amounts from several policyholders in 42 cases in total. Some of the cases were closed. The trustee has collected a total excess amount of DKK 107,602.41 so far (after a deduction of paid expenses).

The trustee is still determining whether the Guarantee Fund for Non-life Insurers should have a right as a secured creditor to the excess amounts of the insurance claims for which the Guarantee Fund for Non-life Insurers has paid insurance cover. This work is therefore still taking place.

Finally, the trustee has established that claims from a significant number of policyholders have been filed of which Alpha did not have any knowledge. It is thus insurance that has not been reported to Alpha earlier. This has made the trustee investigate further whether the coverholder has effected insurance in Alpha's name but without reporting and paying insurance premiums due to Alpha.

In the previous period the trustee had discussions and correspondence with the coverholder that only wanted to assist with clarifying the matter to a very limited extent, which has made the trustee's investigations difficult.

The trustee has therefore asked several large businesses whether the businesses have taken out insurance with Alpha (via the coverholder) and to determine whether the insurance policies that the trustee received information about corresponded to the number of insurance policies that Alpha had registered in respect of the various businesses.

The work regarding the bankruptcy estate's receivables is still ongoing.

Approximately 41 hours have been spent by lawyers on such work since the most recent report.

#### 5.1.3.1 *Reclaiming unearned coverholder commission*

As written in the most recent report, the trustee has raised claims on behalf of the bankruptcy estate for repayment of unearned coverholder commission against a number of the bankruptcy estate's former coverholders.

In the previous period, a settlement on payment of GBP 600,000 in full and final settlement of the bankruptcy estate's claim was entered into with a coverholder. The trustee has spent time on formalising the settlement. The trustee has also made sure on an ongoing basis that payment has been made in compliance with the payment terms of the settlement. So far, the bankruptcy estate has received GBP 150,000.

At this point in time a total of six legal actions have been brought regarding claims for unearned coverholder commission against former coverholders. The writs of summons have been served in five of the cases but the writ of summons against a coverholder resident in French Polynesia has not yet been served.

Several of the coverholders have contacted the trustee after the legal actions were brought with proposals to hold settlement negotiations out of court with a view to settling the matters. For now, the trustee has accepted to participate in such negotiations, and settlement negotiations with several coverholders are currently being conducted. Court-based mediation has also been agreed in one case.

Moreover, the trustee participated in a number of preparatory telephone conferences in the previous period, and the trustee has also started to draft additional pleadings in the individual cases.

The trustee has dealt with procedural issues in relation to the bankruptcy estate's request to commit the cases to the Danish Maritime and Commercial High Court due to their nature.

Suspension agreements are still in force with four coverholders, including two coverholders in England. The trustee has engaged British lawyers to enter into a dialogue with the British coverholders about payment and to clarify whether legal steps are to be taken.

As written in the most recent report, the trustee has identified a receivable of approximately DKK 259,000,000 against one coverholder and its sub-coverholders. The bankruptcy estate has still taken on external legal assistance in England to assist with reclaiming the unearned commission. So far, the proceedings in England have resulted in mediation negotiations with the coverholder. The trustee together with the bankruptcy estate's British lawyers are responsible for such work.

The trustee's work relating to claiming back the coverholders' unearned commission is therefore still taking place.

Approximately 577 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 previous period of dealing with and adapting various issues because of the COVID-19 pandemic that hit Denmark in March 2020 has continued to be extensive. It also affected the operations of the bankruptcy estate.

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 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 previous period has continued to be extensive as the trustee's work has consisted of ensuring continuous proper claims handling. This work will be performed as long as there are open claims.

The trustee has also continued to adjust and follow up on the claims handling by the claims examiners attached to the bankruptcy estate on an ongoing basis because of the developments in the COVID-19 pandemic in the various jurisdictions. In that connection the trustee has continued to focus on following up on the issues and maintaining the progress of the claims handling.

