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CVR no. 33039018

17 May 2022
File no. 1042774

Circular letter no. 4 under section 125(4) of the Danish Bankruptcy Act (*konkursloven*)

Gefion Finans A/S under konkurs (*in bankruptcy*)

Name:	Gefion Finans A/S
Former name:	Gefion Insurance A/S
Address:	Sundkrogsgade 21, 2100 Copenhagen Ø Previously: Østergade 10, 2-4., 1100 Copenhagen K
CVR no.:	36016493
VAT registration:	The bankruptcy estate is separately registered for VAT
Trustees:	Boris Frederiksen, Poul Schmith Søren Aamann Jensen, Accura Advokatpartnerselskab
Reference date:	4 June 2021
Date of bankruptcy order:	7 June 2021
Bankruptcy Court case no.:	Danish Maritime and Commercial High Court, K 2157/21-A

As trustees of Gefion Finans A/S ("Gefion") under konkurs (*in bankruptcy*), we with this circular letter a statement of the bankruptcy estate's affairs. Reference is also made to:

- Circular letter no. 1 under section 124(1) of the Bankruptcy Act, which was sent to all known creditors and the bankruptcy court on 9 June 2021.
- Circular letter no. 2 under section 125(1) of the Bankruptcy Act, which was sent to all known creditors and the bankruptcy court on 28 June 2021.
- Circular letter no. 3 under section 125(2) of the Bankruptcy Act, which was sent to all known creditors and the bankruptcy court on 8 October 2021.

1 List of assets and liabilities

The estate's assets and liabilities is stated in EUR with a conversion rate to Danish kroner of 743.65 which was the exchange rate at the date of the bankruptcy order. It should be noted initially that the statement of assets and liabilities is associated with considerable uncertainty as several estimates have been made in relation to future income and claims, including the statement of reinsurance receivables. In addition, the ability of certain debtors to pay amounts due is unknown.

1.1.1 Cash and cash equivalents

At the date of the bankruptcy order, the deposits in Gefion's bank accounts amounted to DKK 41,395,657.72 (equal to EUR 5,568,267). On 31 December 2021, the bankruptcy estate's cash and cash equivalents amounted to EUR 10,957,343.

The increase in cash and cash equivalents is primarily due to payments from Gefion's reinsurance contracts in the total amount of EUR 7,163,272.25 and payments from other receivables from policyholders and insurance agents/brokers in the total amount of EUR 132,160.44.

Gefion's cash and cash equivalents are affected by the current costs related to the continuation of the bankruptcy estate's operations and the winding up of the remaining claims portfolio. Since the date of the bankruptcy order, costs have been incurred in relation to the continuation of the operations in the total amount of EUR 1,922,355.93 which has been deducted from the cash and cash equivalents.

Cash and cash equivalents are included at (calculated at 31 December 2021)	EUR	10,957,343.00
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1.1.2 Funds from reinsurance

Gefion's asset in the form of reinsurance funds consists of (i) the reinsurance share of the technical reserve (expected receivable) and (ii) matured reinsurance receivables from reinsurers. On the date of the bankruptcy order, the total reinsurance funds amounted to EUR 161,303,059.

- (i) The reinsurance share of the technical reserve (expected receivable)

On the date of the bankruptcy order, Gefion had an expected receivable of EUR 140,054,995, calculated for bookkeeping purposes as a share of the provisions for unearned premiums and claims outstanding (the technical reserves). At 31 December 2021, this expected receivable was EUR 132,173,391. The amount of the final receivable will vary depending on the level of the loss in relation to the claims reported and handled.

- (ii) Matured reinsurance receivables

On the date of the bankruptcy order, Gefion's matured receivables from reinsurers amounted to EUR 21,248,064. At 31 December 2021, these receivables amounted to EUR 22,430,429 as a result of the estate's continued claims handling and claims payments made by the local guarantee funds for non-life insurers having matured a part of the expected receivables described in (i).

Reference is also made to paragraph 2.1 concerning the development in this asset.

The total expected reinsurance funds are included at the booked value at 31 December 2021 totalling	EUR	154,603,820.00
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1.1.3 Receivables

Debtors – policyholders

On the date of the bankruptcy order, Gefion's receivables from policyholders amounted to EUR 11,235,808.

At 31 December 2021, these receivables amounted to EUR 14,704,123. The receivables are provisionally included at the booked value.	EUR	14,704,123.00
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Receivables from insurance agents/brokers

On the date of the bankruptcy order, Gefion's receivables from insurance agents/brokers amounted to EUR 25,549,297.

At 31 December 2021, these receivables amounted to EUR 10,783,622.

As part of the administration of the estate, the trustees have examined several of the receivables. Insurance agents/brokers have objected to the claims, and currently no payments of any of these receivables has been made. The trustees are currently assessing the objections and whether further attempts should be made to collect or recover the receivables, including, where appropriate, by filing civil lawsuits, also see paragraph 3.6. In addition to these objections, the development in the receivables is affected by depreciations, as further described in paragraph 2.1.

The receivables are provisionally included at the booked value (at 31 December 2021)	EUR	10,783,622.00
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Account receivable

At 31 December 2020, Gefion had a small receivable from Gefion GICA of DKK 30,652.85. Gefion GICA was dissolved by liquidation on 5 May 2021 without sufficient funds to pay creditors and/or Gefion as its sole owner.	EUR	0.00
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1.1.4 Furniture, fixtures and equipment, ITand operating equipment

Gefion's furniture, fixtures and equipment mainly consisted of office furniture, office supplies and IT equipment. The furniture, fixtures and equipment were assessed during the liquidation. During the liquidation, an agreement on the sale was also concluded against payment of DKK 515,500, equal to EUR 69,320, also see paragraph 4.5 below. The amount was paid into the bankruptcy estate's bank account at the beginning of 2022 and, therefore, has not yet been included in the calculation of the estate's cash and cash equivalents set out in paragraph 1.1.1.	EUR	69,320.00
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1.1.5 Furniture, fixtures and equipment in storage

Gefion has kept old furniture, fixtures and equipment in storage. These items primarily comprised desks and older electronics. The

	trustees have sold the furniture, fixtures and equipment in an auction sale which has resulted in proceeds to the estate of DKK 812.50. The amount was paid to the estate at the beginning of 2022 and, therefore, has not yet been included in the statement of the estate's cash and cash equivalents set out in paragraph 1.1.1.	EUR	109.26
1.1.6	Deposits		
	Gefion operated its business from leased premises located at Østergade 10, 2-4, DK-1100 Copenhagen K. At 31 May 2021, the rent deposit was booked at DKK 441,286.36. The lease agreement provided for a longer period of non-terminability and also imposed a repairing obligation on Gefion. The bankruptcy estate has vacated the leased premises without receiving payment of deposit, see paragraph 4.5 for further details. Accordingly, the deposit does not constitute an asset in the bankruptcy estate.	EUR	0.00
1.1.7	Pending lawsuits		
	A number of lawsuits filed by/against Gefion prior to the bankruptcy are still pending, see paragraph 4.8. The trustees have chosen, <i>inter alia</i> , in concert with the bankruptcy estate Qudos Insurance A/S in bankruptcy to become a party to the in a major ongoing lawsuit involving a litigation value in the order of GBP 8,800,000. The lawsuit has been settled against an agreement that the plaintiffs must pay GBP 2,400,000, of which the bankruptcy estate's share amounts to GBP 666,861.32 (EUR 777,002.07), as further described in paragraph 4.8.2. Moreover, the bankruptcy estate has chosen to appeal against a decision by a court of second instance in Germany, involving a litigation value of EUR 26,000,000, as further described in paragraph 4.8.1. Various lawsuits for the enforcement of subrogation rights in respect of claims payments are also pending, where the trustees continuously assess whether or not to continue these lawsuits. The lawsuits have provisionally been included at a reminder value.	EUR	777,002.07
Total assets (preliminary amount)		EUR	191,895,340.33

It should be noted in relation to the above that the trustees have kept three of Gefion's previous bank accounts open as part of the continued operations. The bankruptcy estate regularly receives payments of receivables, reinsurance receivables, settlement amounts, reimbursements of expenses, etc., and also makes regular payments of costs related to the continued operations. The deposits will, therefore, change concurrently with such movements during the bankruptcy proceedings.

