

Danish report of 8 March 2023 – translation made on 21 March 2023

Report under section 125(4) of the Danish Bank- ruptcy Act

Alpha Insurance A/S in bankruptcy, CVR no 21064440

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

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

Firstly, I refer to my previous report under section 125(1) of the Bankruptcy Act of 29 May 2018, the report under section 125(2) of the Bankruptcy Act of 7 September 2018 as well as my previous reports under section 125(4) of the Bankruptcy Act of 7 March 2019, 6 September 2019, 6 March 2020, 8 September 2020, 8 March 2021, 8 September 2021, 8 March 2022 and most recently of 8 September 2022.

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

1. ASSETS

1.1 Accounts

When the bankruptcy order was issued on 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 a controlled winding-up of 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 four open accounts with UBS in Switzerland (two accounts have been closed, in NOK and NZD respectively).

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 in compliance with section 167(4) of the then current Danish Financial Business Act, see paragraph 2.1 below. The registered assets also cover the necessary costs relating to closing out the portfolio as specified.

It is noted that the calculation below describes the movements from the date of the bankruptcy order until 31 January 2023. This is different from the most recent report which only described the movements compared to (at that time) the most recent report. The change has been made to create a better overview of the development in the bankruptcy estate.

The registered assets as at 31 January 2023 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 January 2023, the bankruptcy estate's deposits amounted to DKK 684,888,327.

It has been taken into account in connection with the calculation that a payment was made in December 2022 of DKK 342,785,072.24 to the Guarantee Fund for Non-life Insurers, see paragraph 7.1 below, which means that approximately DKK 765,210,000 in total has been paid to the Guarantee Fund for Non-life Insurers.

Moreover, the reason for the increase in the deposits is primarily a result of the bankruptcy estate's sale and maturity of securities,

interest income and gains of DKK 641,270,000 (item 2), payments of reinsurance receivables of DKK 896,770,000 (item 4) and payments of receivables by coverholders/claims examiners of DKK 159,780,000 in total (item 5). The reason for the deviation compared to item 5 below is that bigger actual 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.

Expenses relating to continuing the operations of the bankruptcy estate in the amount of approximately DKK 179,800,000 in total have also been paid throughout the entire period after the issue of the bankruptcy order.

Reinsurance premium and profit commission of DKK 13,680,000 have also been paid (item 4).

Finally, other costs have been paid, and translation adjustments of DKK 15,730,000 have been made.

DKK 684,888,327.00

2. Securities

As at 8 May 2018, the bankruptcy estate's securities were booked at DKK 659,853,899. As at 31 January 2023, the bankruptcy estate's portfolio of securities amounted to DKK 18,582,161.

The reduction in the portfolio of securities is a result of the bankruptcy estate's sale and maturity of shares and bonds and relating interest which amount to approximately DKK 641,270,000 in total. The proceeds from the securities have been included in the deposits in item 1 above.

DKK 18,582,161.00

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

The bankruptcy estate has a booked asset consisting of expected 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, notified and examined 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 January 2023, the receivable amounted to DKK 933,274,123.

The primary reason for the difference in the value of the receivable is a reduction in the provisions for claims outstanding of DKK 336,070,000 (item 29), a reduction in the provisions for unearned premiums of DKK 218,200,000 and a reduction in the provisions for major claims outstanding of DKK 357,060,000, translation adjustments of DKK 51,040,000 and various adjustments, including of profit commission of DKK 85,340,000 in total.

DKK 933,274,123.00

4. Receivables from reinsurers (actual receivable)

The bankruptcy estate has an actual receivable from reinsurers which amounted to DKK -2,315,273 as at 8 May 2018. It means that at the time the bankruptcy estate owed the reinsurers. As at 31 January 2023, the receivable amounted to DKK 180,714,860.

The primary reason for the difference is that the bankruptcy estate's reinsurance receivable relating to return premiums has increased by DKK 322,300,000, that the reinsurers have paid DKK 896,770,000 in total (DKK 65,300,000 during the last six months) to the bankruptcy estate 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 834,830,000 because a number of claims have been processed which resulted in the loss on the insurance contracts having been determined and calculated (the provisions for claims outstanding in item 29 were written down at the same time).

There have also been translation adjustments of DKK 12,470,000 in total, total payments of premiums and profit commission of DKK

19,620,000 to the reinsurers and various adjustments of approximately DKK 106,780 have been made.

DKK 180,714,860.00

5. Receivables from coverholders and claims examiners

On 8 May 2018, the receivable amounted to DKK 244,299,656. As at 31 January 2023, the booked receivable amounted to DKK 9,275,639. 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 159,010,000 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 and funds in claims examiners' claim accounts of DKK 104,520,000, payments of claims for contribution and settlement amounts of DKK 35,850,000 in total and repaid premium tax and profit commission of DKK 18,640,000 in total.

The bankruptcy estate has also paid claims handling costs of DKK 54,070,000.

Finally, a number of technical bookkeeping amendments have been made regarding, *inter alia*, loss on receivables, adjustments for time lag and translation adjustments of DKK 130,080,000 in total.

DKK 9,275,639.00

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

The trustee has carried out work relating to Labour Market Insurance in connection with its payments to claimants in the period until Labour Market Insurance was able to arrange for the administration of the industrial injury portfolio. The trustee has invoiced the work that amounted to DKK 93,750 inclusive of VAT which has been included in the deposit in the account (item 1).

DKK 0.00

7. Unearned coverholder commission

The trustee has assessed that the bankruptcy estate has a claim against the coverholders that previously sold insurance on Alpha's behalf. The trustee has calculated a receivable from the other coverholders relating to unearned coverholder commission of approximately DKK 282,000,000 that the trustee has started to collect. As at 31 January 2023, the bankruptcy estate had collected approximately DKK 4,770,376 (incorrectly registered as DKK 6,865,500 in the most recent report), which is part of the deposit in the account (item 1). The claims are disputed and the extent to which the former coverholders will be able to pay the bankruptcy estate's claims in full is also uncertain, which is why for now the calculated asset is included at a reminder value of

DKK 1.00

Registered assets in total	DKK 1,826,735,111.00
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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 January 2023 were booked at:

8. Deposit in client account

As at 31 January 2023, the deposit amounted to DKK 39,344,836.67. 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.

It is also noted that the deposit includes paid excess amounts of a total of DKK 136,373.86 (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, see paragraph 5.1.3.