In the previous period the trustee has continued to have 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 to the greatest extent possible so that the bankruptcy estate is still able to calculate the insurance claims correctly and make correct reporting to the reinsurers, which means that the bankruptcy estate's asset consisting of receivables from the reinsurers was secured.



Moreover, the trustee's talks and correspondence with the individual claims examiners about the general claims handling have continued, including also about the procedure for rejecting claims notified after the termination of the policies, the procedure for notifying the bankruptcy estate of accepted claims, the Guarantee Fund for Non-life Insurers and/or other national guarantee fund schemes as well as the claims handling of specific claims. There are still several open claims of such an amount and complexity that they 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 65 insurance portfolios out of 90 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 insurance claims is consequently still to be handled.

Approximately 941 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 previous 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. This work will be performed as long as the bankruptcy estate has operations.

The work includes the payment of various operating expenses such as rent, utilities, insurance covering the bankruptcy estate's employees, staff canteen, etc as in any other business.

In the previous period the trustee has also continued to spend time on regularly reviewing the costs that Alpha has paid regarding the service charges and other operating expenses of the leased premises because Qudos Insurance A/S in bankruptcy 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 and the agreement on apportionment of costs between Alpha and Qudos Insurance A/S in bankruptcy (the "agreement on apportionment of costs").

In that connection the trustee has also regularly handled the re-invoicing from Alpha to Qudos Insurance A/S in bankruptcy in respect of the proportionate part of the costs paid in the previous period that Qudos Insurance A/S in bankruptcy is to pay according to the sublease and the agreement on apportionment of costs.

Approximately 31 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 previous period the trustee has continued to spend a significant amount of time on dealing with the bankruptcy estate's employees, particularly because of the development in the COVID-19 pandemic which has required the trustee having to adjust the restrictions in the previous period in accordance with the authorities' guidelines, including working from home as much as possible. However, some of the trustee's employees and the key employees with the bankruptcy estate have continued to be physically present at the company to keep the bankruptcy estate operating and ultimately securing the bankruptcy estate's assets, including the significant reinsurance receivables.

In the periods when the employees have primarily worked from home the trustee has participated in daily and weekly 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 well-being of the employees.

The trustee has also continued to deal with usual employee matters as in any other operating business, including regarding illness, pregnancy, resignations, etc.

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

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

#### *5.1.4.4 Talks with guarantee funds*

In the previous period the trustee continued to have regular talks with the Guarantee Fund for Non-life Insurers and its administration company, Topdanmark Forsikring A/S, green card agencies, including the Danish Motor Insurers' Bureau (DFIM), and other national guarantee fund schemes, 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 insurance claims/claims for return premium between the various guarantee funds and the bankruptcy estate, talks about the calculation of the policyholders' claim for return premium and the process of notifying the bankruptcy estate of insurance claims/claims for return premium.

It is noted that the various guarantee funds are still examining and paying out insurance claims/claims for return premium to the policyholders/claimants, and the trustee is still involved on an ongoing basis

in the guarantee funds' processing and payouts of the reported insurance claims/claims for return premium.

In the previous period the trustee has had in-depth discussions with the various guarantee funds regarding the filing of their subrogation claims against the bankruptcy estate, including in particular in respect of the bankruptcy estate's documentation requirements for the trustee's subsequent examination of the claims. The discussions are still being held.

Finally, the trustee has also had talks with the guarantee funds and public authorities in other European countries on a continuous basis. 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 32 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 previous period the trustee has continued to have regular correspondence with the policyholders and the insured about their claims for return of premiums and insurance claims against Alpha.

As at 31 July 2021, the trustee had received approximately 6,312 emails in the inbox that the trustee's office is handling.

In the previous period the emails were still primarily 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 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.

It is noted 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 insurance claims to claimants.

In the previous period the trustee has continued to regularly update the bankruptcy estate's website, [www.alphagroup.dk](http://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 96 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 previous period the trustee has spent time on the legal actions brought against Alpha 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 previous period the trustee and the bankruptcy estate's employees have therefore continued to have extensive correspondence and discussions with the attached claims examiners and the lawyers handling the legal actions in question to ensure that the legal actions are being handled in accordance with the bankruptcy estate's instructions.

