

Danish report of 8 March 2024 – translation made on 20 March 2024

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

Alpha Insurance A/S in bankruptcy, CVR no (business registration 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, 8 September 2022, 8 March 2023 and most recently of 8 September 2023.

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

1. ASSETS

1.1 Accounts

When the bankruptcy order was issued on 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, including eight in Norway and five in the UK, and six accounts with UBS in Switzerland.

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

registered assets as the funds related to the bankruptcy estate's unencumbered assets are deposited in a separate client account with the trustee from which payments are also made of expenses relating to the unencumbered assets.

In the previous period, the trustee assessed on an ongoing basis the need for keeping the bankruptcy estate's bank accounts, and the trustee also assessed whether there has been a need to open new bank accounts. In this connection the trustee has not found any reason to make any changes to the bankruptcy estate's account set-up, and as a consequence the bankruptcy estate still had 22 open bank accounts (including custody accounts) with Sydbank A/S and 11 open bank accounts with DNB as at 31 January 2024. The formal closing of the bankruptcy estate's bank commitment with UBS was made after the deadline for this report.

It is noted that the trustee is assessing on an ongoing basis whether there is any need to keep the individual bank accounts in connection with winding up the insurance activities in the bankruptcy estate. It is expected that more bank accounts can be closed as the insurance activities are wound up/terminated.

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

1.2 Registered assets

The registered assets have been provided as security for the insurance obligations in compliance with section 167(4) of the then current Danish Financial Business Act, see paragraph 2.1 below. It primarily means the claimants' claims for compensation and the policyholders' claims for return of premiums under the insurance contract, see paragraph 5.1.6.2 below for details. The registered assets also cover the necessary costs relating to closing out the portfolio as specified.

It is noted for the avoidance of any doubt that the registered assets below are based on the asset groups that Alpha had reported to the Danish FSA as being Alpha's registered assets before the bankruptcy order was issued.

The registered assets as at 31 January 2024 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 2024, the bankruptcy estate's deposits amounted to DKK 756,854,746.

It has been taken into account in connection with the calculation that approximately DKK 765,210,000 in total has been paid to the Guarantee Fund for Non-life Insurers and that a fee on account has been paid to the trustee.

Moreover, the reason for the increase in the deposits from when the company went bankrupt is primarily a result of the bankruptcy estate's sale and maturity of securities, interest income and gains of DKK 617,660,000 (item 2), payments of reinsurance receivables of DKK 977,060,000 (item 4), payments of interest of DKK 12,460,000 after the expiry of the fixed-term deposits, repayment of payroll tax of DKK 2,970,000 as well as payments of receivables from coverholders/claims examiners of DKK 173,300,000 (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 197,380,000 in total have also been paid throughout the entire period after the issue of the bankruptcy order.

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

Finally, other costs have been paid, translation adjustments etc of DKK 15,390,000 in total have been made.

DKK 756,854,746.00

2. Securities

The bankruptcy estate's securities were booked at DKK 659,853,899 as at 8 May 2018. The bankruptcy estate's portfolio of securities amounted to DKK 1,649,835 as at 31 January 2024.

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 658,200,000 in total. It is noted that bonds of approximately DKK 250,000 were called in the previous period. The proceeds from the securities have been included in the deposits in item 1 above.

DKK 1,649,835.00

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 2024, the receivable amounted to DKK 761,216,767.

The primary reason for the difference in the value of the receivable is a reduction in the provisions for claims outstanding of DKK 434,750,000 (item 29), a reduction in the provisions for unearned premiums of DKK 218,200,000 and a reduction in the provisions for excess of loss of DKK 295,650,000, translation adjustments of DKK 33,000,000 and various adjustments, including of profit commission of DKK 115,340,000 in total.

DKK 761,216,767.00

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 2024, the receivable amounted to DKK 204,897,752.

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 977,060,000 in total (DKK 34,890,000 during the past 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 937,280,000 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 14,490,000 in total, total payments of premiums and profit commission of DKK 19,620,000 to the reinsurers and various adjustments of approximately DKK 106,780,000 have been made.

DKK 204,897,752.00

5. Receivables from coverholders and claims examiners

On 8 May 2018, the receivable amounted to DKK 244,299,656. At that point in time debt to coverholders and claims examiners was included in this item. A division has now been made, and the debt can now be found in item 32. As at 31 January 2024, the booked receivable amounted to DKK 6,276,488.

The primary reason for the reduction in the receivable from the time of the bankruptcy 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 also received payments of DKK 179,490,000 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 107,870,000, payments of claims for contribution and settlement amounts of DKK 52,980,000 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 65,040,000.

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 123,570,000 in total. For the time being the asset is included at a value for memory purposes of

DKK 1.00

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

The trustee has carried out work relating to Labour Market Insurance in connection with its payments to claimants in the period until Labour Market Insurance was able to arrange for the administration of the industrial injury portfolio (later passed on to the Guarantee Fund for Non-life Insurers). 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 bankruptcy estate has a claim for unearned coverholder commission against the coverholders that previously sold insurance on Alpha's behalf. The total claim amounted to approximately DKK 282,000,000 which the trustee started to collect. As at 31 January 2024, the bankruptcy estate had collected approximately DKK 6,986,540 which is part of the deposit in the account (item 1). Court

cases are still pending in this regard, see paragraph 5.1.3.1 below, 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 value for memory purposes of

DKK 1.00

Registered assets in total

DKK 1,724,619,102.00

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

1.3 Unencumbered assets

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

The unencumbered assets as at 31 January 2024 were booked at:

8. Deposit in client account

As at 31 January 2024, the deposit amounted to DKK 41,135,354.60. 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, external fees and expenses in connection with the pending legal actions under the unencumbered assets as well as an interim fee to the trustee. Interest expenses were previously paid (now the interest rates are positive).

Moreover, the deposit includes the VAT refund made by the Danish Tax Agency for 2019 and 2020 and payroll tax for 2020 of DKK 9,827,015 in total, which are to be divided between the unencumbered and registered assets, see paragraph 5.1.4.9 below. The bankruptcy estate has also received a dividend amount of DKK 2,823,823.08 from the bankruptcy estate of Beta Re AG and EUR 180,000 (DKK 1,364,864.04) according to a settlement agreement (paragraph 13).

It is also noted that the deposit includes paid excess amounts of a total of DKK 136,373.86 (after deduction of paid expenses) about which discussions are currently taking place with the Guarantee Fund for Non-

life Insurers about whether it has a right as a secured creditor to the paid excess amounts relating to losses that the Guarantee Fund has covered, see paragraph 5.1.3 below.