Finally, total expenses of DKK 6,875,234.31 relating to the administration of the Danish industrial injury 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 5.1.6.3) when it has been finally clarified whether the Guarantee Fund for Non-life Insurers holds a special position in the bankruptcy estate.

DKK 39,344,836.67

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, Alpha Holding A/S in bankruptcy, Alpha ApS in bankruptcy and Alpha 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 January 2023, the booked receivable amounted to DKK 42,709,725 inclusive of interest. As, according to information received, the company (despite re-establishment) does not have any funds, the

actual value of the asset is still uncertain. For this reason the asset is included for the time being at a reminder value of DKK 1.00

12. Staff loan

An employee with Alpha received a loan from Alpha of DKK 1,500,000 before the bankruptcy. 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 January 2023 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 and has also assisted with an investigation of the company's financial position through the bankruptcy estate's local correspondence lawyer in Switzerland. As it is uncertain whether any dividend will be distributed, the asset is, for the time being, included at a reminder value of DKK 1.00

14. Furniture and fittings

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 January 2023 were booked at DKK 0.00. When the company went bankrupt, the assets were valued at DKK 277,600 by SFT Group ApS at a forced sale. But the assets are still being used in the day-to-day operations, which is why for the time being the asset has been included at the valuation DKK 277,600.00

15. Rent deposit

The bankruptcy estate's offices were rented. As at 8 May 2018, the rent deposit was booked at DKK 2,120,056. The asset was booked at DKK 1,000,146 as at 31 January 2023.

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.

Moreover, the booked deposit has also increased because Gefion Finans A/S in bankruptcy moved into a sublet part of the leased premises on 1 February 2022 and therefore has 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. Vehicles

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 January 2023 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 subsequently received proceeds of DKK 13,440.00 exclusive of VAT. The proceeds are included in the deposit in the client account (item 8).

The asset as at 31 January 2023 was consequently booked at DKK 70,000. 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. Two conference tables, six chairs, one carpet, one wine refrigerator, one printer, 19 shelving units and four drawer units were also sold for DKK 19,500 in total exclusive of VAT. The amounts are 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 was subsequently deposited into the bankruptcy estate's account and is included in the deposit in the client account (item 8). DKK 0.00

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 connected persons 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 and the company's former auditor

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	DKK	39,927,603.67
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2. LIABILITIES

2.1 Liabilities relating to the registered assets

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

Again, it is noted that the calculation below describes the movements from the issue of the bankruptcy order to 31 January 2023, which is different from the most recent report that only described the movements compared to (at that time) the most recent report.

For the sake of completeness, it must be emphasised that it is assumed below that both the insurance claims and the claims for return premium can be paid by the registered assets. But the trustee knows that on 10 March 2020 the EFTA Court delivered a judgment regarding Gable Insurance AG in bankruptcy that could change this starting point, see paragraph 5.1.6.2 below. But the consequences and scope of the decision are not yet clear, which is why the classification in the calculation below is maintained for the time being.

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 January 2023, the booked provisions for unearned premiums amounted to DKK 262,443,535.

The primary reason for the difference in the period is accrual of

premium until the termination of the policies prescribed by law (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. Translation adjustments are also to be taken into account.

It must be emphasised that the trustee's immediate opinion is that the claims for repayment of premiums have become barred by limitation. The trustee does not therefore expect any further claims for return premium. This could obviously be a factor of decisive importance to this item.

DKK 262,443,535.00

29. Expected insurance claims

The provisions for claims outstanding are the amount set 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. As at 8 May 2018, the provisions for claims outstanding were booked at DKK 2,176,518,057. As at 31 January 2023, the booked provisions amounted to DKK 1,866,661,751.

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 expected insurance claims that have also been proved by a creditor 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 1,866,661,751.00

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 January 2023, the receivable

amounted to DKK 46,014,600. 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 January 2023, the deduction amounted to

DKK -23,007,300.00

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

As at 31 January 2023, the claims proved in respect of the registered assets amounted to DKK 2,894,799,520.59 in total. It is noted that this is only a provisional calculation of the proved claims as the various guarantee fund schemes are still making payouts and updating their proofs of claim on an ongoing basis. 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. It is expected that this overlap will be eliminated over time.

DKK 2,894,799,520.59

32. Debt to coverholders and claims examiners

As at 31 January 2023, the bankruptcy estate had booked debt to coverholders and claims examiners of DKK 36,738,965. The debt was previously included in item 5.

DKK 36,738,965.00

Liabilities in total

DKK 5,037,636,471.59

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 January 2023, the various guarantee fund schemes paid a total of DKK 1,139,504,823 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. This is why the trustee does not expect that there will be liabilities of DKK 5 billion linked to the registered assets when the bankruptcy estate is wound up. It is the trustee's preliminary assessment that the liabilities linked to the registered assets will be less than DKK 3.5 billion when the bankruptcy estate is wound up.

2.2 Other liabilities relating to the unencumbered assets

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

Proofs of claim lodged under section 82 of the Bankruptcy Act	DKK	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	34,101,391.31
Proofs of claim lodged under section 97 of the Bankruptcy Act	DKK	83,509,720.90
Proofs of claim lodged under section 98 of the Bankruptcy Act	DKK	155,553,209.41
Other liabilities in total	DKK	880,846,220.74

It is noted that the claims proved 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.

3. LITIGATION REGARDING AVOIDANCE AND CLAIMS FOR REPAYMENT

As stated in the previous reports, the trustee has concluded the investigations relating to avoidance in the bankruptcy estate. Reference is generally made to the previous reports on this subject.

As for the bankruptcy estate's possible claim for avoidance of DKK 562,500 which was subsequently reduced as part of the trustee's further investigations to DKK 284,715, it is noted that the suspension agreement is still in force. In the preceding period, the trustee continued to have talks and correspondence on an ongoing basis with the beneficiary about the possible claim for avoidance.

Litigation, the bankruptcy estate's claim for repayment against two connected persons of former members of the management

On 16 March 2021, the bankruptcy estate lodged a writ of summons against a connected person of a former member of the management, claiming repayment of payments received of DKK 274,120 in total plus interest as from the various dates of payment. Moreover, the bankruptcy estate lodged a writ of summons on 28 April 2021 against another connected person of a former member of the management with a claim for amounts received of DKK 596,947 in total plus interest (the claim was adjusted to DKK 589,025 in the course of the pre-complaint dealings).