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 underlying 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 is closely following how these legal actions are being dealt with and regularly requests to be informed of the status of the current legal actions. The trustee is also contributing with relevant material and case law in the court cases on an ongoing basis, including the ruling by the Supreme Court in Norway as described in previous reports. Legal proceedings are initiated against the bankruptcy estate on an ongoing basis, including before the French courts in particular.

It is noted in this connection that a French court has referred an issue about interpretation of Article 292 of the Solvency II Directive regulating the choice of law of lawsuits pending to the Court of Justice of the European Union (CJEU). In that connection the trustee has had ongoing discussions with the bankruptcy estate's external attorney about the trustee's interpretation of the provision, and the trustee has also contributed to the drafting of pleadings, etc on an ongoing basis. The trustee is currently waiting for the decision by the CJEU.

The clarification of the facts in the legal actions brought after the issue of the bankruptcy order is still taking place.

Approximately 64 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 previous period the trustee has continued to spend time on the legal actions to which Alpha 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 talks with the attorneys about the individual cases, and the trustee continues to be involved in the handling of the various legal actions.

1) Legal action brought against a former coverholder and claims examiner in Great Britain before the issue of the bankruptcy order:

In the previous period the trustee spent time on a legal action against a former coverholder and claims examiner in Great Britain brought by Alpha before the issue of the bankruptcy order. The case is generally about damages in contract.

The legal action was brought by Alpha on 1 December 2017, ie before the issue of the bankruptcy order, before the Copenhagen City Court.

After the bankruptcy order had been issued the trustee spent time on going through the writ of summons and the produced exhibits, and the trustee also held meetings with the attorney representing Alpha before the issue of the bankruptcy order as well as relevant employees with the bankruptcy estate.

On 24 August 2018, the trustee stated that based on an assessment of the subject-matter and the litigation risk the bankruptcy estate would intervene in the action, see section 136(1) of the Danish Administration of Justice Act. The subsequent exchange of pleadings in the case has been extensive.

The trustee has drafted the reply, pleadings 1-4 and the comprehensive case summary in the case. The trustee has also spent time on going through the opposing party's defence, rejoinder, pleadings A-B and the case summary. The trustee has also spent time on making the bundle of legal documents, the time schedule and the trial bundle. Please note that the number of exhibits was considerable as there were

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148 exhibits and several of them were contract documents of more than 100 pages. In addition, 23 of the exhibits were large spreadsheets with lists of effected insurance (premium bordereaux) and lists of notified insurance claims (claims bordereaux) which could not be handled in a standard trial bundle due to the amount and nature of the data.

In the case summary the bankruptcy estate raised a claim for payment of DKK 116,794,647.06 (originally DKK 125,151,364.15) plus statutory interest as from the institution of the case. The amount claimed was comprised by three claims in part, including DKK 95,322,423.53 relating to the agreement on a call for tenders for equipment insurance, DKK 1,765,947.10 relating to the agreement on a call for tenders for motor racing insurance and DKK 19,706,276.43 relating to the agreement on a call for motorcycle insurance.

The reduction in the amount claimed related to the agreement on a call for tenders for motorcycle insurance, and the primary reason was that the original amount claimed also included contribution reserves regarding losses that Alpha had still not paid.

The trial hearing was originally scheduled for 27-29 April 2020, but because of COVID-19 the trial hearing was postponed to 17-19 November 2020. The trial hearing was then moved to 16, 18 and 19 November 2020 when it was held.

On 19 January 2021, the Copenhagen City Court delivered its judgment in the case.