Finally, total expenses of DKK 8,029,893.29 relating to the administration and the claims handling of the Danish industrial injury portfolio have been paid so far. This amount will subsequently be paid by either the registered assets or by the Guarantee Fund for Non-life Insurers, see paragraph 5.1.6.1 below, when it has been finally clarified whether the Guarantee Fund for Non-life Insurers holds a special position in the bankruptcy estate.

DKK 41,135,354.60

9. Receivable from New Nordic Holding Limited

The bankruptcy estate has entered into a settlement agreement with New Nordic Holding Limited on payment of 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, Ahpla ApS in bankruptcy and Ahpla SPV ApS in bankruptcy. As bankruptcy proceedings have been commenced against all consolidated companies and only limited or no dividend is expected, the asset has, for the time being, been included at a value for memory purposes of

DKK 1.00

11. Receivable from Intercede 2408 Limited

The bankruptcy estate has a receivable of DKK 42,709,725 including interest from Intercede. 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 value for memory purposes 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 2024, and the bankruptcy estate has received a dividend amount of DKK 2,823,823.08 and EUR 180,000 (DKK 1,364,864.04) respectively according to a settlement agreement with Beta Re AG's former owner. Reference is also made to paragraph 5.2.2 below for a detailed account.

DKK 0.00

14. Tools and equipment

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 2024 were booked at DKK 0. 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 a value for memory purposes of

DKK 1.00

15. Rent deposit

The bankruptcy estate's offices are leased premises. As at 8 May 2018, the rent deposit was booked at DKK 2,120,056. The asset was booked at DKK 939,227 as at 31 January 2024.

The general reason for the difference in the period is that the bankruptcy estate had rented out rooms to INSR and ASG Forsikring-sagentur 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 and Gefion Finans A/S in bankruptcy that have sublet a part of the leased premises have also paid a part of the deposit. It is noted that the bankruptcy estate is obliged to repair the leased premises, which is why, for the time being, the asset is included at value for memory purposes 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 agreement on the 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 2024 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. The bankruptcy estate has sold art by Maria Rubinke and the bankruptcy estate has received proceeds of DKK 13,440 exclusive of VAT which is included in the deposit in the client account (item 8).

The asset as at 31 January 2024 was booked at DKK 70,000. The

assets were valued in connection with the issue of the bankruptcy order 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

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 has subsequently been deposited into the bankruptcy estate's account and is included in the deposit in the client account (item 8).

DKK 0.00

24. Repaid duties from the Danish Motor Vehicle Agency

The bankruptcy estate has received a repayment of prepaid duties 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 value for memory purposes 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 approximately DKK 125 million (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. 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). The coverholder went into administration in July 2023 and the estate under administration did not subsequently become a party to the legal action, see paragraph 5.1.4.7. For the time being the asset is therefore included at a value for memory purposes of DKK 1.00

27. Claim for damages against two former members of the management and the company's former auditor

The trustee has lodged a writ of summons on behalf of the bankruptcy estate against the former members of the management and the company's former auditor, see paragraph 5.2.4 below. For the time being the asset is included at a value for memory purposes of DKK 1.00

Unencumbered assets in total DKK 41,440,521.60

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.

It is noted that it is the trustee's assessment that the notified claims for return premium can be paid by the bankruptcy estate's registered assets, see paragraph 5.1.6.2 below for details. Against this background, the classification used so far is used in the calculation below:

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 2024, the booked provisions for unearned premiums amounted to DKK 176,483,109.

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 to the policyholders (but to a limited extent during the past six months). 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 which is why going forward the item is included without any value.

DKK 0.00

29. Expected insurance claims

The provisions for claims outstanding are the amount set aside to cover

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 2024, the booked provisions amounted to DKK 1,649,089,881.

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 including in particular the excess of loss and the Danish industrial injuries.

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 1,649,089,881.00

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 2024, the receivable amounted to DKK 35,494,579. The funds will be added to the deposits (item 1) as the bankruptcy estate's outstanding payable premiums are paid to the bankruptcy estate. As at 31 January 2024, the deduction amounted to

DKK -17,747,289.50

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

As at 31 January 2024, 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 still 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. It is expected that an overview of the claims

that have been proved twice can only be made in connection with the examination of claims. It is expected that the number of claims that have been proved twice will be eliminated over time.

DKK 2,894,799,520.59

32. Debt to coverholders and claims examiners

As at 31 January 2024, the bankruptcy estate had booked debt to coverholders and claims examiners of DKK 29,218,090. The debt was previously included in item 5.

DKK 29,218,090.00

Liabilities in total

DKK 4,555,360,202.09

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 2024, the various guarantee fund schemes had reported to the bankruptcy estate that a total of DKK 1,357,152,704 (DKK 104,912,549 in the past six months) had been paid to cover both the accepted insurance claims and the claims for the return of premiums.

As previously mentioned, the trustee still 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 approximately DKK 4.6 billion linked to the registered assets when the bankruptcy estate is wound up. It is the trustee's preliminary estimate that the liabilities linked to the registered assets will be in the range of approximately 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 Danish 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	269,591,691.62
Proofs of claim lodged under section 98 of the Bankruptcy Act	DKK	155,553,209.41
Other liabilities in total	DKK	1,066,928,191.46

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 previous reports, the trustee has concluded the investigations relating to avoidance in the bankruptcy estate. Reference is 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 next period the trustee will reopen the dialogue with the benefitting party for the purpose of payment to the bankruptcy estate.

Litigation, the bankruptcy estate's claim for repayment against a connected person of a former member of the management

Firstly, it is noted that the trustee brought a legal action on behalf of the bankruptcy estate against two connected persons of two former members of the management. One of the cases has now been concluded. Reference is made to the previous reports as only an account of the status of the pending legal action is provided below.

On behalf of the bankruptcy estate the bankruptcy estate lodged a writ of summons on 28 April 2021 against a connected person of a former member of the management with a claim for an amount 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 that the connected person 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. On behalf of the bankruptcy estate 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.

The final hearing of the case has been scheduled for 25 June 2024 before the Danish Eastern High Court.

The work relating to the above case is therefore still being performed.

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 work by the trustee in the period 1 August 2023 to 31 January 2024 has continued to be extensive.

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

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 2024 at DKK 1,649,835, see paragraph 1.2, item 2, above. The securities portfolio consists of custody accounts with Sydbank A/S in several currencies including in DKK, EUR, GBP, NOK and USD.

As previously stated, the trustee entered into an agreement with DNB in Norway on behalf of the bankruptcy estate to place funds in low-risk investments/tie up funds in order to get a better interest rate on

the bankruptcy estate's funds for a six month period. This agreement expired on 8 November 2023 and the funds were released to the bankruptcy estate. The bankruptcy estate received interest of DKK 12,460,000 as a result of the fixed-term deposit.

The trustee made a number of recalculations of the bankruptcy estate's financial situation in that connection for the purpose of obtaining new offers for fixed-term deposits with Sydbank A/S and DNB.