1.2 Liabilities

1.2.1 Pre-preferential claims under section 93 of the Bankruptcy Act

Pre-preferential claims in the total amount of EUR 78,971.98 have been filed against the bankruptcy estate. The costs of the administration of the estate, including in particular salary payments to employees and consultants, payments to external lawyers, claims examiners and expert assistance in connection with the claims handling, have been included in the statement of the estate's cash and cash equivalents.

EUR 78,971.98

1.2.2 Claims from employees under section 95 of the Bankruptcy Act

EUR 40,339.39

1.2.3 Unsecured claims under section 97 of the Bankruptcy Act

EUR 35,620,128.01

1.2.4 Deferred claims under section 98 of the Bankruptcy Act

EUR 151,839,534.79

Total liabilities (preliminary amount)

EUR 187,578,974.17

It should be noted that the above list of the estate's liabilities is preliminary and subject to uncertainty as claims continue to be filed against the bankruptcy estate. This includes claims filed by policyholders and injured parties whose claims have not yet been recorded in the bankruptcy estate's register of claims, but which have been reserved as outstanding claims provisions (technical reserves) in the estate's bookings for the time being. The outstanding claims provisions at 31 December 2021 amounted to EUR 273,000,000, see paragraph 2.2 for further details. The outstanding claims provisions are expected to be counterbalanced by corresponding claims against the bankruptcy estate as the estate's claims handling is completed. This means that there is no prospect of dividends for claims from employees, unsecured claims or deferred claims.

2 Most important accounting figures since latest annual report and significant deviations

The latest annual report is for the period 1 January – 31 December 2019 and was approved at a general meeting held on 15 October 2020.

The table below shows Gefion's assets and liabilities according to the latest annual report at 31 December 2019, the balance sheet at 31 December 2020, the balance sheet at 31 May 2021 and the latest unaudited balance sheet at 31 December 2021.

In general, it is noted that the table below includes expected income from the reinsurance contracts which has not yet been realised and expected payments of claims which have not yet been filed against the bankruptcy estate have also been included. Consequently, there will be significant discrepancies between the bankruptcy estate's statement of assets and liabilities shown in paragraph 1, which includes only claims filed against the estate, and the figures in the table below.

		31 December 2019	31 December 2020	31 May 2021	31 December 2021
Reinsurance of technical reserves and receivables	EUR	289,657,869	177,526,188	161,303,059	154,603,820
Receivables from insurance agents and brokers	EUR	49,910,052	31,123,906	25,549,297	10,783,622
Receivables from policyholders	EUR	22,782,084	12,113,305	11,235,808	14,704,123
Other receivables and assets	EUR	3,388,370	3,461,496	3,136,476	3,084,476
Cash and cash equivalents	EUR	6,847,138	3,066,993	5,568,267	10,957,343
Total assets	EUR	372,585,513	227,291,888	206,792,906	194,133,383

		31 December 2019	31 December 2020	31 May 2021	31 December 2021
Technical reserves (total)	EUR	346,193,867	219,164,813	205,636,430	273,000,923
Other payables	EUR	15,442,108	3,821,602	2,568,680	1,702,715
Reserves from guarantee funds	EUR	0	0	0	30,226,608
Provision for write-downs	EUR	0	0	0	13,219,559
Total liabilities	EUR	361,635,975	222,986,415	208,205,110	318,149,805

Moreover, the table gives rise to the following comments on the significant deviations between the annual report and the unaudited balance sheet, and the bankruptcy estate's current statement of affairs.

2.1 Assets

In the latest annual report at 31 December 2019, Gefion's primary assets consisted of receivables relating to the reinsurance contracts, receivables from insurance agents and external claims handlers, and cash and cash equivalents.

Gefion's total future and matured receivables under the reinsurance contracts show a minor reduction at 31 December 2021, which is primarily related to payments of claims made by the local guarantee funds and, therefore, is counterbalanced by the payments from reinsurers. Such payments are reflected in Gefion's increased cash and cash equivalents which have also been described in paragraph 1.1.1.

The future receivables under the reinsurance contracts are booked as a share of the technical reserves (gross premiums and claims provisions). Gefion's reinsurance receivables at 31 December 2021 have not increased in proportion to the increase in technical reserves as a significant share of the revalued claims relate to policies where the related reinsurance has been commuted prior to the bankruptcy.

As part of the trustees' work to create an overview of Gefion's reserves and expected receivables, an internal audit of the booked receivables from insurance agents and brokers has been carried out. The internal audit identified incorrectly booked and statute-barred receivables from Gefion's agents and a booked receivable against an agent now in bankruptcy. A total of EUR 13,100,000 has been written off as a result thereof. This is also the primary reason for the change in the booked receivables from insurance agents and brokers at 31 December 2021.

2.2 Liabilities

At 31 December 2019, Gefion's primary liabilities consisted of technical reserves (gross premiums and claims provisions) and other payables relating to Gefion's insurance and claims handling activities. The technical reserves are actuarial calculations of the gross premiums and claims provisions solely for bookkeeping purposes as Gefion's final claims liabilities are not known until the claims handling of the remaining claims portfolio has been completed.

Gefion's technical reserves have increased significantly since 31 December 2020 and the commencement of the bankruptcy proceedings mid-2021, which is primarily due to Gefion losing a major lawsuit in Germany immediately prior to the bankruptcy. This resulted in another 18,000 claims against Gefion for which a total amount of EUR 54,100,000 have been reserved. The lawsuit is further described in paragraph 4.8.1 The technical reserves have also increased as a result of provisions for several major claims having escalated as the actual extent of the claims has become evident and, in some circumstances, further capitalised by local guarantee funds having assumed the payment obligation towards the injured parties. This has resulted in additional provisions of EUR 29,900,000. These circumstances has resulted in a total increase in the technical reserves of EUR 84,000,000. The total increase is not reflected in the total technical reserves at 31 December 2021 as payments of claims for damages have been made

concurrently by the local guarantee funds, and this has caused a reduction of the claims outstanding provisions.

The local guarantee funds' recourse claim against the estate in connection with the payments of claims constitutes claims against the estate and have, therefore, been included in and provided for as a provision under liabilities as from 31 December 2021.