The District Court of Helsingør found by its judgment of 21 October 2022 (the first case) that the spouse of the former member of the management was not to repay the DKK 589,025 as the court found that the matter was not subject to section 210 of the Danish Companies Act. The trustee appealed against the judgment to the Danish Eastern High Court on 3 November 2022 as the trustee was of the opinion that the judgment was wrong and contrary to other case law by the Danish High Court and as the trustee found that the court did not take a position on the basic theme of the case. On 24 January 2023, the defendant filed a defence in appeal proceedings in the case, which the trustee has gone through.

The bankruptcy estate is currently waiting for the Danish Eastern High Court to fix a date for the hearing.

In the other case, the spouse of the member of the management was found not to be liable for payment of DKK 274,120 by the judgment of the District Court of Helsingør of 21 November 2021, ie after the expiry of the period allowed for appeal in the first case, mainly because (based on a witness statement by a former member of the management) the court found that it was customary in the insurance business that spouses and cohabitants participate in business trips and dinners and as the purpose of the participation was to create relations with business associates. The court did not find therefore that the expenses paid were clearly private.

Due to the litigation costs, the bankruptcy estate has decided not to appeal against the judgment as the relatively limited value of the subject-matter of DKK 274,120 has been taken into account.

As a consequence, the pursuit of the claims for repayment continues in relation to the appealed judgment which is now pending before the Danish Eastern High Court.

4. CRIMINAL OFFENCES

It is regularly investigated in connection with the estate administration whether there is any basis for the trustee filing a police report under section 110(4) of the Bankruptcy Act. The trustee's examinations in this regard have been concluded for the time being and reference is made to previous reports.

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

The trustee's work in the period since the most recent report (of 8 September 2022) and until 31 January 2023 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 January 2023 at DKK 18,582,161 in total, see paragraph 1.2, item 2.

The securities are still being administered together with UBS and Sydbank A/S that administer the bankruptcy estate's portfolio of securities.

In the previous period, the trustee continued to manage the portfolio of securities and regularly assessed the bankruptcy estate's securities investment policy, including also in respect of the need for liquidity to pay for the day-to-day operations. Approximately DKK 32,270,000 was withdrawn from the company's custody account in the previous period which has been added to the deposit.

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

Approximately 14 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.

The trustee's work relating to the reinsurance has generally resulted in the payment of approximately DKK 896,770,000 in total to the bankruptcy estate from the reinsurers since the company went bankrupt (calculated as at 31 January 2023). DKK 65,300,000 has been paid by the reinsurers in the previous period of six months.

In the previous period, the handling of the bankruptcy estate's reinsurance still focused on calculating and collecting the bankruptcy estate's reinsurance receivable on an ongoing basis. Dealing with the reinsurance still involves complicated issues, which the trustee is assessing and handling on an ongoing, and daily, basis. In that connection the trustee has continued to have discussions with the reinsurers and the bankruptcy estate's employees on a daily basis regarding calculations, reconciliation and payment of receivables from reinsurers to the bankruptcy estate as well as other operational matters. It is expected that this work will be performed as long as there are open claims with reinsurance coverage.

The trustee is still focused on ensuring that to the extent possible the payments from the reinsurers are made directly to the bankruptcy estate and not through the bankruptcy estate's insurance brokers. It is noted in this connection that there have been challenges in respect of a number of Asian reinsurers with implementing the direct payment from the reinsurers to the bankruptcy estate, and the trustee has therefore been in dialogue with the relevant insurance broker and the relevant reinsurers. Against this background, the trustee found that it was necessary to go back to the starting point that payments are first made to the insurance broker that then makes the payment to the bankruptcy estate, including also that communication is made through the broker and not directly with the reinsurers. It creates an increased risk for the bankruptcy estate as payments take longer, but on the other hand it is also untenable if the changed procedures actually stop the actual payments.

In the previous period, the trustee continued to be in dialogue with another broker about one single reinsurer that has not paid directly to the bankruptcy estate as expected. The trustee is still waiting for payment from the reinsurer and is still in dialogue with the broker. Ultimately, it may be necessary to initiate arbitration proceedings in this regard, but in the trustee's opinion this is not yet relevant.

As for the reporting of major claims to the reinsurers, the trustee previously implemented a new automated reporting format for reporting major claims to the reinsurers. The reporting format facilitates and clarifies the general development in the insurance claims. The reporting format also makes the reporting to the reinsurers easier and at the same time ensures efficient and punctual reporting of major claims, which will eventually secure the bankruptcy estate's substantial receivables from reinsurers. The trustee is dealing with this issue on an ongoing basis.

Several major claims must be indexed annually to take into account the price development from the date of the loss until a payout is made. In the previous period, the trustee updated the indexing of a number of major claims as a consequence of additional payouts and subsequently sent out collections to the relevant reinsurers. The English courts have decided that in addition to coverage of the claims concerning a number of English major claims the claimants are to receive a lifelong periodic payment order (PPO). The trustee will periodically collect coverage from the reinsurers. The trustee is still looking into the possibility of transferring claims with PPOs due to the very long run-off which often spans 30-50 years.

Moreover, the trustee's work in the previous period continued to include looking into the possibilities of commutation where the run-off can be determined with a high degree of probability. At this point in time the trustee is focusing on the commutation of the so-called "quota share contracts". The indexation mentioned above affects the maximum amount to some degree for which the reinsurers are liable under the "quota share contracts", which is included in the discussions about commutation offers with the relevant reinsurers. The calculations providing the basis for the above are complicated.

Where a loss has developed into an PPO, the loss is kept out of commutation as the run-off result is unpredictable and may vary by several million Danish kroner. The final commutation amount will depend on an agreement between the bankruptcy estate and the individual reinsurers.

In the previous period, the trustee also held status meetings on a regular basis to ensure progress in the commutation process and determine reserves. The trustee also started new negotiations and continued negotiations with a number of reinsurers concerning commutation agreements, including discussions with the reinsurers and drafted commutation offers. This work is still taking place.

In addition, the trustee is regularly assessing and considering the process relating to collection of the bankruptcy estate's receivables from reinsurers, including also considering the ongoing contractual relationships with the various reinsurers. In the previous period, the trustee participated in a number of meetings in London with relevant reinsurers and insurance brokers for the purpose of solving specific issues relating to the reporting and settlement of the bankruptcy estate's receivable from reinsurers and ensuring ongoing collaboration and communication.