Also this time DNB offered the best solution for/interest to the bankruptcy estate and the trustee therefore made arrangements to transfer the amount below into custody accounts with DNB as a preliminary fixed term of 12 months had been agreed starting on 20 December 2023:

- DKK 70 million
- NOK 115 million
- EUR 45 million
- GBP 20 million

The agreement on fixed-term deposits consequently expires on 20 December 2024.

The trustee also had discussions and correspondence with UBS in the previous period about closing the bankruptcy estate's commitment with UBS as, because of the bankruptcy estate's transfer of funds to UBS, the commitment was a limited bank deposit and a bond kept on paper in custody.

The closing of the commitment turned out to be a complicated process as the bankruptcy estate's other bankers (Sydbank A/S and DNB) would not/could not receive the bond on paper. The trustee has therefore made arrangements for the keeping of the bond.

The trustee also 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. This work will take place as long as the bankruptcy estate keeps operating.

A usual withdrawal of approximately DKK 250.000 was made from the company's custody account in the previous period which has been added to the deposit.

Approximately 28 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 above.

The trustee's work relating to the reinsurance has generally resulted in the payment of approximately DKK 977,060,000 in total to the bankruptcy estate from the reinsurers since the company went bankrupt (calculated as at 31 January 2024). DKK 34,890,000 has been paid by the reinsurers to the bankruptcy estate in the previous period of six months.

The handling of the bankruptcy estate's reinsurance has still focused on calculating and collecting the bankruptcy estate's reinsurance receivables 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.

In the previous period, the trustee also conducted close examinations of a number of custody accounts in the reinsurers' names including to clarify the position of such accounts in respect of the bankruptcy estate, ie whether the funds are part of the bankruptcy estate's assets or whether the bankruptcy estate will just have an unsecured claim for the funds in such custody accounts.

The trustee assessed in that connection that on the face of it the reinsurers had a secured right to the funds in the custody accounts, but that the bankruptcy estate had a right to set off receivables from the reinsurers pound by pound against the deposit in the respective custody accounts. As the bankruptcy estate's total receivable exceeded the deposit in the respective custody accounts, the bankruptcy estate has effected the set-off and asked for payment of the remaining claim by the respective reinsurers. The work in this connection is still taking place.

As part of dealing with the reinsurance 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. As mentioned in the previous reports, it has not been possible to implement the procedure on direct payments from a number of Asian reinsurers to the bankruptcy estate. Payments are still made for these reinsurers to the insurance broker that then makes the payment to the bankruptcy estate. Moreover, the communication still goes through the broker.

The trustee has continued to be in dialogue with a broker about one single reinsurer that has not paid the bankruptcy estate for a long period of time as expected. The trustee has gone through the contractual basis and calculated the bankruptcy estate's entire receivable from the reinsurer and has also taken the first steps to commence arbitration proceedings including draft a notice of arbitration. This work is still taking place.

The trustee has also dealt with and made sure on an ongoing basis that excess of loss is reported to the reinsurers efficiently and on time which secures the bankruptcy estate's collection of its receivable from reinsurers.

It is noted in this connection that several excesses of loss must still be indexed annually to take into account the price development from the date of the loss until a final payout is made. The English courts have decided that in addition to coverage of the claims concerning a number of English excesses of loss the claimants are to receive a lifelong periodic payment order (PPO). The trustee collects coverage from the reinsurers on an ongoing basis and the trustee is also 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 has continued the work in the previous period of looking into the possibilities of commutation where the run-off can be determined with a high degree of probability. The trustee is still determining the possibilities of commutation of the so-called "quota share contracts". It is noted that the indexation mentioned above will affect the maximum amount to some degree for which the reinsurers are liable under the "quota share contracts". This issue is therefore part of the trustee's discussions and considerations in connection with the commutation negotiations.

But 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. Moreover, a number of excesses of loss will also be kept out of the commutation if the uncertainty as to the final amount of loss is too big. In any case the final commutation amount will depend on a negotiation and 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 the previous period, the trustee entered into a commutation agreement on behalf of the bankruptcy estate with an Asian reinsurer according to which the reinsurer is to pay EUR 278,384, NOK 867,814

and GBP 294,184 to the bankruptcy estate in full and final settlement of the business covered by the reinsurance contract between Alpha and the reinsurer. The commutation amount corresponds to the bankruptcy estate obtaining cover for its entire receivable including RBNS (reported claims that have not been settled) and IBNR (reserves/provisions in respect of claims not yet reported). The trustee has spent time on talks with the reinsurer and the broker and on drafting the commutation agreement in that connection. It is noted for the avoidance of doubt that the bankruptcy estate received the entire commutation amount after the deadline for this report.

The work relating to commutation is still taking place.

The trustee has also spent time on the annual reporting to the reinsurers covered by the so-called sunset clause according to which the bankruptcy estate is under an obligation to report all claims to the reinsurers seven years at the latest after the conclusion of the reinsurance contract. Claims that have not been reported within the deadline of seven years cannot therefore be collected from the reinsurer. In the previous period, the trustee spent time on preparation, calculation and reporting of year 2016 to the reinsurers covered by such a sunset clause. In that connection the reporting led to a number of follow-up questions from the individual insurers and the trustee has spent time on dealing with and answering these questions.

Finally, the trustee has also prepared arbitration proceedings on behalf of the bankruptcy estate about a receivable from a reinsurer of EUR 903,566.72 outside of Denmark. The bankruptcy estate had to deal with a number of formalities in that connection. A third party's situation has delayed the start of the case. All the formalities were finally fulfilled in the previous period. In that connection the trustee has spent time on discussions with the bankruptcy estate's liaison lawyer and going through a draft statement of claim filed after the deadline for this report. At this point in time the case is pending on the submission of the defence from the reinsurer. The deadline is 8 March 2024.

Approximately 654 hours have been spent by lawyers on such work since the most recent report.

5.1.2.1 Danish industrial injury

Firstly, it is noted that the general tendency in respect of the open claims for the portfolio of Danish industrial injury is that their development is negative/the provisions increase, which is also reflected in the bankruptcy estate's ongoing 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 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 for Non-life Insurers.

The discussions in the previous period continued to relate, among other things, to 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.

In the previous period, the trustee also spent time on going through and approving the claims examiners' fees for the ongoing claims handling. The claims handling expenses are paid from a separate client account with the trustee in accordance with the chargee administration agreement entered into between the bankruptcy estate and the Guarantee Fund for Non-life Insurers, see below for further details.

It is noted in this connection that the trustee previously had a dialogue with Danish Labour Market Insurance and its representative about the conclusion of the chargee administration agreement, but due to the transfer of the Danish industrial injury portfolio to the Guarantee Fund for Non-life Insurers the chargee administration agreement was never final and signed. The chargee administration agreement is now final and was signed by the bankruptcy estate and the Guarantee Fund for Non-life Insurers after the deadline for this report.