To cover expected bad debts, including disputed commission receivables from agents, disputed reinsurance receivables and arrears of premium, an additional amount of EUR 13,200,000 has been reserved to cover such debts.

At 31 December 2021, the booked equity was negative at EUR -124,016,421. The increase in the technical reserves described in this paragraph together with the extraordinary amortisations and depreciation and provision for write-downs have resulted in the most significant change in Gefion's booked equity.

It should be noted in general that the above accounting figures and list of assets under paragraph 1 are based on Gefion's own bookkeeping records and actuarial calculations made by Gefion's own actuary who is still employed by the bankruptcy estate.

3 Administration of estate and time spent

The trustees have spent a substantial amount of time on the continued management of operational matters, including claims handling, discussions and correspondence with the national guarantee funds and green card bureaus, management and negotiations concerning the reinsurance contracts and receivables, continuous correspondence and discussions with contracting parties, ongoing management of employees and handling of lawsuits, which the estate has chosen to become a party to. The work has been performed since the date of the bankruptcy order on 7 June 2021.

Since the latest circular letter, the trustees have spent approx. 8,245 hours on the administration as at 28 February 2022. The hours spent have been distributed on the work described below.

3.1 Overall claims handling

As described in the latest circular letter, Gefion offered insurance products in various European countries, including England, Ireland, France, Germany, Poland, Italy and Denmark prior to the bankruptcy. The insurance products were sold through external agents, and the subsequent handling of claims was primarily undertaken by external claims handlers. In some cases, the claims handling was conducted directly by the agent itself, meaning that the agent's services in actual fact included both the sale of insurances and claims handling. The external claims handlers (who were not also agents) were engaged either directly by the agent or by Gefion.

To the extent possible, the trustees have continued the agreements with the existing claims handlers in the various countries with the aim of limiting the bankruptcy estate's liabilities and securing the bankruptcy estate's assets in the form of reinsurance receivables.

In some jurisdictions, the claims handling has continued through the local, public guarantee funds as a result of national legislation. In these jurisdictions, the trustees have strived to conclude agreements with the local guarantee deliver reporting on their claims handling trustees in order for the estate to continue pursuing reinsurance cover of the claims and in order to secure the bankruptcy estate's underlying data in relation to claims handled by the guarantee funds.

The bankruptcy estate continues to have extensive discussions, correspondence, negotiations and follow-ups with the claims handlers and guarantee funds in each jurisdiction on the continued claims handling and reporting to the reinsurers. The progress and status of the process in the individual jurisdictions are outlined below.

The time spent on this work is approx. 1,791 lawyer hours since the latest circular letter, divided between the seven jurisdictions, as further described below in paragraphs 3.1.1-3.2.7.

3.1.1 Denmark

During the past period, the trustees in concert with the Danish guarantee fund (the Danish Guarantee Fund for Non-life Insurers) have held meetings and had ongoing discussions and correspondence with the bankruptcy estate's Danish claims handler, including in relation to the continued claims handling – both on a general level and in relation to specific claims. The outstanding/open claims are primarily motor third-party liability and comprehensive motor insurance claims.

Furthermore, the trustees have held discussions and corresponded with the Danish guarantee fund and the claims handler concerning the process for paying the eligible claims falling within the scope of cover of the guarantee fund. The trustees have also held extensive discussions with the Danish Motor Insurers' Bureau ("DFIM"), see paragraph 3.2.1 below for more details.

Discussions are ongoing.

3.1.2 England

During the past period, the trustees have held discussions and corresponded with the bankruptcy estate's claims handlers in England, including in relation to the continued claims handling – both on a general level and in relation to specific claims. The outstanding/open claims are primarily motor third-party liability and comprehensive motor insurance claims. Besides, Gefion has written a few latent defects insurances in respect of which there are no open claims and, currently, no such claims are expected to arise.

In securing the continued claims handling, it was necessary to transfer one claims portfolio from one claims handler to another. This work has been completed and all known English claims are currently covered by a claims handling agreement.

3.1.3 Italy

During the past period, the trustees have held discussions and corresponded with the representative of the Italian claims handlers in relation to the future claims handling. There are a few outstanding/open claims concerning ski insurances written.

In this context, it should be noted that the trustees have held a meeting with the Italian Institute for the Supervision of Insurance (IVASS), which has announced that the Italian guarantee fund (Consap-F.G.V.S) does not provide cover for these outstanding claims. Moreover, there are no other national guarantee funds to cover the Italian insurance claims, see paragraph 3.2.3.

Discussions are ongoing.

3.1.4 Germany

As described in the latest circular letter, the German insurance guarantee fund took over the claims handling of the part of the German claims portfolio that falls within the scope of cover of the German guarantee fund, i.e. essentially uncovered motor third party liability claims. This claims handling is conducted by the guarantee fund's own claims handler and independently of the bankruptcy estate. The trustees have not yet been able to obtain an agreement with the guarantee fund on their reporting on claims handling to the bankruptcy estate.

The trustees have concluded an agreement with one of the estate's existing external consultants on the claims handling of the part of the open claims not falling within the scope of cover of the German guarantee fund – essentially uncovered comprehensive motor insurance claims. The claims handling has not yet been initiated as the trustees have not received the necessary claims data from the claims handler who undertook the claims handling prior to the bankruptcy. Negotiations on the transfer of the necessary data to the bankruptcy estate are currently in progress.

The bankruptcy estate's claims handling in Germany is generally impeded by missing data, due in part to Gefion's former claims handler who undertook the claims handling prior to the bankruptcy not providing the data and due in part to insolvency proceedings being commenced in Germany against one of Gefion's prior agent and claims handler in Germany.

During the period, the bankruptcy estate has received several enquiries from former policyholders concerning "no-claims bonus" confirmations. This is due to the fact that the policyholders' must prove to their new insurance companies that no claims have been reported under their previous policies with Gefion. However, since the estate does not have the entire underlying data, the bankruptcy estate is unable to issue such confirmations.

Discussions with the German guarantee fund and the former claims handlers are still ongoing.

3.1.5 Poland

The trustees still have not been able to make contact with the agent who wrote insurances in Poland for Gefion prior to the bankruptcy. Accordingly, it has not been possible for the trustees to obtain access to the data which the agent possesses in respect of the insurances written, and the bankruptcy estate also has not received payment of any part of the approx. PLN 4,000,000 which the agent has wrongfully withheld. The bankruptcy estate is currently still trying to collect the receivable and the missing claims data wrongfully withheld, through an external Polish lawyer and has regular correspondence to that effect.

As described in the latest circular letter, the Polish insurance guarantee fund ("UFG") undertakes the claims handling of the part of the Polish claims portfolio that falls within the scope of cover of UFG, i.e. essentially for uncovered motor third party liability claims from an injured third party. The trustees have held ongoing discussions and corresponded with UFG concerning the fund's reporting on claims handling to the bankruptcy estate, and the bankruptcy estate currently receives monthly reports. Moreover, the trustees are in regular dialogue with UFG concerning other exchange of information relevant to the claims handling, reporting to the reinsurers, payments and other matters.

Furthermore, the trustees are in regular dialogue with an external Polish lawyer about the claims handling with respect to the open claims not falling within the scope of cover of UFG. This essentially concerns comprehensive motor insurance claims, costs relating to lawsuits related to claims and claims that are notified by individuals other than the injured third party. Discussions on the scope of such claims handling are ongoing.