The court found that the coverholder had committed material breach of the parties' agreement on a call for tenders for equipment insurance. But the court did not find that the loss suffered by Alpha had been proved, which is why the claim against the coverholder was dismissed. As for the agreement on a call for tenders for motorcycle insurance, the court found that the coverholder had breached the agreement and the coverholder was ordered to pay DKK 9,991,866.65 to the bankruptcy estate and legal costs of DKK 462,500.

On 2 February 2021, the coverholder appealed against the judgment on the agreement on a call for tenders for motorcycle insurance.

On 5 February 2021, DKK 2,151,899.79 was paid into the bankruptcy estate's account for an accepted claim in part regarding the agreement on a call for tenders for motor racing insurance.

On 15 March 2021, the trustee filed the respondent's notice in the case in which connection the trustee requested an expert valuation in light of the bankruptcy estate's loss on the effected equipment insurance.

On 28 April 2021, the coverholder filed a pleading in the case and the coverholder requested that the issue of limitation of actions be pleaded and tried separately under section 253 of the Danish Administration of Justice Act.

It is noted for the avoidance of doubt that the High Court did not find that there was any basis for pleading and trying the issue of limitation of actions separately, see the transcript of the court records of 24 August 2021, and the High Court then stayed the case until 14 September 2021 on the bankruptcy estate drawing up draft questions to be answered by expert(s).

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

On 3 May 2019, the trustee brought a legal action on behalf of Alpha against a former coverholder in Germany claiming payment of EUR 891,073 which was *part* of the total insurance premium owed by the former coverholder to Alpha. The legal action was brought before the Copenhagen City Court as this is the venue agreed on between the parties.

In the reply the amount claimed was increased to 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 then amounted to the full insurance premium that the former coverholder had failed to pay to Alpha.

In addition to drafting the writ of summons, the trustee has drafted the reply, pleadings 1-2 and the comprehensive case summary in the case. The trustee has also spent time on going through the opposing party's defence, rejoinder and case summary.

The trial hearing before the Copenhagen City Court took place on 2 June 2020. The trustee consequently spent time on preparing the case and on making the bundle of legal documents, the time schedule and the trial bundle.

The former coverholder was ordered to pay EUR 2,212,952.33 to Alpha plus statutory interest under the Danish Interest Act as from 10 February 2019 by the judgment by the Copenhagen City Court of 30 June 2020. Alpha was also awarded legal costs of DKK 456,718.75.

The former coverholder subsequently appealed against the judgment within the period allowed for appeal. The trustee then drafted and filed the defence in appeal proceedings in the case which subsequently resulted in the former coverholder withdrawing the appeal.

The trustee has had discussions and correspondence with the former coverholder with assistance from a German attorney about entering into an instalment agreement on payment of the amount of the judgment of EUR 2,212,952.33. In that connection the trustee has spent time on preparing a draft instalment agreement and assignment in security of the repayment of the claim.

The parties held negotiations in the previous period about entering into the instalment agreement which was only finally entered into on 26 April 2021.

The bankruptcy estate received EUR 48,000 in total in the previous period. The trustee is checking on an ongoing basis whether the bankruptcy estate receives the instalments in compliance with the payment terms of the instalment agreement.

3. Legal action brought against a former coverholder in Great Britain *after* the issue of the bankruptcy order:

On 26 March 2020, the trustee brought a legal action on behalf of the bankruptcy estate against a former coverholder in England, claiming payment of GBP 4,536,923.95 which was the former coverholder's non-payment of insurance premium to Alpha. Due to the jurisdiction clause of the parties' Binder Agreement, the legal action was brought before Business and Property Courts of England and Wales Commercial Court. The bankruptcy estate engaged an English barrister to safeguard Alpha'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 filed the reply in the case. The trustee has provided ongoing assistance by contributing to/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 trustee has had discussions and correspondence with the bankruptcy estate's English barrister regarding the preparation of the case management conference (CMC) in that connection. There had been a lot of preparation in the case before the CMC.