The work concerning the Danish industrial injuries is still taking place.

Approximately 66 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 6,276,488 as at 31 January 2024, see paragraph 1.2, item 5 above.

The item mainly covers the bankruptcy estate's receivable consisting of the premium receivables from coverholders, including the instituted legal proceedings against coverholders and claims examiners, see paragraph 5.1.3.1 below for details. The trustee has collected all the funds in loss accounts as written in the previous reports.

In the previous period, the trustee continued to deal with the collection of outstanding excess amounts from policyholders in 41 cases in total. All of them have now been closed (one case was closed in the previous period) and the work concerning the collection has now been concluded.

A total excess amount of DKK 156,525.86, the equivalent of DKK 136,373.86 after a deduction of paid expenses, has been collected. It is noted that there was a miscount of the collected amounts in the most recent report which has now been corrected above.

It is noted that the trustee has abandoned pursuing 21 matters/claims out of the 41 matters because of collection in vain and because litigation was not worthwhile if the income/asset was compared to the litigation costs.

The collected excess amounts are currently deposited in the bankruptcy estate's client account, see paragraph 1.3, item 8, above. In that connection the trustee has conducted a close examination of whether the excess amounts belong under the unencumbered assets or the registered assets. It is the trustee's assessment that the excess amounts are part of the registered assets which is why the trustee will arrange for the amount to be reclassified/moved to the registered assets.

There are also discussions with the Guarantee Fund for Non-life Insurers about whether the Guarantee Fund has a right as a secured creditor to the excess amounts of the insurance claims that the Guarantee Fund for Non-life Insurers has covered.

As written in the most recent report, the trustee has entered into a settlement agreement on behalf of the bankruptcy estate with a former coverholder on payment of DKK 7,590,000 relating to concluded insurance contracts that were not previously reported to Alpha just as no premiums were paid for the concluded insurance contracts to Alpha. In the previous period, the trustee calculated the part of the premiums that relates to the registered assets. This part has also been reclassified/moved to the registered assets.

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

Approximately 34 hours have been spent by lawyers on such work since the most recent report.

5.1.3.1 Reclaiming unearned coverholder commission

The trustee has raised claims on behalf of the bankruptcy estate for repayment of unearned coverholder commission against a number of the bankruptcy estate's former coverholders.

At this point in time three legal actions are pending regarding claims for unearned coverholder commission against former coverholders, see below for further details. Suspension agreements are also in force with several coverholders.

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

On 6 May 2021, the trustee brought a legal action on behalf of the bankruptcy estate against a former coverholder in Great Britain, claiming payment of GBP 615,541.28 (approximately DKK 5.5 million). The trustee subsequently reduced the claim amount to GBP 581,274.53 (approximately DKK 5 million) as a result of the judgment of the Danish Maritime and Commercial High Court in a similar case concerning restitution of unearned coverholder commission.

In the previous period, the trustee received and went through the expert's extensive answers to the questions for the expert that primarily are about a calculation of the bankruptcy estate's claim for unearned coverholder commission as well as a calculation of the other party's counterclaim consisting of an alleged loss as a result of Alpha's bankruptcy. The trustee has spent time on going through the extensive data and the various calculations on which the bankruptcy estate's claim and the coverholder's counterclaim are based including with assistance from the bankruptcy estate's own actuary.

In the previous period, the trustee also participated in an interim hearing and spent time on drafting and filing another pleading in the case including with comments on the expert's answers to the questions for the expert.

Finally, the trustee has held a meeting with the other party as the parties agreed that it was likely that the data, and consequently the case, could be narrowed significantly.

A supplementary expert survey and valuation was postponed to 25 February 2024 so that the parties can reach an agreement on and adjust the data.

This work is therefore still taking place.

2) Legal action brought against a former coverholder in Italy

On 7 May 2022, the trustee brought a legal action on behalf of the bankruptcy estate against a former coverholder in Italy, claiming payment of EUR 47,032 (approximately DKK 350,000). The amount claimed was subsequently increased to EUR 576,831.42 (approximately DKK 4,292,000) as the trustee learned of an additional premium receivable from the coverholder.

The case is pending before the Copenhagen City Court and for the time being the trial hearing has been scheduled for 10 and 11 June 2024.

In the previous period, the trustee spent time on going through the other party's most recent pleading in the case after which the trustee filed another pleading in the case on 11 November 2023. In the previous period, the trustee also started preparing the case including preparing the trial bundle, drafting the case summary, etc.

This work is therefore still taking place.

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

The trustee brought a legal action on behalf of the bankruptcy estate against a former coverholder residing in French Polynesia, claiming payment of EUR 662,693.59 (approximately DKK 4,930,000). The case is pending before the Danish Maritime and Commercial High Court.

As written in the most recent report, the opposing party claimed that the forum was not in Denmark, which is why the deadline for the other party to file an additional pleading concerning the issue of forum was 10 July 2023. But no pleading was filed within the deadline, which is why the trustee has asked for a ruling to be given.

On 23 August 2023, the Danish Maritime and Commercial High Court gave a ruling according to which the case is proceeded with before the Danish Maritime and Commercial High Court.

It is noted that after the ruling was given the trustee learned that bankruptcy proceedings had been commenced against the opposing counsel. The case was stayed in that connection on the other party's information about representation by a new attorney.

The trustee also participated in an interim hearing in the previous period. It is noted that the deadline for the opposing party to file a defence is 23 February 2024.

This work is therefore still taking place.

4) 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) against a former coverholder in Germany.

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.

When going through the underlying data of the counterclaim the trustee established significant discrepancies with the bankruptcy estate's own data and the bankruptcy estate disputed the counterclaim. A suspension agreement was entered into in that connection with the coverholder that expired on 6 November 2023.

In the previous period, the trustee continued to have in-depth discussions with the bankruptcy estate's liaison lawyer about the cashflows and the business structure as a whole. In that connection the bankruptcy estate's liaison lawyer has drafted a memorandum on the bankruptcy estate's legal status, litigation risk, etc, and the liaison lawyer recommended the bankruptcy estate not to pursue the claim any further.

Because of the memorandum, the trustee entered into a so-called drop hands settlement agreement on behalf of the bankruptcy estate with the coverholder on 23 October 2023 according to which both parties abandoned pursuing their respective claims against each other any further and also agreed to bear their own costs.

The case has therefore been closed.

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

Approximately 188 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 secure the bankruptcy estate's receivables from the reinsurers, see paragraph 1.2, items 3 and 4, above, which are still the bankruptcy estate's most important asset.

The claims handling by the existing claims examiners has continued to the extent possible so that the

ongoing claims handling still continues to the widest extent possible to comply with the existing claims handling agreements. Some loss portfolios were subsequently transferred to new claims examiners to ensure correct and proper claims handling.