3.1.6 France

In France, claims handling was undertaken by five different claims handlers prior to the bankruptcy, who undertook all claims handling in respect of policies written in France. As previously mentioned, the trustees have decided to continue the claims handling agreements with the existing claims handlers where possible and have also concluded a new claims handler agreement with an existing claims examiner.

Most claims examiners have continued the claims handling as prior to the bankruptcy, except for two of the existing claims examiners who have refused to provide the necessary reporting necessary in relation to reinsurers. The claims handlers has based the refusal, *inter alia*, on the fact that the relevant claims handlers must also report to the local French guarantee fund and consider such reporting to be sufficient. The trustees have held repeated discussions to that effect with the claims examiners and, in one case, have engaged an external French lawyer with a view to obtaining the required reporting.

3.1.7 Ireland

As in the other jurisdictions, Gefion mainly had written motor third party liability insurances in Ireland, but also employee liability, household and public liability insurance policies had been

written to a lesser extent. At the date of the bankruptcy order, the number of open claims was approx. 730. Half of these concerned policies written by Gefion in the form of co-insurance with Qudos Insurance A/S (now in bankruptcy) ("Qudos").

Prior to the bankruptcy, Gefion had three agents and claims handlers in Ireland. The trustees have continued the claims handling agreements with two of these, whereas the last claims handler did not wish to continue undertaking claims handling on the terms agreed. The trustees have transferred this claims portfolio to a new claims handler. The trustees have held discussions with this claims examiner concerning the provision of security for external costs for expert assessments etc. with a view to ensuring the continued support of the claims handling from third parties.

Discussions to that effect are ongoing.

The trustees have held discussions with one of the three Irish claims handlers on the additional workload experienced by the claims examiner as a result of the bankruptcy and the derived Irish claims handling procedure. The discussions have predominantly concerned the identification of the Irish statutory procedures and the specific additional work relating thereto.

3.2 *Guarantee funds*

The trustees have been in contact with the guarantee funds for non-life insurers in the jurisdictions in which Gefion has conducted insurance business in order to determine the scope of cover of the funds and to establish a procedure for their claims payments. The scope of cover varies from one country to the next and has regularly been addressed on a country-by-country basis. The trustees have made regular examinations of the funds' fields of operation and scopes of cover, their status in the bankruptcy estate and the possibility of cooperating with the guarantee funds. The time spent on this work has been included above in paragraph 3.1.

3.2.1 Denmark

During the past period, the trustees have regularly corresponded and held discussions with the Danish guarantee fund (the Danish Guarantee Fund for Non-life Insurers) about the claims falling within the scope of cover of the guarantee fund. The discussions have mainly concerned the establishment of the procedure and the flow of payments for payment of approved claims.

The trustees have also held discussions with the DFIM, which operates as a guarantee fund under the green card system in case of insolvency. The DFIM has been established in accordance with the so-called green card system which ensures acknowledgement of motor third party liability insurance claims taken out with insurance companies in EU member states (and countries who have voluntarily joined the green card system). As a result of the *acquis communautaire* of the green card system and the multilateral agreements concluded with the other guarantee funds, including the guarantee funds within the green card system, the DFIM must provide recourse to several of the guarantee funds who are currently paying motor claims to the injured parties/policyholders in the various jurisdictions. Accordingly, the trustees have ongoing

discussions with the DFIM concerning its status as creditor of the bankruptcy estate and the process of notification of claims against the bankruptcy estate. Discussions are still ongoing.

3.2.2 England

During the past period, the trustees have held weekly meetings with the British guarantee fund (FSCS) on the handling of the claims within the scope of cover of FSCS. During the past period, the discussions mainly concerned the establishment of the procedure and the flow of payments of approved claims as well as discussions about the continued claims handling undertaken by the external claims handlers.

Furthermore, the trustees have held general discussions about the process and the documentation requirements for FSCS's filing of its subrogation claims against the bankruptcy estate. Discussions are still ongoing.

3.2.3 Italy

During the past period, the trustees have held discussions with the Italian Institute for the Supervision of Insurance (IVASS) about the commencement of bankruptcy proceedings and to determine cover by the guarantee fund, if applicable.

In that context, IVASS stated that there are no national guarantee fund schemes in Italy that provide cover to injured parties in Italy, which means that the claims of the Italian injured parties constitute claims against the bankruptcy estate only.

IVASS is kept up to date on the claims handling.

3.2.4 Germany

During the bankruptcy proceedings, the trustees have been engaged in a dialogue with the German guarantee fund (VOH) about the scope of cover of the fund and handling of claims notified under German insurance policies. As described in paragraph 3.1.4 above, Gefion's claims handler in Germany terminated the framework agreement on claims handling immediately after the bankruptcy. VOH has subsequently taken over the handling of claims within the scope of cover of VOH.

Consequently, VOH currently handles injured parties' motor third party liability insurance claims where a third party has sustained property damage or personal injury or where the policyholder has sustained personal injury under the insurance policy. As described above in paragraph 3.1.4, the trustees have been in dialogue with VOH about the possibility of reporting claims etc. to the bankruptcy estate which VOH has rejected so far. As a result of VOH's rejection, the discussions are limited.

3.2.5 Poland

The trustees are still engaged in a dialogue with UFG, as described in paragraph 3.1.5, and the Polish green card bureau "the Polish Motor Insurers' Bureau" ("PBUK").

UFG covers and handles all claims notified by injured parties under motor third party liability insurance policies where the damage or injury was sustained in Poland between a Polish policyholder and a Polish injured party. UFG does this in accordance with the process described in paragraph 3.1.5 above. The trustees have not been informed of any specific limitations of the scope of cover of UFG as long as the damage or injury is covered under a motor third party liability insurance policy. The trustees have ongoing correspondence and discussions with UFG about the exchange of information, handling of claims etc. Furthermore, the trustees have discussions and correspondence concerning complaints about possible incorrect registrations in the public insurance register in Poland. The complaints are filed by policyholders vis-à-vis UFG who will handle them and subsequently notify their position in respect of the complaints to a Polish lawyer engaged by the bankruptcy estate. The trustees have ongoing discussions with the lawyer about whether the bankruptcy estate has any comments to UFG's position on the complaints.

PBUK handles claims covered by the green card system, i.e. claims with a cross-border element. These claims will typically involve damage or injury caused by a Polish policyholder outside Poland or sustained by a Polish policyholder outside Poland. Subject to agreement with the trustees, PBUK regularly reports about such claims and the approval thereof which will be included in the bankruptcy estate's further reporting to the reinsurers.

Discussions with UFG and PBUK are ongoing.

3.2.6 France

The trustees have regularly been in contact with the French guarantee fund for non-life insurers (Fonds de Garantie des Assurances Obligatoires de dommages) ("FGAO") in order to determine the scope of cover of the fund in relation to the French claims. FGAO covers the injured parties' claims in connection with personal injury or property damage under French motor third party liability insurances, except for injury or damage caused to the driver of the insured motor vehicle.

In concert with FGAO and Gefion's external claims handlers, the trustees have established a procedure for notification of processed claims to FGAO to ensure payment of these claims and a procedure for reporting from FGAO to the bankruptcy estate on paid claims.