The bankruptcy estate has initiated arbitration proceedings about an old receivable from a reinsurer outside of Denmark. The bankruptcy estate had to deal with a number of formalities in that connection. Due to a third party's affairs, the start-up of the matter has made slow progress.

Approximately 729 hours have been spent by lawyers on such work since the most recent report.

5.1.2.1 *Danish industrial injury*

It is noted that the administration of the portfolio of Danish industrial injury was transferred as at 1 July 2021 from Danish Labour Market Insurance (AES) to the Danish Guarantee Fund for Non-life Insurers. As a result of the transfer, the trustee had correspondence and discussions on an ongoing basis with the bankruptcy estate's external claims examiner about clarifying the practical and general questions relating to the claims examiner's work for the bankruptcy estate/the Guarantee Fund.

The general tendency in respect of the open claims for Danish industrial injury is that their development is negative/they increase, which is also reflected in the bankruptcy estate's reporting to the relevant reinsurers. The reinsurers follow the development closely and have several questions to the bankruptcy estate that are especially about the reason for the increases in covered losses and reserves.

In the previous period, the trustee continued to have discussions and meetings with the external claims examiner concerning calculating losses with incomplete information, ie unknown losses, losses without a policy number or losses where it has not been possible to identify the claimant, including matters in respect of coordinating the claims handling.

The bankruptcy estate's employees have examined approximately 900 losses manually in the previous period for the purpose of identifying the claimants. The preliminary result of the examination is that 68 insurance claims qualify as justified insurance claims with Alpha as the insurer. In addition, there are approximately 161 insurance claims that need to be examined in detail.

The trustee has also carried out close examinations relating to the judgment of 27 April 2022 by the Danish Supreme Court (U.2022.2879H) in which connection the Supreme Court decided whether the defendants that had been awarded compensation for disability under the Danish Workers' Compensation Act were entitled to interest on the amount before or after withholding of tax as the amounts had been paid out too late. The Supreme Court found that the amount should carry interest before the withholding of tax (the gross amount). The judgment thus changes the practice of how compensation has carried interest so far if compensation is paid out too late. Against this background, the trustee has drafted a briefing note to the reinsurers about the judgment and has pointed out that the reserves for Danish industrial injury may have been set too low in light of the judgment by the Supreme Court. In the same briefing note, the trustee also informed the bankruptcy estate's external claims examiners' assessment of the loss reserves for Danish industrial injury.

In connection with the collection of the reinsurance the trustee has been contacted by reinsurers that had specific questions about Danish industrial injury which the trustee has answered.

The work is still taking place.

Approximately 117 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 amounted to DKK 9,275,639 as at 31 January 2023, see paragraph 1.2, item 5. It is noted in this connection that the bankruptcy estate's receivable of DKK 46,014,600 consisting of payable premiums is included by 50% of the value (DKK 23,007,300) 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 item mainly covers the bankruptcy estate's receivable consisting of the premium receivables from coverholders, including the instituted legal proceedings against coverholders and claims examiners.

As written in recent reports, the trustee has collected all funds in loss accounts. A detailed account of the bankruptcy estate's legal actions has been provided in paragraph 5.1.4.7. Moreover, paragraph 5.1.3.1. contains a detailed account of the legal actions brought about claims for unearned coverholder commission.

In the previous period, the trustee also continued to collect outstanding excess amounts from policyholders in 40 cases in total (incorrectly registered as 42 cases in a previous report). Three of the cases are still open. The trustee has collected a total excess amount of DKK 241,047 so far (DKK 136,373.86 after a deduction of paid expenses).

The collected excess is currently deposited in the bankruptcy estate's client account, see paragraph 1.3, item 8. It is still being investigated whether the amount is a registered asset or an unencumbered asset. If the amount is a registered asset, the amount will subsequently be reclassified/moved.

As stated in previous reports, the trustee has continued the work of determining whether the Guarantee Fund for Non-life Insurers has a right as a secured creditor to the excess amounts of the insurance claims that the Guarantee Fund for Non-life Insurers covers.

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

Approximately 74 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 previous reports, 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.

At this point in time a total of six legal actions are pending regarding claims for unearned coverholder commission against former coverholders.

1) Legal action brought against a former coverholder in Denmark

On 7 May 2021, the trustee brought a legal action against a former coverholder, claiming payment of DKK 6,275,043.76 and NOK 85,570.59 (approximately DKK 63,200).

The final hearing was originally scheduled for 7 and 8 March 2023, but has since then been rescheduled for 18-20 September 2023.

In the previous period, the trustee drafted an additional pleading in the case, and the trustee received and read a pleading from the opposing party. The trustee has also spent time on preparing for the final hearing, preparing the trial bundle, the bundle of legal documents, etc.

2) Legal action brought against a former coverholder in Great Britain

On 6 May 2021, the trustee brought a legal action against a former coverholder, claiming payment of GBP 615,541.28 (approximately DKK 5,500,000).

In the previous period, the trustee drafted a pleading in the case, and the trustee received and read a pleading from the opposing party. The trustee has also participated in interim hearings and has started to prepare the questions to be answered by an expert. In the previous period, the trustee contacted possible relevant experts. No suitable expert has been found so far, and the case is therefore stayed pending the expert valuation.

3) Legal action brought against a former coverholder in Denmark

On 8 September 2021, the trustee brought a legal action against a former coverholder, claiming payment of DKK 970,308.20.

The final hearing took place on 10 and 11 January 2023 when the court appointed two expert lay assessors to hear the case. A judgment will be delivered in the case on 8 March 2023.

In the previous period, the trustee spent time on preparing for the final hearing, preparing the case summary, the trial bundle and the bundle of legal documents, witness questions and on the final hearing.

4) Legal action brought against a former coverholder in Italy

On 7 May 2022, the trustee brought a legal action against a former coverholder, claiming payment of EUR 47,032.00 (approximately DKK 350,000).

It is noted that during the spring of 2022, the trustee learned of an additional claim for a premium receivable against the coverholder. The amount claimed was subsequently increased by EUR 576,831.42 (approximately DKK 4,292,000).

In the previous period, the trustee spent time on participating in interim hearings and on drafting additional pleadings.

5) Legal action brought against a former coverholder in French Polynesia

The trustee brought a legal action against a former coverholder residing in French Polynesia, claiming payment of EUR 662,693.59 (approximately DKK 4,930,000).