Among other things, the parties reconciled the cost budget specifying the estimated costs of the hearing of the case, preparing a draft direction order describing the parties' proposal for the procedure going forward and as well as the deadlines in such regard and disclosure, the purpose of which is to determine the exhibits in the case, including what is in favour of and against the parties' claims/pleas in the case. The determination was formally made by a disclosure review document that was filled out by the parties together. In that connection the trustee went through and commented on/made contributions to the preparatory work for the CMC. The trustee also participated in the CMC on 27 November 2020 by a video link. The trustee has also been in dialogue with the former coverholder on an ongoing basis with a view



to entering into a settlement, and the trustee has also spent time on drafting an application to the court regarding a request for provision of security for costs.

The case is still pending, and the trustee has had discussions and has corresponded with the bankruptcy estate's English barrister in that connection.

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Approximately 59 hours have been spent by lawyers on the above legal actions 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 general purpose of the audits is to ensure proper claims handling by the attached claims examiners and that no insurance claims are accepted for which there is no cover under the insurance policy regardless of whether the insurance 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 previous period the trustee started to carry out audits for 2021 of all the bankruptcy estate's attached claims examiners. It is noted that due to COVID-19 the work of planning the audits has been extensive as several of the planned audits had to be postponed to the end of 2021.

In the previous period the trustee and the bankruptcy estate's employees have had ongoing discussions and correspondence with the claims examiners about coordinating and preparing the audits of the various claims examiners, including drawing up specific instructions for the auditors with guidelines for conducting the audit of the various claims examiners. In addition to focusing on the quality and progress of the claims handling by the claims examiners, the trustee has also drafted the instructions based on the experience gained from the audits that were previously carried out.

In the previous period the trustee has also continued to draw up and update data processing agreements with the bankruptcy estate's business partners, including 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 continued to be significant. Moreover, the work has continued to involve coordination,

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including considerations as to erasure dates, issues relating to termination of agreements, return of data, etc. The work has continued to consist of assessing existing data processing agreements entered into with the bankruptcy estate's other suppliers and business partners (service and IT providers, etc.)

Approximately 109 hours have been spent by lawyers on such work since the most recent report.

#### *5.1.4.9 Audit and bookkeeping*

As written in the most recent report, the bankruptcy estate's cooperation with KPMG P/S regarding accounting assistance to the bankruptcy estate terminated at the end of 2020. The bankruptcy estate subsequently entered into an agreement with Deloitte Statsautoriseret Revisionspartnerselskab ("Deloitte") about the future accounting assistance to the bankruptcy estate. But KPMG Accor Tax Partnerskab is still assisting the bankruptcy estate with a number of specific tax matters.

In the previous period the trustee has had discussions and correspondence with Deloitte about the bankruptcy estate's accounts.

It is noted in respect of the bookkeeping that the trustee's employees are still assisting with approving payments by the bank and declares direct and indirect taxes.

Due to COVID-19, the trustee's employees have not been present in person at the company every day, but they have dealt with tasks relating to the bookkeeping on a daily basis. In this connection the trustee has ensured that the procedures for the payment of the claims handling expenses and other expenses relating to the operations prepared by the trustee are justifiable and adequate.

As for the periodical reporting of direct and indirect taxes abroad, the trustee has continued to correspond with the external tax consultants and tax authorities that handle the declaration of direct and indirect taxes abroad. Likewise, the external tax consultants are assisting with obtaining documentation for recovering premium tax.

It is noted that earlier the trustee conducted in-depth examinations of whether the bankruptcy estate is entitled to recover insurance premium tax paid for the part relating to the insurance period/the period after the termination of the policies of 11 August 2018, see section 26(1) of the Danish Insurance Contracts Act. The examinations have included studying Danish law and involving external tax consultants as the recovery of insurance premium tax is primarily taking place in other EU Member States than Denmark due to Alpha's insurance portfolio outside Denmark.