Under French law, FGAO has taken over the direct handling of notified personal injury claims with a permanent medical impairment rating of 50% or more and similar personal injury claims.

FGAO subrogates into an injured party's claim against the bankruptcy estate to the extent that FGAO has covered the injured party's eligible claim.

Discussions with FGAO are ongoing.

3.2.7 Ireland

The trustees have held discussions with the Irish State Claims Agency (SCA) who manages the Irish guarantee fund (ICF). The discussions were held with a view to determining the scope of cover in Ireland of the guarantee fund and establishing a process for handling claims covered by the guarantee fund.

ICF covers the injured parties' claims under Irish motor third party liability insurances. ICF's payment of claims is governed by a statutory process under Irish law, which means that all eligible claims must be notified to the SCA who will conduct an audit of the reported claims and underlying documentation before the revised claims are presented to the Irish Supreme Court. The Irish Supreme Court will make a final decision on the fund cover and payment in relation to the specific reported claims.

As part of the process, the trustees must deliver an affidavit concerning the claims and the bankruptcy estate's financial position. The trustees have engaged an external lawyer in Ireland who will assist the bankruptcy estate in drafting and submitting such affidavit and in representing the bankruptcy estate before the Irish Supreme Court.

In cooperation with the estate's claims handlers, external lawyer and the SCA, the bankruptcy estate is in the process of preparing the first application for payment to the Irish Supreme Court.

Discussions to that effect are ongoing.

3.3 *GDPR and compliance*

Gefion had several agents and claims handlers who concluded agreements with policyholders and/or handled notified claims on behalf of Gefion prior to the bankruptcy. As part of the continued operations, notified claims are still being handled which entails the processing of personal data. As a result thereof, the trustees have reviewed and examined the need to conclude processor agreements with the bankruptcy estate's contracting parties which e.g. involved obtaining previously concluded agreements and correspondence. The bankruptcy estate's assessment of whether the bankruptcy estate's contracting parties are processors, controllers or independent controllers is made on an ongoing basis.

In that connection, the bankruptcy estate is in the process of assessing whether already concluded processor agreements comply with current rules on personal data protection. The bankruptcy estate regularly monitors the compliance with the relevant processor agreements.

The trustees have also drawn up descriptions of internal processes and guidelines for the bankruptcy estate's processing of personal data of which the bankruptcy estate becomes aware as part of the continued operations. Accordingly, the trustees have drawn up relevant GDPR documentation, including lists, security policies and adjustment of privacy policies, to ensuring that the bankruptcy estate's processing of personal data is in accordance with GDPR and other

relevant legislation. This resulted in a supplement to the documentation which was already available in Gefion at the date of the bankruptcy order.

Finally, the bankruptcy estate has established procedures for handling and answering enquiries from the data subjects, and the work involved in ensuring observance of the data subjects' rights remains ongoing.

The bankruptcy estate's work related to the above will continue until the bankruptcy estate has been wound up.

The time spent on this work is approx. 147 lawyer hours since the last circular letter.

3.4 *Audit*

The trustees in concert with the estate's employees are conducting a larger audit of the claims handling in the estate across jurisdictions in addition to the regular checks and validations carried out by the estate's employees in connection with the general day-to-day claims handling. The purpose of this is to ensure the continued priority given to the winding up of the remaining claims portfolio and to ensure that the claims handling continues at the lowest possible cost to the estate.

Audits will include random checks of individual claims and general evaluations of the claims handling processes. The trustees expect to engage external resources in France, Italy and Poland to address language barriers between the external claims handlers and the estate's English-speaking claims handling team.

The trustees expect to make periodic audits until all claims portfolios have been wound up.

The time spent on this work is approx. 22 lawyer hours since the last circular letter.

3.5 *Reinsurance*

The bankruptcy estate's most significant asset continues to be the receivables relating to the bankruptcy estate's reinsurance contracts for the reinsurance share of the provisions for the premiums claims provisions, see paragraph 1.1.2.

In the past period, the trustees' work with the reinsurance related tasks has resulted in an amount of EUR 7,163,272.25 (at 28 February 2022, a total of DKK 78,314,196) having been paid to the bankruptcy estate from its reinsurers since the commencement of the bankruptcy proceedings and until 31 December 2021.

In the past period, the handling of the reinsurance has focused, and still focuses, on ensuring regular reporting between the bankruptcy estate and its reinsurers in respect of which efforts are made to ensure stable reporting in all jurisdictions. The handling of the regular reporting to the reinsurers depends on the data received by the bankruptcy estate from the agents and claims handlers performing work for the bankruptcy estate as such data form the basis of the

further reporting to the reinsurers. The reporting to the reinsurers has been impeded by the absent or inadequate reporting from the agents and claims examiners in several jurisdictions, see paragraphs 3.1.4-3.1.7.

The reinsurance involves complicated issues which the trustees will regularly assess and deal with in cooperation with employees and consultants who were already employed by/assisted Gefion prior to the bankruptcy. In relation hereto, the trustees have daily discussions with the bankruptcy estate's consultants, reinsurers and brokers concerning reporting, statements, reconciliation, and payment of reinsurance receivables to the bankruptcy estate as well as discussions concerning other relevant reporting and operational matters.

It should be noted in this respect that the reinsurance is primarily regulated by the individual underlying reinsurance contracts made between Gefion and the respective brokers and reinsurers. Several of the contracts are also subject to foreign law as well as trade usage and industry standards pertaining to insurance law.

At the date of Gefion's bankruptcy, several issues had arisen with one of the company's brokers resident in England. The trustees immediately contacted this broker with to clarify and solve such issues so that the historical and future reporting was ensured to the widest extent possible. The trustees' discussions and correspondence with the broker were intensified during the past period with a view to ensuring a stable process and progress of the regular reporting. In addition to this, it should be noted that an English law firm has assisted the trustees with such issues, including in particular with the interpretation of foreign law. The trustees' and the English law firm's discussions and correspondence with the broker have resulted in the bankruptcy estate receiving a large payment from one of the bankruptcy estate's reinsurers which fell due for payment during the prior liquidation period.

Several other issues also exist between the bankruptcy estate and the broker, which the trustees will focus on in the near future in cooperation with the English law firm.

Furthermore, several other issues exist with several of the bankruptcy estate's other brokers. The issues primarily concern the interpretation of the reinsurance contracts on which the parties have not yet agreed and therefore have resulted in late payments from the reinsurers. Such interpretations affect the future payments from the reinsurers. Based on several measures taken by the trustees, the dialogue between the parties has now intensified, and the trustees expect a clarification very soon.

In addition, the trustees have answered various enquiries from brokers and reinsurers who wish to review bordereaux and a large data volume prior to payments being made to the bankruptcy estate of reinsurance amounts due. In that connection, the trustees and the bankruptcy estate's consultants have spent time on retrieving and sending relevant data. The trustees have also clarified and answered questions concerning personal data in connection with the exchange of data.