It is noted that a large part of the trustee's work has consisted of getting the writ of summons served. The challenge was that the coverholder is a company residing in the Pacific Islands Wallis & Futuna. The islands are French overseas territory, which is why the bankruptcy estate has been assisted by a French attorney in connection with the service. The writ of summons was served on 14 November 2022, and the opposing party subsequently filed a defence on 27 January 2023. The opposing party has accepted that because of the nature of the case the case is to be committed to the Danish Maritime and Commercial High Court. The case now awaits a court hearing over the telephone in March 2023.

6) Legal action brought against a former coverholder in Great Britain

The trustee brought a legal action against a former coverholder residing in Great Britain, claiming payment of GBP 90,569 (approximately DKK 760,000).

The trustee has spent time on determining the size of the claim as the bankruptcy estate's correspondence lawyer has informed the trustee that a substantial part of the commission could actually be a brokerage fee, which means that the broker earns his commission immediately. If this is the case, the bankruptcy estate will not have any claim against the coverholder.

Against the above background and as the costs of pursuing the claim were disproportionate to possible proceeds, the correspondence lawyer recommended that the bankruptcy estate entered into a settlement with the opposing party.

The matter was subsequently settled by the payment of GBP 20,000, which the bankruptcy estate has received.

7) Claim for unearned coverholder commission from a former coverholder in Germany

The subject-matter of the case is a claim for unearned coverholder commission of EUR 500,403 (approximately DKK 3,724,000). The work on the matter has mainly consisted of clarifying the cashflows between the parties.

The trustee has sent the case files to the bankruptcy estate's correspondence lawyer and answered questions from the lawyer concerning the cash flows and the business structure.

It is noted that the coverholder has disputed the bankruptcy estate's claim for unearned coverholder commission by referring to the cash flows.

The coverholder has claimed that the coverholder paid a net premium to Alpha in return for the right to issue an insurance certificate and that it was therefore the profit from the re-sale of the insurance certificate that was actually the coverholder's commission. The coverholder has also raised a counterclaim of EUR 911,093.05 by referring to a number of unsold insurance certificates at the time of the issue of the bankruptcy order. The trustee has gone through the underlying data of the counterclaim and has identified significant discrepancies, which is why the bankruptcy estate has disputed the counterclaim.

Due to limitation of actions, the bankruptcy estate's correspondence lawyer has entered into a suspension agreement on behalf of the bankruptcy estate with the coverholder. The suspension agreement expires on 6 May 2023.

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

Approximately 536 hours have been spent by lawyers on such work since the most recent report.

5.1.4 *The work relating to dealing with the operations*

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

The trustee still has in-depth and extensive discussions and correspondence with the attached claims examiners regarding the process of rejecting claims notified after the expiry 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 regarding the claims handling of specific claims.

In the previous period, the trustee continued to start a process to update and structure the way to contact the claims examiners. The purpose of the process is to have a continuous dialogue with the claims examiners, including about the claims handling and reporting of losses to the various guarantee funds and to the bankruptcy estate's register of debts and claims.

In the previous period, the trustee therefore contacted and held meetings with the attached claims examiners for the purpose of following up on the ongoing claims handling, the reporting to the bankruptcy estate, etc. This work is still taking place.

It is noted in that connection that currently 64 insurance portfolios out of 90 insurance portfolios in total still have open claims of which several insurance portfolios were already run-off cover for claims raised before the company went bankrupt. A significant number of complicated insurance claims is consequently still to be handled.

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, which is very important in respect of the bankruptcy estate's receivable from reinsurers.

Approximately 627 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 agreements 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.

Bankruptcy proceedings were commenced against Gefion Finans A/S, which is also a bankrupt insurer, on 7 June 2021 as stated in previous reports.

On 1 February 2022, Gefion Finans A/S in bankruptcy moved to the premises where also Alpha and Qudos Insurance A/S in bankruptcy have leased premises so that the bankruptcy estates could share leased premises, resources, experience, etc.

In the previous period, the trustee also continued to spend time on regularly reviewing the costs that Alpha has paid regarding the service charges of the leased premises and other operating expenses because Qudos Insurance A/S in bankruptcy and Gefion Finans A/S in bankruptcy are 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, Qudos Insurance A/S in bankruptcy and Gefion Finans 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 and from Alpha to Gefion Finans 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 and Gefion Finans A/S in bankruptcy are to pay according to the sublease and the agreement on apportionment of costs.

As part of the day-to-day operations the trustee was also in contact with TDC in the previous period which has informed the bankruptcy estate that for technical reasons it wanted to terminate the bankruptcy estate's landline subscriptions. The trustee has taken out mobile phone subscriptions for the affected employees of the bankruptcy estate. The trustee has also spent time on obtaining documentation of the bankruptcy estate not being a normal bankruptcy estate. The trustee has also studied the taxation rules for a company-paid phone and has drafted a consent form for the employees who did not want a company-paid phone.

Approximately 64 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 continued to deal with usual employee matters as in any other operating business, including regarding illness, holiday, 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. One employee in the bookkeeping department resigned in the previous period.

Approximately 47 hours have been spent by lawyers on such work 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 policyholder's 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.

As stated in previous reports, the trustee 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 requirements as to the proof of the trustee's subsequent examination of the claims. The discussions are still taking place.

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

5.1.4.5 Correspondence with policyholders and claimants

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

As at 31 January 2023, the trustee had received approximately 6,407 emails in the inbox that the trustee's office is handling. Add to this that a large number of emails was also sent to the trustee's office, inquiries over the telephone, post and service of documents.

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 is still repaying premiums on a regular basis. FSCS, the Guarantee Fund for Non-life Insurers, FGAO, 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 continued to regularly update the bankruptcy estate's website (www.alphagroup.dk) with relevant information to the policyholders and the claimants about their insurance products and other relevant information about the estate administration.

Approximately 98 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 continued to spend 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 between 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 therefore continued to have extensive correspondence and discussions with the attached claims examiners and the lawyers handling the legal actions in question to ensure in that way 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 and in compliance with the rules of the Solvency II Directive.

In this way the trustee makes sure to the widest extent possible that the creditors against the bankruptcy estate are being 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. Legal proceedings are initiated against the bankruptcy estate on an ongoing basis, including before the French courts in particular. The clarification of the facts in the legal actions brought after the issue of the bankruptcy order is still taking place.

On 26 October 2022, a suit was filed against the bankruptcy estate before a court in Auckland, New Zealand, by a bankrupt reinsurer residing in New Zealand, claiming avoidance of two payments to Alpha, including a payment to Alpha made on 16 February 2018 of EUR 25 million and a payment of EUR 397,000 to Alpha made on 14 February 2018.