It is noted that in the previous period the trustee has been in regular contact with the tax authorities in Great Britain, Germany and France where the recovery of insurance premium tax is still taking place. On behalf of the bankruptcy estate the trustee has requested repayment of insurance premium tax in cooperation with the external tax consultants. Together with the bankruptcy estate's employees, the trustee has also calculated the various claims for recovery as well as participated in several discussions with the external tax consultants about the claim for recovery of the insurance premium tax as the recovery of the insurance premium tax is primarily taking place in other EU Member States than Denmark due to Alpha's insurance portfolio outside Denmark.

The trustee is currently awaiting the processing by the tax authorities and are contributing to clarifying the cases. This work is still taking place.

In the previous period the trustee's work has also included work regarding the Norwegian WCA portfolio, including discussions with the Norwegian claims examiner and the Norwegian authorities about how to treat and calculate the Norwegian RTV tax.

Approximately 257 hours have been spent on such work since the most recent report of which 157 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 previous period the trustee has continued to spend 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' insurance claims against the bankruptcy estate. In that connection the trustee has continued to hire external consultancy assistance in this regard. IT experts from the trustee's office have also continued to provide assistance.

The work has been described in detail below, see paragraphs 5.1.5.1-5.1.5.3.

#### ***5.1.5.1 Web form, repayments***

In the previous 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 and its administration company Topdanmark Forsikring A/S. The web form is hosted by Topdanmark Forsikring A/S.

At the beginning of August 2021, 22,636 claims in total for the return of premium had been filed by using the form. To this number should be added mass reporting of claims for return of premium, so-called bulks, where for example a coverholder 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. The claims are registered manually in the systems.

In the previous period the trustee has had in-depth discussions with Topdanmark Forsikring A/S, including their associated IT consultants, about the transfer of recorded data from the web form to the bankruptcy estate's register of debts and claims so that the policyholders' claims for return premium are registered in the bankruptcy estate's register of debts and claims, including with a calculation of the size of the claim for return premium, whether coverage has been provided by FSCS and/or the Guarantee Fund for Non-life Insurers, the status of the processing of the claim, etc.

The trustee has participated in several planning meetings with assistance from his own and external IT consultants, and the trustee has also defined the format for recording data in the register of debts and claims by a semi-automated newly developed function. The work in this connection is still going on.

The trustee expects that all data from the web form will be recorded in the trustee's register of debts and claims during 2021/2022.

Approximately 56 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 previous period the trustee has continued to spend time on going through and adjusting the procedure for the various claims examiners notifying the bankruptcy estate of the accepted claims. Moreover, the trustee has spent time on maintaining and developing the new register of debts and claims to handle the claims filed under the registered assets.

As written in the previous reports, the trustee has designed a specific notification format for the claims examiners to be used when notifying the bankruptcy estate of accepted insurance 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 insurance 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.

In the previous period the trustee with assistance from IT experts from the trustee's office and external IT consultants have spent time on the development of several new functions in the register of debts and claims, including functions to facilitate the process of updating/adding more information about a large amount of data (for example if the same statement is registered for 5,000 different claims filed in the register of debts and claims) as well as functions to ensure that the same claim is not registered several times in the register of debts and claims.

The work in this regard is only expected to be terminated at the beginning of 2022 as a lot of tests are to be conducted before the function becomes available. Add to this the need for drafting detailed procedures to prevent any incorrect recordings/adding incorrect information.

In the previous period the trustee has continued to correspond and have talks with the individual claims examiners about the process for notifying the accepted insurance claims, including also in respect of the interaction with the existing ongoing notification to the bankruptcy estate.

Approximately 23 hours have been spent by lawyers on such work since the most recent report.

#### *5.1.5.3 Web form for complaints (complaint form)*

In the previous period the trustee dealt with the complaints opened through the complaint form on the bankruptcy estate's website, [www.alphagroup.dk](http://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.

In the previous period the trustee dealt with the complaints with assistance from the bankruptcy estate's employees. 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 then 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 2021, a total of 33 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 27 of them. The processing of the complaints is therefore still taking place.

The trustee still intends to start examining the rejected complaints in 2022/2023.