In addition to the work with the reporting to the reinsurers and the collection of reinsurance receivables etc., the trustees have considered it necessary to draw up process descriptions/supplements to the lists and business procedures already existing. This is to ensure that critical and significant processes being a part of the reporting process in relation to the reinsurance (including know-how) will not be lost in connection with replacement of an employee/consultant in the bankruptcy estate. The trustees in cooperation with the bankruptcy estate's consultants have drawn up such process descriptions and a Flow-Chart of the relevant processes so that all significant processes and know-how are documented.

The trustees regularly assess and consider the process of the bankruptcy estate's collection of receivables, also considering the ongoing contractual relationships with the relevant reinsurers.

The time spent on this work is approx. 1,370 lawyer hours since the last circular letter.

3.6 *Receivables from agents, claims examiners etc.*

At the commencement of the bankruptcy, Gefion had estimated its receivables from various contracting parties at approx. DKK 16,410,000.

Since the commencement of the bankruptcy proceedings, the trustees have become aware that there may be more receivables than those originally included in the DKK 16,410,000. Accordingly, the trustees have made a list of possible receivables which will be examined further. This includes receivables from agents, claims examiners and other contracting parties, including the said receivables from the agent in Poland of PLN 4,000,000, see paragraph 3.1.5, and the receivable from the French claims examiner of approx. EUR 113,000, see paragraph 3.1.6.

The here described receivables are in addition to the expected receivables in connection with the ongoing collection relating to the reinsurance contracts. The trustees' work in that respect continues. Reference is made to paragraph 3.5 above concerning the ongoing work with the collection of reinsurance. Reference is also made to paragraph 1.1.2 above concerning expected receivables in respect of the reinsurance contracts.

Furthermore, Gefion has a receivable from PUKKA (Gibraltar) Ltd (formerly PUKKA Insure Ltd), who is one of Gefion's former agents, of approx. GBP 4,940,000 in respect of received insurance premiums. On 25 November 2021, the parties entered into a settlement according to which PUKKA will pay a total of GBP 1,052,270 to the bankruptcy estate. The payment of the settlement amount will be made in several instalments to the effect that GBP 817,270 will be repaid over 60 months. The first instalment is due for payment on or before 1 October 2023.

The time spent on this work is approx. 64 lawyer hours since the last circular letter.

3.7 *Premium Receivables*

The trustees have engaged external assistance in the various jurisdictions in relation to the collection of premium receivables from former policyholders.

The trustees' work relating to the above focuses on the review of information about possible receivables, correspondence with former and current employees, correspondence and discussions with individuals engaged for external assistance, including external lawyers, in respect of collection of premiums, status of the collection process, access to information about the written insurances, etc.

The time spent on this work relates to the individual jurisdictions and has therefore been included in paragraph 3.1 above.

4 General administration of estate

The work relating to the general administration of the estate has been extensive, and approx. 688 hours have been spent on such work.

Since the last circular letter, the trustees' general administration of the estate has consisted primarily in keeping the register of claims, processing mail, handling of the bankruptcy estate's email inboxes to which various enquiries are sent, management of the bankruptcy estate's e-Boks (*digital mailbox*), correspondence with creditors and public authorities, investigations in relation to possible management liability, further investigations of possible voidable transactions or suspicious circumstances in general and assessment concerning disqualification proceedings.

4.1 Management liability and auditors' liability

During the past period, the trustee Boris Frederiksen, Poul Schmith, has continued the work related to investigating the management liability and auditors' liability.

In this regard, the trustee Boris Frederiksen, Poul Schmith, has identified several issues which has given rise to further investigations. Accordingly, the trustee have worked to clarify and describe relevant factual circumstances with in order to assess whether the identified issues may result in a claim for damages against the company's former management and/or external auditor.

The trustee Boris Frederiksen, Poul Schmith, is still investigating these issues.

The time spent on this work is approx. 1,788 lawyer hours since the last circular letter.

4.2 Investigations of voidable transactions and claims for repayment

During the past period, the trustee Boris Frederiksen, Poul Schmith, has continued the work investigating possible voidable transactions and possible claims for repayment under the rules of the Danish Companies Act (*selskabsloven*) on illegal withdrawal of capital and illegal financing of purchase of treasury shares, see sections 206, 210 and 215 of the Danish Companies Act.

Currently, several possible voidable transactions and possible illegal withdrawals of capital and financing transactions has been identified. However, these will be investigated further.

The time spent on this work is approx. 319 lawyer hours since the last circular letter.

4.3 *Criminal offences, if applicable, and notification to the police*

In the context of ordinary bankruptcy proceedings, the trustee Boris Frederiksen, Poul Schmith, is under an obligation to assess whether to notify the police under section 110(4) of the Bankruptcy Act. The investigations are still ongoing, and no such notification has been made so far.

The time spent on this work is approx. 128 lawyer hours since the last circular letter.

4.4 *Disqualification*

In connection with the bankruptcy proceedings, investigations have been conducted as to whether the management of Gefion has engaged in grossly irresponsible business conduct and, therefore, whether there is basis for instituting disqualification proceedings, see section 125(3) and section 157 of the Bankruptcy Act.

The investigations have included a review of the company's financial position, including in relation to operations, financial management, bookkeeping, presentation of financial statements and calculation of SCR and MCR ratios, and possible illegal withdrawals of capital and/or transactions relating to financing of purchase of treasury shares.

The issue relating to disqualification has been investigated and assessed by the trustee Boris Frederiksen, Poul Schmith. The bankruptcy court will receive separate notification to that effect.

The time spent on this work is approx. 319 lawyer hours since the last circular letter.

4.5 *Management of lease agreements and operating assets*

Prior to the bankruptcy, Gefion conducted business from leased premises located at Østergade 10, DK-1100 Copenhagen K, where the lease agreement comprised the 2nd, 3rd, and 4th floors of the building.

As accounted for in the latest circular letter, the leased premises were amended to comprise only the 2nd floor following the bankruptcy. Since the latest circular letter, the bankruptcy estate has terminated the lease agreement and vacated the leased premises on 28 January 2022, on which date the bankruptcy estate changed its address to shared office premises located at Harbour House I, Sundkrogsgade 21, DK-2100 Copenhagen Ø.

Gefion's furniture, fixtures and equipment in the former leased premises located at Østergade 10 consisted mainly of office furniture, office supplies and IT equipment. Prior to the bankruptcy, the furniture, fixtures and equipment were sold in accordance with a valuation report but

remained in the leased premises for the use of Gefion until its vacation of the leased premises. The furniture, fixtures and equipment were sold for DKK 412,000 exclusive of VAT, and the amount has been paid to the bankruptcy estate in connection with the vacation of the leased premises.

The time spent on this work is approx. 89 lawyer hours since the last circular letter.

4.6 *Management of employees*

At the time of bankruptcy, Gefion had 12 employees in Denmark and England and had concluded agreements with another six independent consultants. To facilitate the continued operation of the bankruptcy estate and thereby in order to limit the liabilities of the bankruptcy estate, the trustees decided to adopt almost all employment and consultancy agreements.

The bankruptcy estate still has six employees in Denmark and England and five external consultants, one of whom has been engaged by the bankruptcy estate following the last circular letter.

The trustees will regularly review the employment terms and the contractual relationships to assess resource requirements of the bankruptcy estate relating to the winding up of the remaining claims portfolio and related work. In this connection, the bankruptcy estate has also concluded consultancy agreements with individual employees, who have terminated their employment contracts with the bankruptcy estate following the bankruptcy, in order to ensure that sufficient knowledge of the bankruptcy estate's operations and history is maintained.