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

In that connection the trustee has had in-depth discussions and correspondence with the attached claims examiners regarding the process of reporting the accepted claims for payment to the Guarantee Fund for Non-life Insurers and/or other national guarantee fund schemes as well as separate reporting to the bankruptcy estate for the purpose of registration in the register of debts and claims. This work is still taking place.

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

55 insurance portfolios out of 91 insurance portfolios in total still have open claims of which several insurance portfolios were already run-off cover for claims raised before the company went bankrupt. The number of open claims as at 31 December 2023 could be calculated to be 1,623 open claims in total based on the claims examiners' reporting to the bankruptcy estate,

The trustee is currently verifying and reviewing the individual loss portfolios for the purpose of verifying the claims examiners' reporting/the number of open claims.

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

Approximately 713 hours have been spent by lawyers on such work since the most recent report.

5.1.4.2 Position on other bilateral agreements

In the previous period, the trustee continued to spend time on administering and approving payments regarding the contracts to which the bankruptcy estate has become a party because of the continued operations. This work will be performed as long as the bankruptcy estate has operations.

The trustee also continued to spend time on reviewing the costs that the bankruptcy estate has paid regarding the service charges of the leased premises and other operating expenses as Qudos Insurance A/S in bankruptcy and Gefion Finans A/S in bankruptcy are to pay a proportionate part of the service charges of the leased premises and other operating expenses because of the subleases with Alpha and the agreement on apportionment of costs between Alpha, Qudos Insurance A/S in bankruptcy and Gefion Finans A/S in bankruptcy.

In that connection the trustee has 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 according to the concluded agreements. Reference is made to the previous reports in which the work is described in detail.

The work will be performed as long as the lease is maintained and the premises are sublet to Qudos Insurance A/S in bankruptcy and Gefion Finans A/S in bankruptcy. It is noted for the avoidance of doubt that the bankruptcy estate moved to smaller leased premises after the deadline of this report.

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

5.1.4.3 The bankruptcy estate's employees and attached consultants

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.

In that connection the trustee has considered and adjusted the employee resources on an ongoing basis as the operations partly focus on winding up the insurance activities and partly ensure that the workload in the various staff functions is taken into account.

Two employees left the bankruptcy estate's finance department and one employee left the legal department of the bankruptcy estate in the previous period. Moreover, the trustee has taken on a new bookkeeper/accounts officer who took up the position on 13 November 2023.

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

Approximately 43 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 and meetings with the Guarantee Fund for Non-life Insurers, green card agencies, including the Danish Motor Insurers' Bureau (DFIM), and other national guarantee fund schemes, including the Financial Service Compensation Scheme ("FSCS") (UK), FGAO (France), 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 and the procedure for exchanging insurance claims/claims for return premium between the various guarantee funds and the bankruptcy estate including the process of lodging the subrogation claims of the guarantee fund schemes against the bankruptcy estate and the documentation requirements for the trustee's subsequent examination of the claims. The talks are still taking place.

It is noted in that connection that the various guarantee funds are still examining and paying out cover for insurance claims to the policyholders/claimants, and the trustee is still involved on an ongoing basis in the guarantee funds' processing and payouts of the notified insurance claims. According to the bankruptcy estate's information, return premiums have only been repaid to the policyholders to a limited extent within the past six months.

Finally, the trustee has also had talks with 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.

It is noted that the trustee has received more than 6,500 inquiries in the email inbox that the trustee's office is dealing with on an ongoing basis. Add to this that a large number of emails was also sent to the trustee's office and employees, inquiries over the telephone, post and service of documents.

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

It is noted that 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. According to the bankruptcy estate's information, return premiums have only been repaid to a limited extent in the past six months.

In the previous period, the trustee also continued to ensure that the bankruptcy estate's website (www.alphagroup.dk) is updated with information for the policyholders and the claimants with relevant information about their insurance product and other relevant information about the estate administration.

Approximately 78 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 liaison lawyers 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. Several writs of summons are also being served on the trustee's office.

In the previous period, the trustee and the bankruptcy estate's employees 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 and in compliance with the Danish Bankruptcy Act and the Solvency II Directive.

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 the 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. It is noted that 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.

It is noted that as judgments are being delivered in more legal actions brought after the bankruptcy order the trustee has intensified the focus on the processes and the procedures for entering/registering claims in the bankruptcy estate's register of debts and claims. This work is still taking place.

Avoidance proceedings commenced against the bankruptcy estate after the issue of the bankruptcy order, pending in Auckland, New Zealand

On 26 October 2022, a law suit was filed against Alpha before a court in Auckland, New Zealand, by a bankrupt reinsurer residing in New Zealand. The case is about 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. It is noted in this connection that Alpha has a counterclaim against the bankrupt reinsurer of approximately EUR 50 million.

In the previous period, the trustee had in-depth discussions, meetings over the telephone and correspondence with the bankruptcy estate's liaison lawyers in New Zealand concerning the case and in that connection the trustee has presented his comments on/inputs for the pleadings and submissions. The trustee has hired actuary assistance for the case and the trustee has made financial statements and calculations for the court case including calculations of dividend estimates etc in relation to the bankrupt reinsurer.

The trial hearing was scheduled for 6-9 November 2023 in Auckland and the trustee attended the trial hearing. The judgment is expected to be delivered during the first six months of 2024.

There was also a separate dialogue between the trustee and the liquidator of the bankrupt reinsurer about the balance in the previous period.

Approximately 144 hours in total have been spent by lawyers on legal actions brought after the issue of

the bankruptcy order 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

The trustee continued in the previous period 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. Please find below an account of the court cases that do not concern unearned coverholder commission (described in paragraph 5.1.3.1 above).

The trustee has corresponded and has had discussions 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

Alpha had brought a legal action before it went bankrupt against a former coverholder and claims examiner in Great Britain before the Copenhagen City Court. The case is generally about damages in contract. On 24 August 2018, the bankruptcy estate became a party to the case, see section 136(1) of the Danish Administration of Justice Act.

The claim for payment was adjusted up to the trial hearing before the district court where the claim for payment raised amounted to DKK 116,794,647.06 plus statutory interest from the institution of the case that is composed of 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 and the court found that the coverholder had committed a 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 to the Danish Eastern High Court.

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

On 15 March 2021, the trustee filed the defence in the appeal proceedings and at the same time requested an expert survey and valuation in light of the bankruptcy estate's loss on the effected equipment insurance.

In the previous period, the case was stayed pending the expert survey and valuation, including the appointment of a relevant expert which turned out to be a very complicated process as there were no relevant trade associations that could assist with proposing a suitable expert who has no conflict of interest.