Approximately 42 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 receivables from reinsurers and other assets***

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

In the previous 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 65 hours have been spent by lawyers on such work since the most recent report.

##### *5.1.6.2     Danish Labour Market Insurance (AES)*

The bankruptcy estate's discussions with AES were put on hold in the previous period until it had been finally clarified whether the Guarantee Fund for Non-life Insurers was to take over the Danish WCA portfolio from AES.

On 1 June 2021, the bill on the acquisition by the Guarantee Fund for Non-life Insurers of the Danish WCA portfolio from AES was passed with effect from 1 July 2021.

The trustee has therefore resumed the discussions about the Danish WCA portfolio with the Guarantee Fund for Non-life Insurers.

The time spent by lawyers has been included in paragraph 5.1.2.1 above.

### **5.1.7 Examination of claims**

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

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

The initial examination of claims work is therefore still taking place.

Approximately 67 hours have been spent by lawyers on such work since the most recent report.

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It means that approximately 3,332 hours in total have been spent on work relating to the registered assets of which approximately 157 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 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 CBL Corporation Limited that entered into solvent liquidation on 18 February 2018 and which was subsequently declared bankrupt on 19 May 2019 and whose subsidiaries also include 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 (now in bankruptcy) issued a guarantee in security of Intercede's repayment of the loan to Alpha.

Alpha's 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 established that CBL Insurance Limited's (now in bankruptcy) guarantee in security of Intercede's repayment to Alpha 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 was that Intercede was no longer a legal entity and that Intercede's assets, if any, became the property of the British Crown that is believed to have frozen any assets. As CBL Insurance Limited's (now in bankruptcy) guarantee expired in 2017 the trustee abandoned pursuing the claim against CBL Insurance Limited (now in bankruptcy).

It is noted that initially the trustee was in dialogue with the British authorities about the process of re-establishing Intercede. The trustee sent a formal request to the British authorities to re-establish Intercede for the purpose of subsequently filing the claim from Alpha.

Intercede was subsequently re-established, and the trustee has taken steps to recover the receivable from Intercede assisted by a British barrister. With assistance from a British barrister the trustee has sent a letter of demand to Intercede requesting payment of the receivable.

However, due to the re-establishment of Intercede it turned out to be difficult for the trustee to get in contact with/in dialogue with Intercede's (former) management.

The trustee has therefore been in regular contact with Intercede's parent company, CBL Insurance Corporation (now in bankruptcy), about the claims raised by the bankruptcy estate against Intercede.

In the previous period the trustee has continued to have discussions and correspondence with the British barrister about the bankruptcy estate's options and the process going forward.

The trustee's work regarding collecting the receivable is therefore still taking place.

Approximately 38 hours have been spent by lawyers on such work since the most recent report.

## **5.2.2      *Receivable from Beta Re AG***

Beta Re AG owes the bankruptcy estate DKK 11,817,420.24 which, however, has been included at a reminder value of DKK 1, see paragraph 1.3, item 13.

It is noted that bankruptcy proceedings were commenced in Switzerland against Beta Re AG on 9 March 2021.

Before Beta Re AG's bankruptcy, the trustee had tried to reconcile the bankruptcy estate's receivable in cooperation with Beta Re AG which, however, was unsuccessful.



As a consequence of bankruptcy proceedings against Beta Re AG, the trustee together with the bankruptcy estate's employees started to calculate the bankruptcy estate's total claim against Beta Re AG's bankruptcy estate with a view to filing the bankruptcy estate's total receivable against the bankruptcy estate of Beta Re AG.

The total receivable has been calculated to amount to DKK 11,817,420.24, the equivalent of CHF 1,709,671.81, which partly consists of the booked receivable of DKK 7,360,000 and partly a number of fees etc that, in the bankruptcy estate's opinion, Beta Re AG did not repay to the bankruptcy estate in connection with the receipt of the return premium from reinsurers. Moreover, Beta Re AG had also previously acknowledged to owe large parts of the claim identified by the bankruptcy estate.