The trustee has had in-depth discussions, meetings over the telephone and correspondence with the bankruptcy estate's correspondence lawyer in New Zealand concerning the case and for the purpose of clarifying the facts, the receivables, etc.

On 14 November 2022, the bankruptcy estate filed a defence in the legal action. The work relating to the legal action is still being performed.

Approximately 104 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 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

As stated in previous reports, Alpha had brought a legal action before it went bankrupt against a former coverholder and claims examiner in Great Britain. The case is generally about damages in contract. 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 bankruptcy estate raised a claim in the case summary for payment of DKK 116,794,647.06 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.

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 coverholder was not liable for the claim. 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 notice of appeal in the case and at the same time requested an expert valuation in light of the bankruptcy estate's loss on the effected equipment insurance.

The case is stayed pending the expert valuation and appointment of a relevant expert.

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

As written in previous reports, the trustee brought a legal action on 3 May 2019 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.

On 2 June 2020, the trial hearing was held before the Copenhagen City Court.

On 30 June 2020, the Copenhagen City Court delivered its judgment in the case where 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. Alpha was also awarded legal costs of DKK 456,718.75.

The former coverholder subsequently appealed against the judgment in its entirety 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.

On 26 April 2021, the parties entered into an instalment agreement on the payment of the awarded judgment amount of EUR 2,212,952.33.

So far, the bankruptcy estate has received EUR 276,000 (approximately DKK 2,054,000) in total. 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

As stated in previous reports, the trustee brought a legal action on 26 March 2020 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 lawyer to safeguard Alpha's interests in the case.

The parties entered into a settlement on payment of GBP 3,560,000 (approximately DKK 31,630,900) and GBP 600,000 (approximately DKK 5,330,000) of which GBP 600,000 was to be paid by several instalments.

So far, the bankruptcy estate has received GBP 3,935,000 (approximately DKK 33,375,000). The next instalment of GBP 112,500 must be paid on 31 December 2023 after which the last instalment will be GBP 112,500.

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.

Approximately 97 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 previous reports, the trustee has spent a lot of time as part of continuing the operations of the bankruptcy estate on implementing and carrying out audits of the claims examiners. This work is ongoing as long as the various claims examiners have open claims.

The purpose of conducting audits is generally 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 scheme or is to be raised against the bankruptcy estate.

In the previous period, the trustee continued to carry out audits of several of the bankruptcy estate's attached claims examiners.

In the previous period, the trustee and the bankruptcy estate's employees thus had ongoing discussions and correspondence with the claims examiners about coordinating and conducting 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 also spent time on updating and implementing a new supervision concept to ensure that Alpha's actions comply with GDPR law.

In the previous period, the trustee also continued to draw up and update data processing agreements with the bankruptcy estate's business associates, including the attached claims examiners, to make sure that the business associates 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 coordination, including considerations about deletion dates, matters regarding termination of agreements, return of data, etc, has continued to be significant.

It is noted in this connection that in the previous period the trustee learned of a claims examiner's security breach, which is why the trustee has spent time on dealing with such security breach.

The work has continued to consist of assessing existing data processing agreements entered into with the bankruptcy estate's other suppliers and business associates (service and IT providers, etc.)

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

5.1.4.9 *Audit and bookkeeping*

As stated in previous reports, the bankruptcy estate stopped collaborating with KPMG P/S at the end of 2020. The bankruptcy estate then 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 had discussions and correspondence with Deloitte about the bankruptcy estate's accounts, including about VAT and payroll tax.

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

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.

The trustee is still in dialogue with the tax authorities in Great Britain, Germany and France for the purpose of reclaiming premium tax. In Great Britain, the trustee together with the bankruptcy estate's external British lawyer have answered a number of additional questions from the British tax authorities, and the bankruptcy estate is currently waiting for the British tax authorities' response.

It is noted in respect of the reclaim of premium tax in Germany that, as described in previous reports, the trustee has been informed by the German tax authorities that a German coverholder has already requested repayment of premium tax and that it cannot be ruled out that this request relates to the same premium tax period as the period for which the trustee has also requested a reclaim. The trustee has therefore contacted the German coverholder to clarify whether the German coverholder's request relates to the same premium tax as the one in the bankruptcy estate's request.

It is noted that the German coverholder has rejected to share the information about the policies in respect of which repayment of premium taxes has been requested. It is expected that the dialogue with the German tax authorities will take up more time in the next period.

As for the recovery in France, the French tax authorities have asked for further documentation. In the previous period, the trustee was in dialogue with the Guarantee Fund for Non-life Insurers for the purpose of obtaining the necessary documentation. The trustee has also sought assistance with interpreting the French tax rules etc from tax consultants in France. The trustee is currently waiting for the French tax authorities' response.

Approximately 278 hours have been spent by lawyers on such work since the most recent report of which approximately 177 have been spent by the trustee's accounts officer.

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

In the previous period, the trustee continued to spend time on developing and maintaining the bankruptcy estate's 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. 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.

In the previous period, the trustee with assistance from IT experts from the trustee's office and external IT consultants spent time on adjusting relevant 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 new functions are being tested on an ongoing basis.

In the previous period, the trustee continued to spend time on drafting detailed procedures to prevent any incorrect recordings/adding incorrect information.

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.

As at 31 January 2023, a total of 22,857 claims for the return of premium had been filed by using the web form, and there does not seem to have been filed any more claims in the previous period. 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 the policyholder against the bankruptcy estate and perhaps the Guarantee Fund for Non-life Insurers in connection with moving a portfolio to a new insurer.

In the previous period, the trustee continued to have 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, 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 also participated in several meetings with Topdanmark Forsikring A/S about the process, the format for input, etc. 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 2023.

Approximately 70 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 continued to spend time on going through and adjusting the procedure for the various claims examiners notifying the bankruptcy estate of the accepted insurance claims.

As written in 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.

575 insurance claims had been notified by using the form as at 31 January 2023, which is why the trustee expects a significant number of proofs of claim in future. The trustee has also intensified the focus on the reporting from the respective claims examiners.

Approximately 79 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 complaints submitted by use of the complaint form on the bankruptcy estate's website (www.alphagroup.com). 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 coverage, 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 continued to deal 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 employees will then prepare a recommendation for each complaint, and the trustee will subsequently formally examine 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 January 2023, approximately 77 complaints in total had been made against the bankruptcy estate by using the complaint form. It is noted that in connection with the complaint handling procedure the trustee reclassified several cases as they were not complaints about rejected insurance coverage but filing of claims for return premium. The processing of complaints is therefore still taking place.