On 17 July 2023, the coverholder went into administration and the matter was stayed pending the decision of the estate under administration on becoming a party to the legal proceedings. The trustee filed the full claim on behalf of the bankruptcy estate against the estate under administration of the coverholder (GBP 20,131,622.03 in total).

On 4 December 2023, the estate under administration informed the trustee that the estate did not want to become a party to the case and continue the case, see section 141(1) of the Bankruptcy Act. Despite the information that the estate under administration did not want to become a party to the case, the estate under administration commented on the case including on the issue of the award of legal costs.

On 17 January 2024, the trustee stated on behalf of the bankruptcy estate that as the estate under administration had not become a party to the case there was no basis for continuing the exchange of pleadings in the case and against such background asked the High Court to deliver a judgment on the evidence.

The bankruptcy estate is therefore currently waiting for the judgment in the case.

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

On 3 May 2019, the trustee brought a legal action on behalf of the bankruptcy estate 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. EUR 12,000 is currently being repaid every month.

As at 31 January 2024, the bankruptcy estate had received EUR 348,000 (approximately DKK 3,171,000) 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

On 26 March 2020, the trustee brought a legal action on behalf of the bankruptcy estate against a former coverholder in England, claiming payment of GBP 4,536,923.95, which was the former coverholder's non-payment of insurance premium to Alpha. Due to the jurisdiction clause of the parties' Binder Agreement, the legal action was brought before the Business and Property Courts of England and Wales. The bankruptcy estate engaged an English lawyer to safeguard Alpha's interests in the case.

The parties subsequently entered into a settlement agreement in the case 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.

As at 31 January 2024, the remaining claim amounted to GBP 225,000.

On 3 January 2024, the coverholder entered into liquidation. In that connection the trustee has spent time on examining the legal status of the bankruptcy estate and the trustee is also in the process of filing the remaining claim against the company in liquidation.

This work is therefore still taking place.

Approximately 48 hours have been spent by lawyers on the above legal actions since the most recent report.

5.1.4.8 *Compliance and audits*

In the previous period, the trustee continued to carry out audits of several of the bankruptcy estate's attached claims examiners where claims handling is still taking place. Audits of six claims examiners were conducted in 2023.

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

In the previous period, the trustee and the bankruptcy estate's employees also continued the 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. This work is important for the ongoing claims handling including in respect of securing the bankruptcy estate's receivable from reinsurers.

In addition to focusing on the quality and progress of the claims handling by the claims examiners, the trustee has updated the instructions based on the experience gained from the audits that were previously carried out.

The trustee and the bankruptcy estate's employees have also spent time on planning the audits for 2024. For the time being, audits of five claims examiners are planned for 2024. Discussions and correspondence about the focal points of the audit are still taking place.

The trustee has also spent time on ensuring that the operations of the bankruptcy estate are wound up in compliance with the General Data Protection Regulation to the widest extent possible.

It entails, among other things, that data processing agreements with the business associates of the bankruptcy estate are drafted and updated. In this connection the work relating to supervision and updating the risk assessment of the claims examiners, drawing up and updating 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. This work will be performed as long as the external claims examiners examine claims.

The trustee has also included taking a decision on the exchange of personal data in connection with various legal actions and investigations, etc.

Approximately 156 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 preparation of the 2023 annual report. The trustee has also had discussions and correspondence with KPMG Accor Tax about the bankruptcy estate's VAT liability and payroll tax liability for 2021 and 2022.

On behalf of the bankruptcy estate KPMG Accor Tax has asked the Danish Tax Agency in that connection to reopen the bankruptcy estate's payroll tax liability for 2021 and has requested repayment of DKK 630,873 for the period in the same connection. The calculation of the payroll tax liability, and consequently the claim for repayment, is based, among other things, on the Danish Tax Agency's binding assessment notice concerning the calculation of the VAT deduction percentage in the bankruptcy estate.

KPMG Accor Tax has also made amended VAT declarations for 2021 on behalf of the bankruptcy estate which means that DKK 10,768,711 is to be repaid to the bankruptcy estate. The Danish Tax Agency has received the underlying documentation of the post-entries on request. The trustee is currently waiting for the decision by the Danish Tax Agency on the amended declarations.

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

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

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 on an ongoing basis.

Reclaiming insurance premium taxes/IPT

In the previous period, the trustee continued to spend time on reclaiming the bankruptcy estate's insurance premium taxes/IPT relating to the terminated policies. In that connection the trustee has been in dialogue with the tax authorities in Great Britain, France and Germany.

As written in the most recent report, the trustee has appealed on behalf of the bankruptcy estate against the rejection by the English tax authorities of the bankruptcy estate's claim for repayment. An extensive amount of time has been spent in the previous period on preparing pleadings and dealing with matters under procedural law. The case is still pending and is handled in collaboration with a local liaison lawyer in Britain.

Moreover, the trustee has appealed on behalf of the bankruptcy estate against the rejection by the French tax authorities of the bankruptcy estate's claim for repayment. As is the case in Britain, this case is being handled by the trustee in collaboration with a local liaison lawyer.

As for the reclaim of premium taxes in Germany, it is noted that the German tax authorities have informed the trustee that a German coverholder has already requested refund of premium taxes, including as a result of the coverholder having been registered as a taxpayer 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 refund. Against this background, the trustee has registered Alpha as an independent taxpayer with the German tax authorities as the registration was necessary for continuing the dialogue. The dialogue with the German tax authorities are therefore still taking place.

The work concerning reclaiming insurance premium taxes/IPT is therefore still taking place.

Approximately 78 hours have been spent by lawyers on such work since the most recent report.

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

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

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

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

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

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

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

5.1.5.1 *Return premium*

In the previous period, the trustee continued to spend time on handling the filed claims for return of premiums against the bankruptcy estate and the Guarantee Fund for Non-life Insurers filed via a shared

web form. Reference is made to the previous reports for a detailed account of the process for filing claims for return premium.

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

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

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

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

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

Approximately 78 hours have been spent by lawyers on such work since the most recent report.

5.1.5.2 Insurance claims

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

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

As a consequence, the trustee stated in the previous period to hold meetings and have discussions with the various guarantee fund schemes about the process of notifying their subrogation claims and the other

claims for documentation as well as the various claims examiners and attorneys concerning the status for the reporting of approved insurance claims not covered by the guarantee funds.

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

But the trustee still expects that a significant number of proofs of claim will be filed against the bankruptcy estate in future and has therefore intensified the focus on the reporting from the respective claims examiners and attorneys because several insurance claims have now been finalised.

Approximately 102 hours have been spent by lawyers on such work since the most recent report.

5.1.5.3 Complaints

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

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.

As at 31 January 2024, 74 complaints had been made and registered in the bankruptcy estate through the complaint form (no changes for the past six months). In connection with the complaint handling procedure the trustee reclassified several cases as they were not actually complaints about rejected insurance coverage but filing of claims for return premium. The processing of the complaints is therefore still taking place.