In the previous period the bankruptcy estate engaged a Swiss attorney to assist with filing the bankruptcy estate's claim. In that connection time has been spent on having the bankruptcy order issued by the Bankruptcy Division of the Danish Maritime and Commercial High Court against Alpha of 8 May 2018 authenticated and recognised in Switzerland, which was a condition for filing the bankruptcy court's claim. The work was successful, and the bankruptcy estate's Swiss attorneys have filed a claim of DKK 11,817,420.24, equal to CHF 1,709,671.81, against the bankruptcy estate of Beta Re AG on behalf of the bankruptcy estate.

The trustee was subsequently informed that at this point in time there is no prospect of any significant dividend from the bankruptcy estate of Beta Re AG.

Approximately 37 hours have been spent by lawyers on such work since the most recent report.

### **5.2.3      *Investigations relating to avoidance and claim for repayment***

In the previous period the trustee has conducted further investigations of the payment of expenses of a private nature which resulted in the trustee lodging a writ of summons against the next of kin of two former members of the management in the previous period. An account of the trustee's work can be found in paragraph 3.

The trustee's work is still taking place.

Approximately 52 hours have been spent by lawyers on such work since the most recent report.

#### **5.2.4     *Investigations relating to management liability***

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

It is the trustee's general opinion based on the conducted investigations that unwarrantable/incorrect recognition and valuations of a number of assets and liabilities have systematically been made that have had a decisive effect on Alpha's financial ratios and solvency ratio. It is also the trustee's opinion that the operations in Alpha continued beyond the point of no return, which has resulted in Alpha, and ultimately the creditors, having suffered a significant loss.

On 7 December 2020, the trustee therefore sent a letter to two former members of the management, claiming payment of the loss suffered by the bankruptcy estate. On 16 December 2020, the trustee also sent a letter to Alpha's former auditor where the trustee wrote about a number of issues giving rise to criticism in connection with the conducted audit.

Both the two former members of the management and the company's former auditor rejected the criticism by the bankruptcy estate. The reason for the rejection was carefully considered by the trustee and it did not lead to a change in the opinion on the criticised transactions.

On 3 March 2021, the trustee lodged a writ of summons on behalf of the bankruptcy estate against the two former members of the management and the company's former auditor with a preliminarily calculated claim for payment of an amount of approximately DKK 208 million. The case was brought before the Copenhagen City Court and is still pending.

A defence was filed in the case on 30 June 2021 which the trustee has read. A deadline for filing a reply has not yet been set.

In the previous period the trustee also carried out supplementary investigations. The trustee also started to draft questions to be answered by expert(s).

Approximately 2,068 hours have been spent by lawyers on such work since the most recent report.

**5.2.5 Other estate administration**

Since the most recent report approximately 198 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.

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It means that 2,393 hours in total have been spent by lawyers on the unencumbered assets since the most recent report.

**6. SUMMARY OF THE TIME SPENT**

Approximately 5,725 hours in total have consequently been spent on the estate administration, including approximately 3,175 hours by lawyers and approximately 157 hours by members of the finance department on work relating to the registered assets, see paragraph 1.2, and approximately 2,393 hours by lawyers relating to the unencumbered assets, see paragraph 1.3, in the period from 1 February 2021 and up to 31 July 2021.

**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 insurance claims that must be processed before the bankruptcy estate can be wound up.

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.

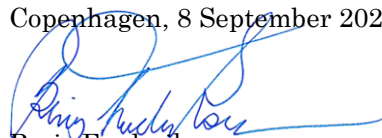
**8. INTERIM FEE**

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

## 9. NEXT CREDITOR INFORMATION

The next creditor information under section 125(4) of the Bankruptcy Act will be sent on 8 March 2022 at the latest to the bankruptcy court and the creditors.

Copenhagen, 8 September 2021



Boris Frederiksen

Partner, Attorney