In the previous period, the trustee started to process the complaints, see also paragraph 5.1.7.

Approximately 89 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*

1. *Examination of claims concerning the legal position in the bankruptcy estate of the Guarantee Fund for Non-life Insurers in relation to reinsurance payments*

In the previous period, the trustee continued to have talks with the Guarantee Fund for Non-life Insurers about whether the Guarantee Fund has a special legal status in the bankruptcy estate and about how to deal with the issue during future claims adjudication proceedings.

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

In this connection the Danish Guarantee Fund for Non-life Insurers has filed a preliminary claim against the bankruptcy estate of approximately DKK 1.8 billion. The Guarantee Fund for Non-life Insurers has claimed in the same connection that the filed claim takes precedence over the other insurance creditors' claims against the bankruptcy estate with the result that to a wide extent the Guarantee Fund for Non-life Insurers must be paid before such insurance creditors.

In agreement with the Guarantee Fund for Non-life Insurers, the trustee has planned a process for the purpose of examining the filed claim as the trustee disagrees with the points of view made by the Guarantee Fund, including the interpretation of current law. It has been agreed with the Guarantee Fund that it is most expedient if the examination of claims is based on some specific reinsurance payments to the bankruptcy estate that concern losses covered by the Guarantee Fund for Non-life Insurers.

The trustee finds that the point of view is fundamentally in conflict with the principle of equal treatment under bankruptcy law and is not supported by any authority.

On 21 September 2022, the trustee formally rejected the claim filed by the Guarantee Fund for Non-life Insurers. The trustee maintained the rejection at the examination of claims meeting at the trustee's office on 5 October 2022.

On 1 November 2022, the Guarantee Fund for Non-life Insurers lodged a writ of summons against the bankruptcy estate.

The trustee has started drafting the defence in the case.

Approximately 219 hours have been spent by lawyers on such work since the most recent report.

2. Examination of claims concerning whether it is possible for the Guarantee Fund for Non-life Insurers to take out capital under the then current section 54 of the Danish Workers' Compensation Act

In the previous period, the trustee continued to have talks with the Guarantee Fund for Non-life Insurers about whether the Guarantee Fund has a special legal status in the bankruptcy estate in relation to taking out assets under the then current section 54 of the Danish Workers' Compensation Act in connection with the Guarantee Fund for Non-life Insurers having taken over Alpha's portfolio of industrial injury insurance from Danish Labour Market Insurance (see paragraph 5.1.6.3 below for details).

On 14 March 2022, the Guarantee Fund filed a claim against the bankruptcy estate of DKK 488.2 million with precedence over all the other creditors against the bankruptcy estate including other insurance creditors so that the Guarantee Fund is paid before such creditors.

As agreed with the Guarantee Fund for Non-life Insurers, the trustee has planned a process for the purpose of examining the filed claim as the trustee disagrees with the points of view made by the Guarantee Fund, including the interpretation of current law.

In the previous period, the trustee drafted a reasoned rejection letter that was sent to the Guarantee Fund for Non-life Insurers on 4 January 2023.

The matter is currently awaiting the trustee's final recommendation and the holding of the claims examination meeting.

Approximately 138 hours have been spent by lawyers on such work since the most recent report.

3. Examination of claims concerning whether it is possible for the Guarantee Fund for Non-life Insurers to receive payment for its costs from the bankruptcy estate

In the preceding period, the trustee has had ongoing talks with the Guarantee Fund for Non-life Insurers about whether it is possible for the Guarantee Fund for Non-life Insurers to receive payment for some of its administrative expenses from the bankruptcy estate, including whether there is a right to prove such claims and, if so, the ranking by which the costs of the Guarantee Fund for Non-life Insurers may be claimed to be covered by the bankruptcy estate.

On 9 July 2022, the Guarantee Fund for Non-life Insurers filed claims of approximately DKK 38.5 million against the bankruptcy estate with a number of reservations to file additional claims for costs.

On 9 December 2022, the Guarantee Fund for Non-life Insurers filed an updated claim against the bankruptcy estate of approximately DKK 91.3 million with a calculation of the costs and other claims.

In agreement with the Guarantee Fund for Non-life Insurers the trustee has planned a process for the purpose of examining the filed claim as the trustee disagrees with the points of view made by the Guarantee Fund for Non-life Insurers, including the interpretation of current law.

The trustee started drafting the rejection letter in the previous period.

Approximately 71 hours have been spent by lawyers on such work since the most recent report.

5.1.6.2 Decision by the EFTA Court of 10 March 2020

As also written in previous reports, the trustee knows that a court in Liechtenstein had asked the EFTA Court for an advisory opinion about the interpretation of the Solvency II Directive, including the issue of whether claims for return premium raised after the commencement of the bankruptcy proceedings should be deemed to be a preferential claim within the meaning of the Directive. The EFTA Court delivered its decision in the case on 10 March 2020.

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

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

The work is still taking place.

Approximately 57 hours have been spent by lawyers on such work since the most recent report.

5.1.6.3 Danish Labour Market Insurance (AES)

As stated in previous reports, the bill on the acquisition by the Guarantee Fund for Non-life Insurers of the Danish industrial injury portfolio from AES was passed on 1 June 2021 with effect from 1 July 2021.

In the previous period, the trustee continued to have discussions about the Danish portfolio of industrial injury insurance 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 examined the filed complaint claims and started drafting the recommendations in respect of approximately 77 complaints. An examination of claims meeting before the bankruptcy court has not yet been convened.

It is noted that 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. The work has also included general planning of the examination of claims, including dealing with the many foreign creditors and carrying out (future) mass examination of claims.

The trustee expects to be able to convene the first examination of claims meeting during 2023.

Approximately 567 hours have been spent by lawyers on such work since the most recent report.

It means that approximately 4,320 hours in total have been spent on work relating to the registered assets of which approximately 177 hours have been spent by the trustee's employee skilled in accounts.

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

5.2.1 Sale of various chattels

In the previous period, the trustee sold a number of assets, including two light wood conference tables with grey metal legs, six black, chrome chairs, one hand-made oriental carpet, one Kerman Persian carpet (295 x 400), one wine refrigerator (SMEG), one printer (print/copy Ricoh MP C4501), 19 light wood shelving units (four cubby holes), two small light wood drawer units as well as two large light wood drawer units for a total sales price of DKK 19,500 exclusive of VAT. The trustee issued an invoice in such connection.