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

Approximately 133 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

As stated in previous reports, the Danish Guarantee Fund for Non-life Insurers has filed a preliminary claim against the bankruptcy estate of approximately DKK 2.8 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.

The trustee planned a process in agreement with the Guarantee Fund for Non-life Insurers 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. In this connection it has been agreed with the Guarantee Fund for Non-life Insurers 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.

Overall, the trustee's opinion is that the point of view presented by the Guarantee Fund for Non-life Insurers is fundamentally in conflict with the principle of equal treatment under bankruptcy law and is not supported by the necessary statutory authority.

On 21 September 2022, the trustee formally rejected the claim filed by the Guarantee Fund for Non-life Insurers. On 5 October 2022, an examination of claims meeting was held where the trustee maintained the rejection.

On 1 November 2022, the Guarantee Fund for Non-life Insurers lodged a writ of summons against the bankruptcy estate. A defence, a reply and a rejoinder were subsequently filed in the case.

The final hearing of the case will take five days in court and has been scheduled for 7, 8, 14, 15 and 16 May 2024.

It is noted that there has been an extensive exchange of pleadings in the case, see immediately below.

On 27 September 2023, FSCS (the English guarantee fund) filed a request for non-party intervention

with the Bankruptcy Division of the Danish Maritime and Commercial High Court, see section 252(1) and (3) of the Danish Administration of Justice Act, with a request to become an intervener in the case in support of the bankruptcy estate's claims and allegations.

In that connection the trustee has been in dialogue and has had correspondence with the FSCS and the Bankruptcy Division of the Danish Maritime and Commercial High Court about the request for non-party intervention including because the Guarantee Fund for Non-life Insurers disputed that the conditions for non-party intervention had been fulfilled.

The Danish Maritime and Commercial High Court allowed, by a ruling of 9 November 2023, that the FSCS could intervene in the case in support of the bankruptcy estate.

On 6 October 2023, the Guarantee Fund for Non-life Insurers filed Pleading 1 in the case which the trustee reviewed. On 20 November 2023, the trustee filed Pleading A in the case on behalf of the bankruptcy estate.

On 7 December 2023, the FSCS also filed a written submission in the case in support of the bankruptcy estate's points of view.

There have also been discussions on an ongoing basis with the attorney representing the Guarantee Fund for Non-life Insurers, including about various issues in relation to the production of evidence. In this connection the trustee has also been in dialogue with possible relevant witnesses and with FSR - Danske Revisorer (an organisation for auditors in Denmark) and an expert proposed by the latter.

The work in the case is still taking place.

Approximately 100 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

As stated in previous reports, the Guarantee Fund for Non-life Insurers filed a claim on 14 March 2022 of DKK 488.2 million against the bankruptcy estate concerning Danish industrial injury. The claim was filed 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.

In agreement with the Guarantee Fund for Non-life Insurers the trustee has planned, in the same way as described in item 1 above, 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.

On 10 May 2023, the trustee formally rejected the claim filed by the Guarantee Fund for Non-life Insurers. On 1 June 2023, an examination of claims meeting was held at the trustee's office where the trustee maintained the rejection of the claim.

On 27 June 2023, the Guarantee Fund for Non-life Insurers lodged a writ of summons against the bankruptcy estate.

On 4 October 2023, the trustee filed a defence in the case on behalf of the bankruptcy estate.

On 15 November 2023, an interim hearing was held in the case in which connection the final hearing was planned to take four days in court and was scheduled for 4, 5, 11 and 12 September 2024.

On 5 January 2024, the Guarantee Fund for Non-life Insurers filed a reply in the case which the trustee has studied.

The bankruptcy estate's deadline for filing the rejoinder is 8 March 2024. This work started in the previous period.

There have also been discussions on an ongoing basis with the attorney representing the Guarantee Fund for Non-life Insurers, including about various issues in relation to the production of evidence.

Approximately 87 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

As stated in previous reports, the Guarantee Fund for Non-life Insurers filed a claim on 9 July 2022 of approximately DKK 38.5 million against the bankruptcy estate concerning costs paid. The claim contained a number of reservations to file additional claims for costs. On 9 December 2022, the Guarantee Fund for Non-life Insurers adjusted its filed claim to be approximately DKK 91.3 million with a calculation of the costs and other claims.

During 2023 and until 15 November 2023 there was an ongoing dialogue with the Guarantee Fund for Non-life Insurers about the calculation of the amount of the filed claims for costs and the ranking of the claims in the order of priority of creditors as the Guarantee Fund for Non-life Insurers sent corrections

to the bankruptcy estate on an ongoing basis.

The claim for costs currently filed is approximately DKK 100 million which can be broken down into 16 different categories of claims for costs of which the majority is expenses that the Guarantee Fund for Non-life Insurers has paid to various third parties that have assisted with the Guarantee Fund for Non-life Insurers in relation to Alpha's bankruptcy.

In agreement with the Guarantee Fund for Non-life Insurers the trustee has planned, in the same way as for the other two cases, 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 has started the work of drafting a rejection.

The work in the case is still taking place.

Approximately 33 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 written in previous reports, the trustee learned during the proceedings 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 the decision that claims for return premium raised after liquidation has started (the bankruptcy proceedings) are not covered by the definition of an insurance claim of the Solvency II Directive (Article 268(1)(g)).

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

It is the trustee's immediate assessment that the decision by the EFTA Court cannot be taken into account in this bankruptcy estate including because the trustee does not agree with the assessment of the Solvency II Directive. The decisive factor in this connection seems to be that the EFTA Court applies inference *a contrario* based on Article 268(1)(g), second limb, of the Solvency II Directive which is not correct in the trustee's opinion. On the contrary, Article 268(1)(g), second limb, supports in the trustee's

opinion that the claims for return premium are comprised by the definition of "insurance claims" regardless of whether they arose before or after the company went bankrupt.

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

Approximately 79 hours have been spent by lawyers on such work since the most recent report.

5.1.7 Examination of claims

In the previous period, the trustee made preparations for the examination of the filed complaint claims and drafted preliminary recommendations in that connection.

It is noted that several complaints were reclassified in connection with the examination of claims as the claims were actually claims filed for return of premium. A detailed account of the complaints is provided in paragraph 5.1.5.3 above. An examination of claims meeting before the bankruptcy court has not yet been convened, but it is expected that an examination of claims meeting will be convened in 2024.

Work has also started on generally planning the future examination of claims, including dealing with the many foreign creditors and data protection. It is noted that the trustee does not yet know when the examination of the filed claims for return premium and insurance claims can be expected to start as it cannot start before there is an overview of the liabilities which cannot be obtained until all the claims examiners and guarantee fund schemes have finally filed their claims against the bankruptcy estate.