The time spent on this work is approx. 50 lawyer hours since the last circular letter.

4.7 *Management of claims filed against the estate*

At the time of bankruptcy, the total number of open claims reported was about 20,000 – distributed among the seven jurisdictions, including Denmark, France, Ireland, Italy, Poland, England and Germany. About 12,000 of these claims concerned England. In addition, another 18,000 or so claims concerning Germany have been notified during the administration of the estate and relate to a pending lawsuit in Germany, see below.

In the past period, the trustees have continued their work with planning a process for proving the insurance claims against the bankruptcy estate, including the drawing up of procedures for handling of approved claims for damages, complaints concerning rejected claims for damages, and individual return of premium claims.

The trustees have continued the work on setting up a new register of claims for the registration of claims, including the policyholders' return of premium claims and injured parties' claims for damages. In that connection, the trustees have continued to engage external consultants. The trustees regularly register received claims filed with the bankruptcy estate in the estate's register of claims.

With respect to the claims handlers' reporting of claims, the trustees have spent time planning a process for the reporting of approved claims for damages by the claims handlers to the bankruptcy estate. In that connection, the trustees have prepared a specific reporting format to be filled in by the respective claims handlers in respect of each claim and have prepared a process for the reporting of the claims to the bankruptcy estate.

The process for the reporting has been prepared with the assistance of IT experts from the offices of the trustees and external IT consultants. The process has been planned so as to register the approved and final claims in the bankruptcy estate's register of claims through a semi-automatic process. As part of the planning of the reporting process, the trustees, with the assistance of internal IT consultants, have drawn up technical guidelines for file management to be used for reporting the individual claims to the register of claims.

Finally, the trustees have drawn up a web form for the handling of complaints procedures on which the injured party may notify its claim for damages if the claims handler has rejected to process the claim, including considering that the damage or injury pertains to a terminated insurance policy and/or that the injured party disagrees with the claims examiner on the amount of the awarded damages.

When the bankruptcy estate receives complaints procedures through the complaints form, the claim is automatically registered in the bankruptcy estate's register of claims.

Accordingly, the work involved in setting up the new register of claims is still ongoing.

The time spent on this work is approx. 304 lawyer hours since the last circular letter.

4.8 *Lawsuits*

The bankruptcy estate has intervened in a number of lawsuits filed against Gefion prior to the date of the bankruptcy order. In addition, the bankruptcy estate has been sued in a number of cases after the date of the bankruptcy order.

The lawsuits filed against the bankruptcy estate prior to the date of the bankruptcy order concern, to a large extent, rejected claims where the injured party did not agree with the decision made by the claims handler. The trustees regularly review and assess whether the bankruptcy estate should intervene in such lawsuits and have ongoing correspondence and discussions to that effect with the bankruptcy estate's external lawyers in Germany and Poland. In other jurisdictions, the lawsuits are conducted by external lawyers through the respective claims handlers/agents in accordance with the agreements concluded between Gefion and them. With respect to the lawsuits filed after the date of the bankruptcy order, the trustees monitor these lawsuits closely and are involved in the proceedings on an ongoing basis, as the courts should generally dismiss the lawsuits.

In addition to the lawsuits about the rejected claims, two lawsuits are pending against Gefion in which car rental companies have claimed that Gefion is liable to pay compensation on account

of the fact that Gefion stopped writing insurance on 23 March 2020. In these lawsuits, In these lawsuits, Gefion has upheld counterclaims against the opposing parties. The lawsuits are litigated by external lawyers in Germany where the lawsuits are pending.

In addition to the lawsuits filed against Gefion, the trustees have decided to intervene in and continue a number of lawsuits filed by Gefion prior to the commencement of the bankruptcy proceedings. These lawsuits concern the collection of unpaid premiums from a number of German policyholders, cases concerning satisfaction of the right to claim indemnification, a case against an agent based in Gibraltar concerning breach of contract (which has been settled by the trustees), and a major lawsuit in England relating to inefficient claims handling (known as leakage) (see paragraph 4.8.2).

In addition to this, the trustees have decided to file an application for a leave to appeal to a third instance in respect of the lawsuit (Charterline) mentioned in paragraph 4.8.1.

In connection with the lawsuits, the trustees have spent time on discussions and meetings with claims handlers/agents and/or the external lawyers representing the bankruptcy estate in the pending lawsuits.

The time spent on this general work with the lawsuits is approx. 228 lawyer hours since the last circular letter.

4.8.1 Charterline

In regard to lawsuits filed against the bankruptcy estate, one that should be highlighted in particular is the lawsuit filed by Charterline Fuhrpark Service GmbH ("Charterline") against Gefion in Germany on which the trustees have spent time during the past period. In general, the lawsuit concerns the matter of whether Gefion was bound by an insurance framework agreement concluded with Charterline or whether Gefion, as a result of incorrect risk information provided by Charterline to Gefion could terminate the agreement without having to repay premiums/maintain a claim for unpaid premium and claim repayment of paid out claims for damages.

At the court of first instance, the court had ruled in favour of Gefion by its decision of 3 April 2020, which was later set aside by the German court of appeal on 19 May 2021. Like the court of first instance, the court of appeal found that Charterline had provided incorrect information but did not find that Gefion would have abstained from entering into the insurance framework agreement had the correct information been provided. The trustees do not agree with the decision and have applied for permission to bring the lawsuit before the German administrative court as the court of third instance. The work in the period has consisted in preparing and drafting this application in concert with the law firm that represented Gefion in the former instances and a German lawyer with a right of audience before the German Bundesgerichtshof.

The time spent on this work is approx. 32 lawyer hours since the last circular letter.

4.8.2 Lawsuit before the High Court of Justice of England and Wales

As described in the latest circular letter no. 3, at the commencement of the bankruptcy proceedings, a lawsuit was pending before the High Court of Justice of England and Wales, which had been filed against a former agent in England, a claims handler appointed by the agent, a sub-supplier of the claims examiner referred to and finally the agent's liability insurance company (the "Defendants") for inefficient/inadequate claims handling in relation to an insurance portfolio taken out with Gefion or Qudos, as the case may be, as the underwriter.

The claim was based on the Defendants having conducted and/or been responsible for inefficient/defective claims handling which resulted in a leakage for Gefion. Leakage describes the situation where a claim is approved for damage or injury that should not have been covered in whole or in part under the insurance policy, for instance as a result of lack of insurance cover for the damage or injury, or because the claim had been approved at too high an amount. When these circumstances were identified in connection with an ordinary audit of the claims handling, Gefion decided in 2017/2018 to transfer the claims portfolio to another agent.

As it was not possible to reach an amicable settlement of the losses which Qudos/Gefion believed to have sustained in connection with the claims handling, Qudos filed a lawsuit against the Defendants to which Gefion later decided to become a party together with Qudos. At the time of the filing of the lawsuit, the total value of the lawsuit was assessed to be no less than GBP 8.8 million which, in case of the court allowing all Qudos' and Gefion's claims, the amount would be apportioned between Qudos and Gefion on the basis of a specifically agreed apportionment key. Similarly, the ongoing costs relating to the lawsuit would be payable by the two plaintiffs on a *pro rata* basis.