Approximately 3 hours have been spent by lawyers on such work.

5.2.2 *Receivable from Intercede 2408 Limited*

As written in previous reports, Intercede 2408 Limited ("Intercede") owes the bankruptcy estate an 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).

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

In the previous period, the trustee, in consultation with the bankruptcy estate's British lawyer, spent time on getting a liquidator of Intercede appointed for the purpose of being able to examine Intercede's possible assets.

The liquidator has now been appointed and the trustee's work is therefore awaiting the result of the liquidator's examinations of Intercede's possible assets.

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

5.2.3 *Receivable from Beta Re AG*

As stated in previous reports, 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.

In the previous period, the trustee continued to be in dialogue with the Swiss authority that handles the administration of the bankruptcy estate of Beta Re AG. It is noted that based on a general examination of the payments to and from Beta Re AG in the period leading up to the company going bankrupt it was decided that the payments to and from Beta Re AG were to be examined further. The result of this examination was that the Swiss authority raised a claim for repayment against the former management and owner of Beta Re AG. According to information received, the Swiss bankruptcy authority and the former management and owner of Beta Re AG are still in dialogue about the exact amount of the claim.

It means that it is currently not possible for the trustee to say whether the above will result in the bankruptcy estate receiving any assets.

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

5.2.4 *Litigation regarding claims for avoidance and repayment*

In the previous period, the trustee spent time on the legal actions that have been brought with claims for repayment of expenses paid of a private nature against two connected persons of two former members of the management. An account of the trustee's work can be found in paragraph 3.

The trustee's work is still taking place.

Approximately 147 hours have been spent by lawyers on such work since the most recent report.

5.2.5 *Investigations relating to management and auditor liability*

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

As stated in a previous report, the trustee lodged a writ of summons on 3 March 2021 on behalf of the bankruptcy estate against two former members of the management and the company's former auditor with a preliminary claim for payment of an amount of approximately DKK 208 million. The case was brought before the Copenhagen City Court and is still pending, see immediately below.

A defence was filed in the case on 30 June 2021.

The trustee filed a reply and draft questions to be answered by an expert with the court on 8 April 2022. An interim hearing in the case was held on 29 August 2022 when a deadline was set for the filing of the defendants' rejoinder of 1 February 2023. At the same interim meeting the court announced that it was expected that the trial hearing in the case would take place in the first six months of 2025.

The trustee also lodged a complaint on 11 April 2022 with the Danish Disciplinary Board on Auditors regarding the former auditor's endorsement of Alpha's annual reports for 2016. The respondent's deadline for filing a defence was 1 March 2023.

In the previous period, the trustee spent time on corresponding with the court and the Danish Disciplinary Board on Auditors. The trustee also conducted a number of further examinations in connection with the legal action and the complaint.

The work relating to the above matters is consequently still taking place.

Approximately 92 hours have been spent by lawyers on such work since the most recent report.

5.2.6 *Examination of claims*

The Danish Guarantee Fund for Non-life Insurers has filed a number of claims against the bankruptcy estate of Alpha, including a claim for income from the reinsurance.

A part of the income from the reinsurance concerns pending "major claims" where a final insurance claim has not yet been assessed, which is why the claims handling is still taking place. The claim regarding the income from the major claims has consequently not been determined at this point in time.

In the previous period, the trustee started the examination of the claim of the Guarantee Fund for Non-life Insurers, see paragraph 5.1.6.1.

In the previous period, the trustee also conducted detailed examinations of the formal requirements for the trustee's recommendation of rejection of claims, including whether the bankruptcy estate may refrain from informing the creditor by registered letter in order to reduce the postal expenses of the bankruptcy estate, whether there are any language requirements, etc.

The investigations are still being conducted.

The time spent by lawyers has been included in paragraph 5.1.6.1 above.

5.2.7 *Other estate administration*

Since the most recent report approximately 165 hours have been spent by lawyers on the general estate administration, including corresponding with the creditors and the bankruptcy court, registering the proved claims in the bankruptcy estate's register of debts and claims under the unencumbered assets and on preparing this report.

It means that approximately 432 hours have been spent by lawyers on the unencumbered assets since the most recent report.

6. SUMMARY OF THE TIME SPENT

It means that approximately 4,752 hours in total have been spent on the estate administration, including approximately 4,143 hours by lawyers and approximately 177 hours by members of the finance department on work relating to the registered assets, see paragraph 1.2, and approximately 432 hours by lawyers relating to the unencumbered assets, see paragraph 1.3, in the period from 1 August 2022 and up to 31 January 2023.

7. FINAL COMMENTS

7.1 Payments to the Danish Guarantee Fund for Non-life Insurers

As described in previous reports, the bankruptcy estate paid DKK 422,423,046.45 to the Guarantee Fund for Non-life Insurers in December 2021. The bankruptcy estate also paid an additional DKK 342,785,072.24 to the Guarantee Fund for Non-life Insurers in December 2022.

The reason for the payments was that the Guarantee Fund is the biggest single creditor against the bankruptcy estate and considering the payments already made by the Guarantee Fund there is no doubt that the Guarantee Fund will have a large claim when the estate is wound up.

A right was reserved in connection with the payments for full recovery and the payments were made subject to a supplementary term of a guarantee by the Guarantee Fund for Non-life Insurers (Danske Bank). The wording of the guarantee was approved in advance by the trustee.

The payments made will be set off against the final dividend to be received by the Guarantee Fund from the bankruptcy estate.

7.2 INTERIM FEE

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

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

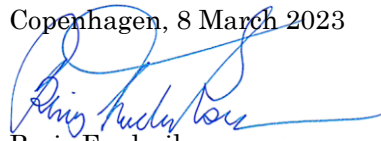
The estate administration in the next period will still focus on the operations of the bankruptcy estate as the continuation of the operations is still necessary to secure the bankruptcy estate's assets and limit its liabilities. It is noted in this connection that there are still significant open insurance claims that must be handled 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.

9. NEXT CREDITOR INFORMATION

The next creditor information under section 125(4) of the Bankruptcy Act will be sent on 8 September 2023 at the latest to the bankruptcy court and the creditors.

Copenhagen, 8 March 2023



Boris Frederiksen

Partner, Attorney