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

Approximately 53 hours have been spent by lawyers on such work since the most recent report.

It means that approximately 2,988 hours in total have been spent on work relating to the registered assets.

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

5.2.1 *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 was 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 took steps to recover the receivable from Intercede assisted by a British lawyer. The liquidator of Intercede was subsequently appointed and the trustee is still awaiting the result of the liquidator's examinations of Intercede's possible assets.

Approximately 17 hours have been spent by lawyers on such work since the most recent report.

5.2.2 *Receivable from Beta Re AG*

When Alpha went bankrupt it had a receivable of DKK 11,817,420.24 from Beta Re AG ("Beta Re").

After the issue of the bankruptcy order, an agreement was entered into on payment of the receivable and the bankruptcy estate received payment of DKK 726,844.34 (inclusive of interest) in that connection.

On 9 March 2021, bankruptcy proceedings were commenced against Beta Re in Switzerland and in that connection the trustee filed Alpha's claim with the Swiss authority that administers the bankruptcy estate of Beta Re.

It was decided in connection with the bankruptcy proceedings against Beta Re, including based on an examination of the payments to and from Beta Re in the period leading up to the company going bankrupt, that the cashflows of Beta Re 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, and in the subsequent period discussions were held between the Swiss bankruptcy authority and the former management and owner of Beta Re about the exact amount of the claim.

On 21 June 2023, Alpha received a dividend amount of DKK 2,823,823.08 from the bankruptcy estate of Beta Re.

A settlement on the payment to Alpha of an additional EUR 180,000 was also entered into on 21 July 2023. The amount was subsequently deposited into the bankruptcy estate's account.

The work relating to the receivable has therefore now been concluded.

Approximately 44 hours have been spent by lawyers on such work since the most recent report.

5.2.3 *Litigation regarding claims for avoidance and repayment*

In the previous period, the trustee has spent time on the pending legal action against a connected person of a former member of the management. An account of the trustee's work can be found in paragraph 3 above.

The trustee's work is still taking place.

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

5.2.4 *Investigations relating to management and auditor liability*

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

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

On 3 March 2021, the trustee consequently brought a legal action on behalf of the bankruptcy estate against the 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.

On 30 June 2021, the members of the management and the former auditor of the company filed defences in the case.

On 8 April 2022, the trustee filed a reply with questions for the expert on behalf of the bankruptcy estate in the legal action. The overall objective of the questions for the expert is to get an independent expert to assess and clarify whether a number of detailed assets and liabilities had been recognised incorrectly/culpable and how, including by which amounts, the respective assets and liabilities should have been recognised. The questions for the expert also concern the calculation of the loss in connection with the continued operations after the point of no return.

On 11 April 2022, the trustee filed a complaint on behalf of the bankruptcy estate with the Danish Disciplinary Board on Auditors concerning the endorsing auditors' report on the 2016 annual reports of Alpha for the purpose of establishing whether the performed audit and the reports made were contrary to generally accepted auditing standards.

On 1 February 2023, the management filed a preliminary rejoinder in the case and on 30 June 2023 the former auditor of the company filed the rejoinder in the legal action.

On 30 June 2023, the endorsing auditors also filed a defence with the Danish Disciplinary Board on Auditors.

As for the trustee's work in the previous period, it is noted that the Copenhagen City Court decided by a ruling of 6 November 2023 that the requested expert survey and valuation was so be suspended pending the decision by the Danish Disciplinary Board on Auditors in the complaint. There has been an exchange of pleadings about a number of procedural questions in connection with the legal action that has been brought including questions about the case pending the ruling by the Danish Disciplinary Board on Auditors and questions about an expert survey and valuation and questions about discovery by litigants in

relation to the former auditor's working papers.

The trustee has also spent time on drafting a reply to the Danish Disciplinary Board on Auditors which was filed on 15 January 2024. The deadline for the endorsing auditors to file the rejoinder with the Danish Disciplinary Board on Auditors is 27 April 2024. A meeting to consider the filed complaint at the Danish Disciplinary Board on Auditors has also been scheduled for 24 June 2024.

A final hearing has not yet been scheduled in the action for damages against the former auditor of Alpha and the two former members of the management as the date for the final hearing of the case will, as mentioned, depend on the decision by the Danish Disciplinary Board on Auditors in the complaint proceedings and the expert survey and valuation.

The work relating to the above court case and complaint proceedings is consequently still taking place.

Approximately 925 hours have been spent by lawyers on such work since the most recent report.

5.2.5 Examination of claims

As stated in paragraph 5.1.5 above, the trustee started the practical work in the previous period of planning the future examination of claims and carried out research of a more legal nature about how to deal with the foreign creditors in that connection. The work in this connection is still taking place.

The trustee also started to examine the claims filed under section 95 of the Bankruptcy Act in the previous period. No examination of claims meeting has yet been convened but it is expected in 2024.

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

5.2.6 Other estate administration

Since the most recent report approximately 98 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, drafting the request for an interim fee and on preparing this report.

It means that 1,112 hours in total have been spent by lawyers on the unencumbered assets since the most recent report.

6. SUMMARY OF THE TIME SPENT

It means that approximately 4,100 hours in total have been spent on the estate administration, including approximately 2,988 hours by lawyers on work relating to the registered assets, see paragraph 1.2 above, and approximately 1,112 hours by lawyers relating to the unencumbered assets, see paragraph 1.3 above, in the period from 1 August 2023 and up to 31 January 2024.

7. INTERIM FEE

On 18 October 2023, the trustee asked the bankruptcy division of the Danish Maritime and Commercial High Court to approve an interim fee of DKK 35 million exclusive of VAT for work performed in the period from 1 October 2020 to 31 January 2022.

The requested interim fee was approved by the bankruptcy court by court records of 1 November 2023 subject to the final approval by the bankruptcy court in connection with the winding-up of the estate. According to the trustee's request and the approval by the bankruptcy court, the fee was paid by DKK 22,511,318.62 exclusive of VAT relating to the registered assets and by DKK 12,488,681.38 exclusive of VAT relating to the unencumbered assets, corresponding to the proportionate calculation of the time spent.

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.

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

As a consequence of the many estimates relating to both the calculation of the assets and the liabilities and the outcome of the pending legal actions, it is still not yet possible to estimate the expected dividend in the bankruptcy estate, including the cover from the registered assets and the unencumbered assets.

It is also not possible at this point in time to estimate when it can be expected that the bankruptcy estate will be wound up.

9. NEXT CREDITOR INFORMATION

The next creditor information under section 125(4) of the Bankruptcy Act will be sent on 8 September 2024 at the latest to the bankruptcy court and the creditors.

Copenhagen, 8 March 2024

Boris Frederiksen
Partner, Attorney