After the commencement of the bankruptcy proceedings, the trustees reviewed the most significant information available in respect of the lawsuit, an assessment of the costs already carried and the expected costs relating to the lawsuit and an assessment of the litigation risk from the English lawyers litigating the lawsuit. On the basis of such information, the trustees decided that the bankruptcy estate of Gefion together with the estate of Qudos were to intervene in the case and continue the lawsuit.

Subsequently, the trustees have participated in several meetings with the English lawyers, reviewed the information and the conclusions of the preliminary investigations carried out by experts and had extensive discussions concerning a possible out-of-court settlement of the matter. Since the latest circular letter, a settlement has been made with the sub-suppliers on closing the lawsuit against their total payment of GBP 2,400,000 to be apportioned between the bankruptcy estates of Gefion and Qudos. Gefion is to receive GBP 666,861.32 of the settlement amount. So far, the amount has been deposited with the bankruptcy estate's external lawyer.

Furthermore, the trustees await payment of approx. GBP 300,145 which constitutes the repayment of amounts previously paid as security for the legal costs to the court in Wales.

The time spent on this work is approx. 19 lawyer hours since the last circular letter.

4.8.3 SIXT GmbH & Co Autovermietung KG

During the past period, the trustees have spent time on several lawsuits filed against Gefion by Gefion's former agent SIXT GmbH & Co Autovermietung KG. The lawsuits concern a combination of several claims against Gefion which include so-called MOD claims, MTPL claims and costs relating to the conclusion of new insurance contracts as a result of Gefion's bankruptcy. By contrast, Gefion has raised a claim for payment of unpaid insurance premiums equal to approx. EUR 2,300,000.

On 26 July 2021, a preliminary meeting was held in Germany between the parties, and it is currently being discussed which claims may be raised during the lawsuit. However, the dates of the trial hearings have not yet been fixed. The lawsuits are expected to be closed within two years.

The time spent on this work is approx. 10 lawyer hours since the last circular letter.

4.8.4 Hermes Concept GmbH

During the past period, the trustees have spent time on a lawsuit filed by Gefion's former agent Hermes Concept GmbH. The lawsuit concerns contract law issues, including contract law penalties and premium claims. The total calculated claim constitutes approx. EUR 5,000,000. The lawsuit is conducted before the Court of Berlin, and the trial hearing has been fixed for 6 May 2022. We expect that the lawsuit will be closed within two years.

The time spent on this work is approx. 13 lawyer hours since the last circular letter.

4.9 *Company Appeals Board's decision*

On 3 February 2022, the Company Appeals Board (*Erhvervsankenævnet*) made a decision on the repeal of the Danish Financial Supervisory Authority's decision of 11 July 2019, which imposed a capital add-on of DKK 39,200,000 on Gefion as a supplement to Gefion's solvency capital requirement.

In that connection, the Company Appeals Board found that the Danish Financial Supervisory Authority specifically did not have the required statutory authority to issue such a capital add-on. The Company Appeals Board's predominant reason for this was that, at the time of the decision made by the Danish Financial Supervisory Authority, there was no basis for assuming that several of the supervisory measures, which were already imposed on Gefion by the Danish Financial Supervisory Authority in a previous governance decision, were inefficient.

Since the last circular letter, the trustee Søren Aamann Jensen has initiated investigations to establish if and how the Company Appeals Board's decision impacted Gefion's subsequent bankruptcy. These investigations are still ongoing.

The time spent on this work is approx. 47 lawyer hours since the last circular letter.

4.10 *Examination of claims*

Since the latest circular letter, the trustees have continuously handled claims filed under section 93 of the Bankruptcy Act. For example, the trustees have reviewed the claims filed in order to determine whether the claims were based on work performed before or after the date of the bankruptcy order on 7 June 2021. In that connection, the trustees have requested that certain creditors periodize claims filed that had not been calculated at the date of the bankruptcy order. The trustees have also requested additional underlying documentation for the claims filed.

Furthermore, the trustees have initiated an examination of a claim filed under section 93 of the Bankruptcy Act. The claim has been filed at DKK 482,265.89, and the examination thereof has not yet been completed.

The time spent on this work is approx. 30 lawyer hours since the last circular letter.

4.11 *Administration of the estate in general*

On a regular basis, the trustees receive enquiries from policyholders and injured parties about the bankruptcy proceedings, including questions about notification of new claims and about damage or injury already sustained. The trustees have set up separate email addresses for attending to the ongoing enquiries from policyholders and creditors.

It should be noted that the enquiries received during the past period have mainly concerned questions about the status of pending claims, requests for transfer of data to local guarantee funds and filing of proofs of claims against the bankruptcy estate. The trustees regularly attend to and answer the enquiries and also make sure, on an ongoing basis, to register claims filed in the register of claims, see paragraph 4.7. Furthermore, in order to inform the parties involved as much as possible of the bankruptcy and its legal effects, the trustees will update the website of the bankruptcy estate regularly with relevant information, see paragraph 4.11.1.

The time spent on this work is approx. 585 lawyer hours since the last circular letter.

4.11.1 *Website*

The trustees regularly receive enquiries from policyholders and injured parties about the bankruptcy proceedings, including questions about the termination of the insurances, notification of new claims, questions about damage or injury already sustained.

In order to inform the parties involved as much as possible of the bankruptcy and its legal effects, the trustees regularly update the bankruptcy estate's website with relevant information.

The time spent on this work is approx. 29 lawyer hours since the last circular letter.

4.11.2 Management of the bankruptcy estate's IT

In the past period, the trustees have spent time on the ongoing management of the bankruptcy estate's IT together with the bankruptcy estate's external supplier of IT services Cura IT A/S.

The work consisted in maintaining Gefion's data in connection with the bankruptcy, converting email accounts and operating the bankruptcy estate's shared disk drives.

The time spent on this work is approx. 92 lawyer hours since the last circular letter.

5 Next circular letter

Circular letter no. 5 will be sent to the bankruptcy court and uploaded on the company's website.

The time spent on this circular letter is approx. 63 lawyer hours since the last circular letter.

6 Creditors' committee

A creditor has requested that a creditors' committee be appointed, see section 108(2) of the Bankruptcy Act. In the light thereof, the Maritime and Commercial High Court decided to appoint the creditors' committee.

The time spent on this work is approx. 18 lawyer hours since the last circular letter

Enquiries about the bankruptcy estate may be made to the trustees, attorney Søren Aamann Jensen and attorney Charlotte Damsbo Lose, Accura Advokatpartnerselskab, Tuborg Boulevard 1, DK-2900 Hellerup, on +45 3945 2800 or by email to clo@accura.dk or to the estate administrator, Jeanette Hansen, on +45 3945 3954 or by email to jhn@accura.dk or to the trustees, attorney Boris Frederiksen and attorney Mathias Juul Holter, Poul Schmith, Kalvebod Brygge 32, DK-1560 Copenhagen V, by email to bor@poulschmith.dk or mho@poulschmith.dk.

Enquiries relating to the filing of claims must be made to gefion-claims@poulschmith.dk.

Yours faithfully

Boris Frederiksen
Partner, Poul Schmith

Søren Aamann Jensen
Partner, Accura Advokatpartnerselskab